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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"),¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission")² 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").³ 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

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Pt. 35.

³ 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. 898.⁴ 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, 2008.⁵ 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

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

⁵ 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. 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.”⁶ 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.”⁷ 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.”⁸ 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

⁶ Order No. 898, at P 138.

⁷ *Id.*

electronically. In accordance with the Commission's regulations,⁹ 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 Region¹⁰ 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

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

¹⁰ 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,

A handwritten signature in blue ink, appearing to read "Michael Brechlin".

Michael Brechlin
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ATTACHMENT A
CLEAN TARIFF ATTACHMENT
ATTACHMENT H-17A

| Formula Rate - Appendix A | | | | Notes | FERC Form 1 | Page # or Instruction | Year |
|------------------------------|---|----------|----------------------|-------|-------------------|-----------------------|----------|
| Shaded cells are input cells | | | | | | | |
| Allocators | | | | | | | |
| 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) | | 0.0000% |
| Plant Allocation Factors | | | | | | | |
| 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 | Gross Plant Allocator | | (Line 9 / Line 6) | | | | 0.0000% |
| 11 | Transmission Net Plant | | (Line 33) | | | | - |
| 12 | Net Plant Allocator | | (Line 11 / Line 8) | | | | 0.0000% |
| Plant Calculations | | | | | | | |
| Plant In Service | | | | | | | |
| 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 | Total Transmission Plant In Service | | (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 | General & Common Plant Allocated to Transmission | | (Line 18 * Line 19) | | | | - |
| 21 | TOTAL Transmission-Related Plant In Service | | (Line 15 + Line 20) | | | | - |
| Accumulated Depreciation | | | | | | | |
| 22 | Transmission Accumulated Depreciation | (Note B) | Attachment 5 | | | | - |
| 23 | Accumulated Depreciation for Transmission Plant Additions Only for Estimate | (Note B) | Attachment 6 | | | | - |
| 24 | Total Transmission Accumulated Depreciation | | (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 | General & Common Allocated to Transmission | | (Line 29 * Line 30) | | | | - |
| 32 | TOTAL Transmission-Related Accumulated Depreciation | | (Line 24 + Line 31) | | | | - |
| 33 | TOTAL Transmission-Related Net Property, Plant & Equipment | | (Line 21 - Line 32) | | | | - |

Adjustment To Rate Base

| | | | | |
|--|---|----------------|-------------------------------------|-------|
| Accumulated Deferred Income Taxes | | (Note R) | | |
| 34 | ADIT net of FASB 106 and 109 | Enter Negative | Attachment 1, Col B, Line 9 | - |
| 35 | Accumulated Deferred Income Taxes Allocated To Transmission | | Line 34 | - |
| CWIP for Incentive Transmission Projects | | | | |
| 36 | CWIP Balance for Current Rate Year | (Note P) | Attachment 6 | - |
| 37 | Total CWIP for Incentive Transmission Projects | | | - |
| 38 | Plant Held for Future Use | (Note C) | Attachment 5 | - |
| Transmission O&M Reserves | | | | |
| 39 | Total Balance Transmission Related Account 242 Reserves | Enter Negative | Attachment 5 | - |
| Prepayments | | | | |
| 40 | Prepayments | (Note A) | Attachment 5 | - |
| 41 | Total Prepayments Allocated to Transmission | | (Line 40) | - |
| Materials and Supplies | | | | |
| 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 | Total Materials & Supplies Allocated to Transmission | | (Line 44 + Line45) | - |
| Cash Working Capital | | | | |
| 47 | Operation & Maintenance Expense | | (Line 75) | - |
| 48 | 1/8th Rule | | x 1/8 | 12.5% |
| 49 | Total Cash Working Capital Allocated to Transmission | | (Line 47 * Line 48) | - |
| 50 | TOTAL Adjustment to Rate Base | | (Lines 35 + 37 + 39 + 41 + 46 + 49) | - |
| 51 | Rate Base | | (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 | - |
| 56 | 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 | - |
| 64 | General & Common Expenses | | (Lines 57 thru 58) - Sum (Lines 59 to 63) | - |
| 65 | Wage & Salary Allocation Factor | | (Line 5) | 0.0000% |
| 66 | 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 | A&G Directly Assigned to Transmission | | (Line 72 * Line 73) | - |
| 75 | Total Transmission O&M | | (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 | Total Transmission Depreciation and Amortization Expense | | (Line 76 + Line 76a + Line 77) | - |
| General Depreciation & Amortization | | | | |
| 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 | General Depreciation Allocated to Transmission | | (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 | Common Depreciation - Electric Only Allocated to Transmission | | (Line 86 * Line 87) | - |
| 89 | Total Transmission Depreciation & Amortization | | (Lines 78 + 83 + 88) | - |
| Taxes Other than Income | | | | |
| 90 | Taxes Other than Income | | Attachment 2 | - |
| 91 | Total Taxes Other than Income | | (Line 90) | - |

Return / Capitalization Calculations

| | | | | |
|--------------------|---|----------------|--|--------|
| Long Term Interest | | | | |
| 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 | Total Long Term Debt Costs | | (Sum lines 92 to 94) - Line 95 - Line 96 + Line 97 | - |
| 99 | Preferred Dividends | Enter Positive | p118-119.29.c | - |
| Common Stock | | | | |
| 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 | 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 | 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 | Total Capitalization | | (Sum Lines 109 to 111) | - |
| 113 | Debt % | | (Line 109 / Line 112) | 0.00% |
| 114 | Preferred % | | (Line 110 / Line 112) | 0.00% |
| 115 | Common % | (Note O) | (Line 111 / Line 112) | 0.00% |
| 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 | Total Return (R) | | (Sum Lines 119 to 121) | - |
| 123 | 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% |
| 132 | ITC Adjustment Allocated to Transmission | | (Line 129 * (1 + Line 130) * Line 131) | - |
| Other Income Tax Adjustments | | | | |
| 132a | Other Income Tax Adjustments | (Note S) | Attachment 5 | - |
| 133 | Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) = | | [Line 128 * Line 123 * (1 - (Line 119 / Line 122))] | - |
| 134 | Total Income Taxes | | (Line 132 + Line 132a + Line 133) | - |

| REVENUE REQUIREMENT | | | | |
|--|--|---|---------|--|
| Summary | | | | |
| 135 | Net Property, Plant & Equipment | (Line 33) | - | |
| 136 | Adjustment to Rate Base | (Line 50) | - | |
| 137 | Rate Base | (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) | - | |
| 143 | Gross Revenue Requirement | (Sum Lines 138 to 142) | - | |
| 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 | Gross Revenue Requirement | (Line 143) | - | |
| 149 | Adjusted Gross Revenue Requirement | (Line 147 * Line 148) | - | |
| 150 | Revenue Credits | Attachment 3 | - | |
| 151 | Net Revenue Requirement | (Line 149 - Line 150) | - | |
| 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 | Net Revenue Requirement | (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 | Net Zonal Revenue Requirement | 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) | - | |
| 170 | Network Service Rate (\$/MW/Year) | (Line 169) | - | |

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' 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 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

| Line # | 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 | ADIT-190 (enter negative) - line 41 | - | - | | - | - | - | - | - | |
| 2 | ADIT- 282 -- line 46 | - | - | | - | - | - | - | - | |
| 3 | ADIT- 283 -- line 59 | - | - | | - | - | - | - | - | |
| 4 | Subtotal -- Sum (line 1 + line 2 + line 3) | - | - | | - | - | - | - | - | |
| 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 | <hr style="border-top: 1px solid black;"/> | | | | - | - | - | - | Enter Column B as a negative on Appendix A, line 34. (Column B = Sum of Columns F through H) |
| | | | | | | 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 |
| | ADIT-190 | | | | | | | | |
| 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 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 | Accrued Franchise Tax | - | - | - | | | | | |
| 47 | Accrued Misc. Taxes | - | - | - | | | | | |
| 48 | Accrued Misc Reserves | - | - | - | | | | - | |
| 49 | XXXX | | | | | | | | |
| 50 | Subtotal - p234 (Sum line 10 through line 49) | - | - | - | - | - | - | - | |
| 51 | Less FASB 109 Above if not separately removed | - | | | | | | | Includes amounts on Lines 10 – 21. |
| 52 | Less FASB 106 Above if not separately removed | - | - | - | | | | - | Includes amount on Line 26. |
| 53 | Total = Line 50 - (Line 52 + line 51) | - | - | - | - | - | - | - | |

| 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 | 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 | Subtotal – p274-275 | - | - | - | - | - | - | - | |
| 57 | Less FASB 109 Above if not separately removed | - | - | - | | | - | | |
| 58 | Less FASB 106 Above if not separately removed | | | - | | | | | |
| 59 | Total = Line 56 - (Line 58 + Line 57) | - | - | - | - | - | - | - | |

| 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 | Gas, Prod Or Other Related | Only Transmission Related | Plant Related | Labor Related | Justification |
| ADIT-283 | | | | | | | | | |
| 60 | Amort Loss on Reacquisition | - | - | - | | | - | | 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 | Partnership investments | - | - | - | - | | | | Difference in book versus tax basis in partnership investments |
| 62 | Regulatory Assets | - | - | - | - | | | | Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense |
| 63 | State Income Taxes | - | - | - | | | - | | Book sale income tax accrued and expensed, tax deduction when paid - relates to all functions |
| 64 | Pension Regulatory asset | - | - | - | | | | - | Regulatory asset associated with adoption of FAS 158 |
| 65 | Prepaid Pension cost | - | - | - | | | | - | Pension assets/liabilities associated with FAS 87 |
| 66 | Other | - | - | - | - | | | | |
| 67 | Subtotal – p276-277 (Form 1-F filer: see note 6, below) | - | - | - | - | - | - | - | |
| 68 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | - | |
| 69 | Less FASB 106 Above if not separately removed | - | | | | | | - | |
| 70 | Total = Line 67 - (Line 69 + line 68) | - | - | - | - | - | - | - | |

ADITC-255

| | Item | Amortization |
|--|-------|--------------|
| | | |
| | | |
| | | |
| Amortization | | |
| Amortization to line 129 of Appendix A | Total | - |
| | | |
| Total | | - |
| | | |
| Total Form No. 1 (p 266-267) | | - |

Difference /1 -

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

| Other Taxes | | FERC Form No. 1 Page 262-263 Col (I) | | Allocator | Allocated Amount |
|-------------------------------------|---|--|---|--------------------------|------------------|
| Plant Related | | | | Gross Plant Allocator | |
| 1 | PA Capital Stock Tax | | - | | |
| 2 | Real Estate | line 11 | - | | |
| 3 | PA PURTA | line 6 | - | | |
| 4 | Total Plant Related -- Sum of line 1 through line 3 | | - | 0.00% | \$ - |
| | | | | Wages & Salary Allocator | |
| 5 | Federal Unemployment | line 2 | - | | |
| 6 | FICA | line 3 | - | | |
| 7 | PA Unemployment | line 8 | - | | |
| 8 | City of Pittsburgh | line 12 | - | | |
| 9 | Total Labor Related -- Sum of line 5 through line 8 | | - | 0.00% | \$ - |
| Other Excluded | | | | All other | |
| 10 | Highway Use | | - | | |
| 11 | Excise Tax on Coal | | - | | |
| 12 | PA Gross receipts Tax | line 7 | - | | |
| 13 | PA Corporate Loans | | - | | |
| 14 | PA Insurance Premiums | | - | | |
| 15 | PA Fuel Use | | - | | |
| 16 | PA Motor Carriers | | - | | |
| 17 | PA Other | line 9 | - | | |
| 18 | WV Franchise | | - | | |
| 19 | WV Income | | - | | |
| 20 | Gross Receipts | | - | | |
| 21 | Total Excluded | | - | 0.00% | |
| 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:

- AAll 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.
- BAny new Taxes Other than Income Tax will be clearly marked and separated in each account from the settled items for review.
- COther 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.
- DOther 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.
- EOther taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- FOther 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.
- GExcludes 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 |
|--|---|-----------------------|----------------------------|---------------|------------------|----------------------|---------|
| Plant Allocation Factors | | | | | | | |
| 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 | | | | |
| Plant In Service | | | | | | | |
| 25 | Common Plant (Electric Only) | (Note A) | p356 | | | | |
| Accumulated Deferred Income Taxes | | | | | | | |
| 42 | Accumulated Investment Tax Credit Account No. 255 | | | | | | |
| Materials and Supplies | | | | | | | |
| 48 | Undistributed Stores Expense | (Note A) Attachment 1 | p227 Footnote Data. & 16.c | | | | |
| Allocated General & Common Expenses | | | | | | | |
| 66 | Plus Transmission Lease Payments | (Note A) | p200-201.4.c | | | | |
| 68 | Common Plant O&M | (Note A) | p356 | | | | |
| Depreciation Expense | | | | | | | |
| 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) | p214 | | | | |

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 |
|--|---------------------------------------|----------|----------------|---------------|-----------------------|---------------------------------|---------|
| Plant Allocation Factors | | | | | | | |
| 6 | Electric Plant In Service | (Note B) | p204-207.104.g | | | | |
| Plant In Service | | | | | | | |
| 19 | Transmission Plant In Service | (Note B) | p204-207.58.g | | | | |
| 25 | Common Plant (Electric Only) | (Note A) | p356 | | | | |
| Accumulated Depreciation | | | | | | | |
| 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 | Transmis sion 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 | | PA | | | | | |
| 0 | Composite | (NoteJ) | 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 Transmissio n 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: | | | Enter S | |
| 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. | | | |
| If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, | | | Or | |
| 2 | the following formula will be used: | Example | Enter S | |
| A | Total investment in substation | 1,000,000 | | |
| 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 | | |
| | | | | 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) | Appendix A, Line 113 | 0.0% |
| 3 | Preferred % | (Line 110 / Line 112) | Appendix A, Line 114 | 0.0% |
| 4 | Common % | (Line 111 / Line 112) | Appendix A, Line 115 | 0.0% |
| 5 | Debt Cost | (Line 92 / Line 109) | Appendix A, Line 116 | 0.00% |
| 6 | Preferred Cost | (Line 99 / Line 110) | Appendix A, Line 117 | 0.00% |
| 7 | Common Cost | Appendix A % plus 100 Basis Pts | Appendix A, Line 118 + 1% | 12.40% |
| 8 | Weighted Cost of Debt | (Line 113 * Line 116) | Appendix A, Line 119 | - |
| 9 | Weighted Cost of Preferred | (Line 114 * Line 117) | Appendix A, Line 120 | - |
| 10 | Weighted Cost of Common | (Line 115 * Line 118) | Line 4 * Line 7 | - |
| 11 | | (Sum Lines 119 to 121) | Sum Lines 8 to 10 | - |
| 12 | | (Line 51 * Line 122) | 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 | Net Plant Allocation Factor | (Line 12) | Appendix A, Line 131 | 0.0000% |
| 21 | ITC Adjustment Allocated to Transmission | (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 | Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) = | | Line 17*Line 12*(1-(Line 8/Line 11)) | - |
| 23 | Total Income Taxes | | (Line 132 + Line 132a + Line 133) | - |

Plant in Service Worksheet

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Details |
|--|--|-----------------|---------------------|----------------------|
| 13 | <u>Calculation of Transmission Plant In Service</u> | Source | Balance For True up | Balance for Estimate |
| | 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 | Transmission Plant In Service | | | - |
| | <u>Calculation of Distribution Plant In Service</u> | 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 | - |
| 16 | Distribution Plant In Service | | | - |
| | <u>Calculation of Intangible Plant In Service</u> | Source | | |
| | December | p204-207.5.b | For | - |
| | December | p204-207.5.g | For | - |
| 16 | Intangible Plant In Service | | | - |
| | <u>Calculation of General Plant In Service</u> | Source | | |
| | December | p204-207.99.b | For | - |
| 16 | December | p204-207.99.g | For | - |
| | General Plant In Service | | | - |
| | <u>Calculation of Production Plant In Service</u> | 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 | - |
| | Production Plant In Service | | | - |

| | | | | |
|----|---|-----------------------|-----|---|
| | <u>Calculation of Common Plant In Service</u> | Source | | |
| | December (Electric Portion) | p356 | For | - |
| | December (Electric Portion) | p356 | For | - |
| 17 | Common Plant In Service | | | - |
| 6 | Total Plant In Service | 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 | Balance For True up | Balance for Estimate |
| | 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 | Transmission Accumulated Depreciation | | - | - |
| | <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 | - |
| | Distribution Accumulated Depreciation | | - | - |
| | <u>Calculation of Intangible Accumulated Depreciation</u> | Source | | |
| | December | Prior year p200-201.21.c | For | - |
| | December | p200-201.21.c | For | - |
| 26 | Accumulated Intangible Depreciation | | - | - |
| | <u>Calculation of General Accumulated Depreciation</u> | Source | | |
| | December | Prior year p219 | For | - |
| | December | p219.28 | For | - |
| 25 | Accumulated General Depreciation | | - | - |

| | | | | |
|--|--|-----------------------|-----|---|
| <u>Calculation of Production Accumulated Depreciation</u> | | 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 | - |
| Production Accumulated Depreciation | | | | - |
| <u>Calculation of Common Accumulated Depreciation</u> | | Source | | |
| | December (Electric Portion) | p356 | For | - |
| | December (Electric Portion) | p356 | For | - |
| 28 | Common Plant Accumulated Depreciation (Electric Only) | | | - |
| 7 | <u>Total Accumulated Depreciation</u> | | | - |
| | | 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 |
|--|---|----------------------------|---------------|------------------|----------------------|---------|
| Plant Allocation Factors | | | | | | |
| 26 | Accumulated Intangible Depreciation | p200-201.21.c | | | | |
| 27 | Accumulated Common amortization – Electric | p356 | | | | |
| 28 | Common Plant Accumulated Depreciation (Electric Only) | p356 | | | | |
| Plant In Service | | | | | | |
| 17 | Common Plant (Electric Only) | p356 | | | | |
| Materials and Supplies | | | | | | |
| 42 | Undistributed Stores Exp | p227 Footnote Data. & 16.c | | | | |
| Allocated General & Common Expenses | | | | | | |
| 55 | Plus Net Transmission Lease Payments | p200-201.4.c | | | | |
| 57 | Common Plant O&M | p356 | | | | |
| Depreciation Expense | | | | | | |
| 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

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

CWIP & Expensed Lease Worksheet

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | Form 1 Amount | CWIP In Form 1 Amount | Expensed Lease in Form 1 Amount | Details |
|--|---|----------------|---------------|-----------------------|---------------------------------|---------|
| 6 | Plant Allocation Factors Total Plant In Service | p204-207.104.g | | | | |
| 13 | Plant In Service Transmission Plant In Service | p204-207.58.g | | | | |
| 17 | Common Plant (Electric Only) | p356 | | | | |
| 22 | Accumulated Depreciation Transmission Accumulated Depreciation | p219.25.c | | | | |

PBOPs Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | Form 1 Amount | PBOBs | All other | Details |
|--|--|----------------|---------------|-------|-----------|---|
| | Allocated General & Common Expenses | | | | | |
| | Account 926 (Prior Year) | 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) | - | | | | This is the increase in PBOP expense permitted in the current year. |
| 5 | Subtract line 4 from the Change in PBOP expense shown above | - | | | | |
| 6 | Enter the result at line 5 on Appendix A, line 62 ONLY if it is positive; otherwise enter zero | - | | | | |
| 59 | Less PBOP Expense in Acct. 926 in Excess of Allowed Amount | - | | | | |

EPRI Dues Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | Form 1 Amount | EPRI Dues | Details |
|--|-------------------------------------|----------|---------------|-----------|---------|
| | Allocated General & Common Expenses | | | | |
| 63 | Less EPRI Dues | 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 | | | | | |
| 67 | Regulatory Commission Exp Account 928 | 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 | | | | | |
| 68 | General Advertising Exp Account 930.1 | p320-323.191.b | - | - | - | None |

MultiState Workpaper

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | State 1 | State 2 | State 3 | State 4 | State 5 | Details |
|--|--|--|---------|---------|---------|---------|---------|---------|
| | Income Tax Rates | | | | | | | |
| | | | PA | | | | | |
| 125 | SIT=State Income Tax Rate or Composite | | 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 |
|--|---|-----------|----------------------------------|---------------------------------------|
| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | | |
| 145 | Excluded Transmission Facilities | | 0 | General Description of the Facilities |
| | 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: | | Or | |
| | | Example | Enter \$ | |
| A | Total investment in substation | 1,000,000 | | |
| 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 | | |
| Add more lines if necessary | | | | |

Transmission Related Account 242 Reserves

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Beg of year | End of Year | End of Year for Est. Average for Final | Allocation | Trans Rltd | Details |
|---|--|--|--|-------------|-------------|--|------------|------------|---------|
| 39 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) | | | | | 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% | - |
| | PA GRT | - | - | - | | |
| Plant Related | Property Insurance | - | - | - | 0.000% | - |
| | | - | - | - | | - |

Materials & Supplies

| 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 |
|--|-----------------------------------|--------------------|-------------|-------------|--|
| | 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

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Total | Allocation | Related |
|--|--------------------------------------|-------|------------|---------|
| 55 | Plus Net Transmission Lease Payments | | | |

Facility Credits under Section 30.9 of the PJM OATT

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Amount | Description & PJM Documentation |
|--|--|--------|---------------------------------|
| 166 | Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT | - | |

PJM Load Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | | | | 1 CP Peak | Description & PJM Documentation |
|--|--|--|--|-----------|--|-------|-----------|---------------------------------|
| 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

| | | | | | Long Term Interest | |
|-----|-----|---|---|----------------------|--------------------|---------------------------------|
| 92 | | | Long Term Interest | Total Column F below | - | |
| 105 | | Long Term Debt | Total Column E below | - | - | |
| | | | | | A | |
| Act | | | List all Bonds in Accounts 221 thru 224 | Principle | Outstanding | Months Outstanding |
| | 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 | - | - | - | E Weighted Outstanding (C*D/12) |
| 222 | | None | - | - | - | F Interest |
| | 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 | Mont h | 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) Accumulated Balance Other Project PIS | (J) Project X CWIP | (K) Project X PIS | (L) Brady PIS | (M) BRADY CWIP | Total |
|-------|-----------------------------|--------------------------|-----------------------|----------------------|----------------------------------|--|------------------------------|--------------------------------|---|-----------------------|----------------------|------------------|----------------------|-------|
| 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 | (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 Trans 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 | | | | - | goes to line 23 of the formula | | | | | |
| | | | | Depreciation Expense = Col P + Col T + Col X | | | | - | 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) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (M) | | Total |
|---|-------------------|-------------------|----------------|---------------|---------------------------|-----------|-----------------------|------------|---------------------|----------------|---------------|-----------|------------|-------|
| | Other Project PIS | other retirements | Project X CWIP | Project X PIS | Project X PIS retirements | Brady PIS | Brady PIS retirements | Brady CWIP | Accumulated Balance | | | Brady PIS | BRADY CWIP | |
| | | | | | | | | | 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 | (O) | (P) = N*O | (Q) | (R) = K | (S) | (T) = R + S | (U) | (V) | (W) | (X) = V + W | (Y) |
|-------|----------------------------|---|-------------------------|--------------|------------------------|--------------------------------|--------------------------------|-----------------|--------------|--------------------------------|-------------------------|-----------------|
| | Total Other Project PIS | Composite Trans Deprec Rate | Depreciation Expense | Accum Deprec | Total Project X PIS | Composite Trans 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 | | | | - | 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 | <u>\$ -</u> | |
| 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 | 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 | | 0.0000% | | |
| | Month | Yr | 1/12 of Step 7 | Interest 35.19a for and 35.19 b March Current Yr | Months | Interest | Refunds Owed |
| | 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) Accumulated Balance | (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 | Total |
| 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 Trans 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

10Rev 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)

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

Post results of Step 3 on PJM web site.

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

| 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 | | |
| | | Fixed Charge Rate (FCR) if not a CIAC | | |
| 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 | | | | | | | |
|---------|--------------------------|-----------|---------------|--------|--------|---|----------------|--------|--------|---|-----------|--------|--------|---|------------|--------|--------|---|---------------------------|--------|--------|-------|---|-------|-----------|------------|
| 6 | Schedule 12 | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 7 | Life | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 8 | CIAC | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 9 | Increased ROE (Basis | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 10 | FCR W base ROE | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 11 | FCR W increased ROE | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 12 | Investment | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 13 | Annual Depreciation Exp | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 14 | Annual Amortization Exp. | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 15 | 13 monthly Avg | | - | | | | - | | | | - | | | | - | | | | - | | | | | | | |
| 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] | Beginning | Deprec | Ending | Amort | 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 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| (A) | (B) | (C) | (D) |
|---------------------------------|-------------------------|-------------------|----------------------|
| Account Number | Depreciation Plant Base | Depreciation Rate | Depreciation Expense |
| Transmission Plant | | | |
| 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 | |
| Subtotal | - | | - |
| General Plant | | | |
| 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 | - |
| Subtotal | - | 3.73 | - |

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

| A | | B | C | D | E |
|-------------------------------|---|------------------------|--|----------------------------|-----------------------------------|
| Impacts on Total Income Taxes | | Source | Deficient or (Excess) ADIT Amortization | Tax Gross-up Percentage | Impact on Income Tax Allowance |
| 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) | | \$ - | | |
| 5 | Total Impact on Tax Expense (with Tax Gross-up) | | | | \$ - 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% |
| Tax Gross-up Percentage (1 / (1-T)) | 140.63% |
| 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) As of Beginning of Test Year | Amortization of Excess / (Deficient) ADIT during Test Year Debit / (Credit) | Deficient / (Excess) ADIT (without Tax Gross-up) As of End of Test Year | 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 | ACCOUNT 254: | | | | | | | | | |
| 2 | Protected Plant-related (Excess) ADIT | TCJA-2017 | ARAM | \$ - | \$ - | \$ - | \$ - | \$ - | Col. F to 1-ADIT, Line 12C, Col H to 1-ADIT, Line 12B Col. F to 1-ADIT, Line 18C, Col H to 1-ADIT, Line 18B | |
| 3 | Unprotected Plant-related (Excess) ADIT | TCJA-2017 | ARAM | - | - | - | - | - | | |
| 4 | Total Plant-related (Excess) ADIT | TCJA-2017 | ARAM | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 5 | Unprotected Non-plant-related (Excess) ADIT | TCJA-2017 | 3 Years | - | - | - | - | - | | |
| 6 | [Reserved for future changes] | | | - | - | - | - | - | | |
| 7 | Total (Excess) ADIT (Account 254) | TCJA-2017 | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 8 | ACCOUNT 182.3: | | | | | | | | | |
| 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 | Total (Excess) ADIT (Account 182.3) | TCJA-2017 | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 12 | Net Deficient / (Excess) Deferred Taxes | | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| | | | | 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

| | A | B | C | D | E | F | G | H | I | J |
|----|--|------------------------------|--|--|---------------------------------------|--|---|---|--|---|
| | Temporary Difference | Account 190, 281, 282 or 283 | Cumulative Temporary Difference at Enactment of TCJA (Pre-tax) | ADIT Balance before TCJA Remeasurement | ADIT Balance after TCJA Remeasurement | Deficient or (Excess) ADIT Due to TCJA (F = D - E) | Protected Deficient or (Excess) ADIT (Portion of F) | Unprotected Deficient or (Excess) ADIT (Portion of F) | Deficient ADIT Recorded to Account 182.3 (prior to tax gross-up) | Excess ADIT Recorded to Account 254 (prior to tax gross-up) |
| | <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> | <u>Note I</u> | <u>Note J</u> |
| 1 | Plant-related Items | | | | | | | | | |
| 2 | Federal Method/Life Basis / Other Differences | | - | - | - | - | - | - | | |
| 3 | Total Plant-related Excess Deferred Taxes | 282 | - | - | - | - | - | - | | - |
| 4 | Non-Plant Related Items: | | | | | | | | | |
| 5 | Reg Asset - Pension | 283 | - | - | - | - | | - | | - |
| 6 | Reg Asset - Comp Absences | 283 | - | - | - | - | | - | | - |
| 7 | Amort on Recquired Debt | 283 | - | - | - | - | | - | | - |
| 8 | Liability - Accrued Misc Reserves | 190 | - | - | - | - | | - | - | |
| 9 | Liability - Healthcare | 190 | - | - | - | - | | - | - | |
| 10 | Liability - Legal | 190 | - | - | - | - | | - | - | |
| 11 | Liability - OPEB | 190 | - | - | - | - | | - | - | |
| 12 | Liability - Injuries & Damages | 190 | - | - | - | - | | - | - | |
| 13 | Liability - Comp Absences | 190 | - | - | - | - | | - | - | |
| 14 | Liability - Accrued Vacation | 190 | - | - | - | - | | - | - | |
| 15 | Liability - Pension | 190 | - | - | - | - | | - | - | |
| 15 | Total Non-Plant Related Deficient or Excess Deferred Taxes | | - | - | - | - | - | - | - | - |
| 16 | Total Deficient and (Excess) ADIT (prior to gross-up or amortization) | | - | - | - | - | - | - | - | - |
| | | | | | | | Col. G + Col. H | | Col. I + Col. J | |
| | | | | | | | = | - | = | - |

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 | | | | | | |
| Allocators | | | | | | |
| 1 | Transmission Wages Expense | | | | p354-355.21.bp354.21.b | - |
| 2 | Total Wages Expense | | | | p354-355.28.bp354.28.b | - |
| 3 | Less A&G Wages Expense | | | | p354-355.27.bp354.27.b | - |
| 4 | Total | | | | (Line 2 - 3) | - |
| 5 | | | | | (Line 1 / Line 4) | 0.0000% |
| Plant Allocation Factors | | | | | | |
| 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 | Gross Plant Allocator | | | | (Line 9 / Line 6) | 0.0000% |
| 11 | Transmission Net Plant | | | | (Line 33) | - |
| 12 | Net Plant Allocator | | | | (Line 11 / Line 8) | 0.0000% |
| Plant Calculations | | | | | | |
| Plant In Service | | | | | | |
| 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 | Total Transmission Plant In Service | | | | (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 | General & Common Plant Allocated to Transmission | | | | (Line 18 * Line 19) | - |
| 21 | TOTAL Transmission-Related Plant In Service | | | | (Line 15 + Line 20) | - |
| Accumulated Depreciation | | | | | | |
| 22 | Transmission Accumulated Depreciation | (Note B) | Attachment 5 | | | - |
| 23 | Accumulated Depreciation for Transmission Plant Additions Only for Estimate | (Note B) | Attachment 6 | | | - |
| 24 | Total Transmission Accumulated Depreciation | | | | (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 | General & Common Allocated to Transmission | | | | (Line 29 * Line 30) | - |
| 32 | TOTAL Transmission-Related Accumulated Depreciation | | | | (Line 24 + Line 31) | - |
| 33 | TOTAL Transmission-Related Net Property, Plant & Equipment | | | | (Line 21 - Line 32) | - |

Adjustment To Rate Base

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

O&M

Transmission O&M

| | | | | |
|----|--|----------|--------------------------|---|
| 52 | Transmission O&M | | p320-323.112.bp321.112.b | - |
| 53 | Less Account 565 | | p320-323.96.bp321.96.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.cp200.4.e | - |

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.bp323.197.b | - |
| 59 | Less PBOP Expense in Acct. 926 in Excess of Allowed Amount | | Attachment 5 | - |
| 60 | Less Property Insurance Account 924 | | p320-323.185.bp323.185.b | - |
| 61 | Less Regulatory Commission Expense Account 928 | (Note E) | p320-323.189.bp323.189.b | - |
| 62 | Less General Advertising Expense Account 930.1 | | p320-323.191.bp323.191.b | - |
| 63 | Less EPRI Dues | (Note D) | p352-353 | - |

General & Common Expenses

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

-

Wage & Salary Allocation Factor

(Line 5)

0.0000%

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 | A&G Directly Assigned to Transmission | | (Line 72 * Line 73) | - |
| 75 | Total Transmission O&M | | (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 | Total Transmission Depreciation and Amortization Expense | | (Line 76 + Line 76a + Line 77) | - |

| | | | | |
|----|---|----------|---------------------------------------|---------|
| 79 | General Depreciation | | Attachment 8, Col. (D) | - |
| 80 | Intangible Amortization | (Note A) | p336-337.1.fp336.1f | - |
| 81 | Total | | (Line 79 + Line 80) | - |
| 82 | Wage & Salary Allocation Factor | | (Line 5) | 0.0000% |
| 83 | General Depreciation Allocated to Transmission | | (Line 81 * Line 82) | - |
| 84 | Common Depreciation - Electric Only | (Note A) | p336-337.11.bp336.11.b | - |
| 85 | Common Amortization - Electric Only | (Note A) | p356 or p336-337.11.dp356 or p336.11d | - |
| 86 | Total | | (Line 84 + Line 85) | - |
| 87 | Wage & Salary Allocation Factor | | (Line 5) | 0.0000% |
| 88 | Common Depreciation - Electric Only Allocated to Transmission | | (Line 86 * Line 87) | - |
| 89 | Total Transmission Depreciation & Amortization | | (Lines 78 + 83 + 88) | - |

Taxes Other than Income

| | | | | |
|----|-------------------------------|--|--------------|---|
| 90 | Taxes Other than Income | | Attachment 2 | - |
| 91 | Total Taxes Other than Income | | (Line 90) | - |

Return / Capitalization Calculations

| | | | | |
|------------------------------|--|----------------|---|---------|
| Long Term Interest | | | | |
| 92 | Long Term Interest | (Note Q) | Attachment 5 | - |
| 93 | Amortization of Debt Discount and Expense | | p114-117.63.cp117.63e | - |
| 94 | Amortization of Loss on Reacquired Debt | | p114-117.64.cp117.64e | - |
| 95 | Less Amort of Gain on Reacquired on Debt-Credit | | p114-117.65.cp117.65e | - |
| 96 | Less Amort of Premium on Debt-Credit | | p114-117.66.cp117.66e | - |
| 97 | Interest on Debt to Associated Companies | | p114-117.67.cp117.67e | - |
| 98 | Total Long Term Debt Costs | | (Sum lines 92 to 94) - Line 95 - Line 96 + Line 97 | - |
| 99 | Preferred Dividends | Enter Positive | p118-119.29.cp118.29e | - |
| Common Stock | | | | |
| 100 | Proprietary Capital | | p112-113.16.cp112.16e | - |
| 101 | Less Accumulated Other Comprehensive Income Account 219 | | p112-113.15.cp112.15e | - |
| 102 | Less Preferred Stock | | (Line 110) | - |
| 103 | Less Account 216.1 | | p112-113.12.cp112.12e | - |
| 104 | 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 | p110-111.81.cp111.81e | - |
| 108 | Plus Gain on Reacquired Debt | | p112-113.61.cp113.61e | - |
| 109 | Total Long Term Debt | | Sum (Lines 105 to Line 108) | - |
| 110 | Preferred Stock | | p112-113.3.cp112.3e | - |
| 111 | Common Stock | | (Line 104) | - |
| 112 | Total Capitalization | | (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 | Total Return (R) | | (Sum Lines 119 to 121) | - |
| 123 | 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% |
| 132 | ITC Adjustment Allocated to Transmission | | (Line 129 * (1 + Line 130) * Line 131) | - |
| Other Income Tax Adjustments | | | | |
| 132a | Other Income Tax Adjustments | (Note S) | Attachment 5 | - |
| 133 | Income Tax Component = CIT = (T/1-T) * Investment Return * (1-(WCLTD/R)) = | | [Line 128 * Line 123 * (1 - (Line 119 / Line 122))] | - |
| 134 | Total Income Taxes | | (Line 132 + Line 132a + Line 133) | - |

| REVENUE REQUIREMENT | | | | |
|--|--|---|---------|--|
| Summary | | | | |
| 135 | Net Property, Plant & Equipment | (Line 33) | - | |
| 136 | Adjustment to Rate Base | (Line 50) | - | |
| 137 | Rate Base | (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) | - | |
| 143 | Gross Revenue Requirement | (Sum Lines 138 to 142) | - | |
| 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 | Gross Revenue Requirement | (Line 143) | - | |
| 149 | Adjusted Gross Revenue Requirement | (Line 147 * Line 148) | - | |
| 150 | Revenue Credits | Attachment 3 | - | |
| 151 | Net Revenue Requirement | (Line 149 - Line 150) | - | |
| 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 | Net Revenue Requirement | (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 | Net Zonal Revenue Requirement | 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) | - | |
| 170 | Network Service Rate (\$/MW/Year) | (Line 169) | - | |

- 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~~ 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~~ 266.8.f)
multiplied by (1/1-T). A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE will be supported in the original filing and no change in ROE will be made absent a Section 205 filing at FERC.
- K Education and outreach expenses relating to transmission, for example siting or billing.
- L As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on line 54. If they are booked to Acct 565, they are included on line 54.
- O The equity component of DLC' capital structure shall not be greater than 59 percent, nor less than 45 percent, regardless of Duquesne's actual capital structure. When DLC's equity component falls within the stated range, DLC shall use its actual capital structure.

The input value on line 100 -- Proprietary Capital -- shall be adjusted so that the equity percentage shown on line 115 will be 45% if the actual equity percentage is less than 45% or 59% if the actual equity percentage is above 59%.
- P Include on line 36, the 13 monthly average CWIP balance on Attachment 6 for FERC authorized incentive transmission projects shown on Attachment 6.
- Q DLC will include interest associated with debt that is outstanding using 13 monthly averages at the end of the FERC Form No. 1 year. Therefore only interest included in column I on page ~~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

| Line # | 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 | ADIT-190 (enter negative) - line 41 | - | - | - | | - | - | - | - | |
| 2 | ADIT- 282 -- line 46 | - | - | - | | - | - | - | - | |
| 3 | ADIT- 283 -- line 59 | - | - | - | | - | - | - | - | |
| 4 | Subtotal -- Sum (line 1 + line 2 + line 3) | - | - | - | | - | - | - | - | |
| 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 | | | | | - | - | - | - | Enter Column B as a negative on Appendix A, line 34. (Column B = Sum of Columns F through H) |
| | | | | | | 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 |
| | | | | | | | | | |
| ADIT-190 | | | | | | | | | |
| 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 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 | Accrued Franchise Tax | - | - | - | | | | | |
| 47 | Accrued Misc. Taxes | - | - | - | | | | | |
| 48 | Accrued Misc Reserves | - | - | - | | | | - | |
| 49 | XXXX | | | | | | | | |
| 50 | Subtotal - p234 (Sum line 10 through line 49) | - | - | - | - | - | - | - | |
| 51 | Less FASB 109 Above if not separately removed | - | | | | | | | Includes amounts on Lines 10 – 21. |
| 52 | Less FASB 106 Above if not separately removed | - | - | - | | | | - | Includes amount on Line 26. |
| 53 | Total = Line 50 - (Line 52 + line 51) | - | - | - | - | - | - | - | |

| 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 | Gas, Prod Or Other Related | Only Transmission Related | Plant Related | Labor Related | Justification |
| ADIT- 282 | | | | | | | | |
| | | | | | | | | 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. |
| 54 | Accelerated Depreciation – Transmission | - | - | - | - | | | |
| | | | | | | | | 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. |
| 55 | Accelerated Depreciation – Distribution/Other | - | - | - | - | | | |
| 56 | Subtotal – p274-275 p275 | - | - | - | - | - | - | |
| 57 | Less FASB 109 Above if not separately removed | - | - | - | | - | | |
| 58 | Less FASB 106 Above if not separately removed | | | - | | | | |
| 59 | Total = Line 56 - (Line 58 + Line 57) | - | - | - | - | - | - | |

| 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 | Gas, Prod Or Other Related | Only Transmission Related | Plant Related | Labor Related | Justification |
| ADIT-283 | | | | | | | | |
| 60 | Amort Loss on Reacquisition | - | - | - | | - | | 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 | Partnership investments | - | - | - | - | | | Difference in book versus tax basis in partnership investments |
| 62 | Regulatory Assets | - | - | - | - | | | Asset due to rate regulated capitalization of incurred costs that would otherwise be charge to expense |
| 63 | State Income Taxes | - | - | - | | - | | Book sale income tax accrued and expensed, tax deduction when paid - relates to all functions |
| 64 | Pension Regulatory asset | - | - | - | | | - | Regulatory asset associated with adoption of FAS 158 |
| 65 | Prepaid Pension cost | - | - | - | | | - | Pension assets/liabilities associated with FAS 87 |
| 66 | Other | - | - | - | - | | | |
| 67 | Subtotal – p276-277 p277 (Form 1-F filer: see note 6, below) | - | - | - | - | - | - | |
| 68 | Less FASB 109 Above if not separately removed | - | - | - | - | - | - | |
| 69 | Less FASB 106 Above if not separately removed | - | | | | | - | |
| 70 | Total = Line 67 - (Line 69 + line 68) | - | - | - | - | - | - | |

ADITC-255

| | Item | Amortization |
|---|-------|--------------|
| | | |
| | | |
| | | |
| Amortization | | |
| Amortization to line 129 of Appendix A | Total | - |
| | | |
| Total | | - |
| | | |
| Total Form No. 1 (p 266-267 266 & 267) | | - |

Difference /1 -

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

Other Taxes

Allocator

Allocated
Amount

Plant Related

Gross Plant Allocator

| | | | |
|---|---|----------------------|---|
| 1 | PA Capital Stock Tax | line 15 | - |
| 2 | Real Estate | line 1133 | - |
| 3 | PA PURTA | line 613 | - |
| 4 | Total Plant Related -- Sum of line 1 through line 3 | | - |

0.00%

\$ -

Wages & Salary Allocator

| | | | |
|---|---|----------------------|---|
| 5 | Federal Unemployment | line 24 | - |
| 6 | FICA | line 35 | - |
| 7 | PA Unemployment | line 818 | - |
| 8 | City of Pittsburgh | line 1234 | - |
| 9 | Total Labor Related -- Sum of line 5 through line 8 | | - |

0.00%

\$ -

Other Excluded

All other

| | | | |
|----|-----------------------|---------------------|---|
| 10 | Highway Use | line 6 | - |
| 11 | Excise Tax on Coal | line 7 | - |
| 12 | PA Gross receipts Tax | line 714 | - |
| 13 | PA Corporate Loans | line 16 | - |
| 14 | PA Insurance Premiums | line 17 | - |
| 15 | PA Fuel Use | line 19 | - |
| 16 | PA Motor Carriers | line 20 | - |
| 17 | PA Other | line 921 | - |
| 18 | WV Franchise | line 26 | - |
| 19 | WV Income | line 27 | - |
| 20 | Gross Receipts | 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 |
|--|---|-----------------------|---|---------------|------------------|----------------------|---------|
| Plant Allocation Factors | | | | | | | |
| 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 | | | | |
| Plant In Service | | | | | | | |
| 25 | Common Plant (Electric Only) | (Note A) | p356 | | | | |
| Accumulated Deferred Income Taxes | | | | | | | |
| 42 | Accumulated Investment Tax Credit Account No. 255 | | | | | | |
| Materials and Supplies | | | | | | | |
| 48 | Undistributed Stores Expense | (Note A) Attachment 1 | p227 Footnote Data.6-e & 16.c | | | | |
| Allocated General & Common Expenses | | | | | | | |
| 66 | Plus Transmission Lease Payments | (Note A) | p200- 201 .4.c | | | | |
| 68 | Common Plant O&M | (Note A) | p356 | | | | |
| Depreciation Expense | | | | | | | |
| 88 | Intangible Amortization | (Note A) | p336- 337 .1.d&e | | | | |
| 92 | Common Depreciation – Electric Only | (Note A) | p336- 337 .11.b p356 or p336- | | | | |
| 93 | Common Amortization – Electric Only | (Note A) | 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 |
|--|---------------------------------------|----------|-----------------------------|---------------|-----------------------|---------------------------------|---------|
| Plant Allocation Factors | | | | | | | |
| 6 | Electric Plant In Service | (Note B) | p 204 -207.104.g | | | | |
| Plant In Service | | | | | | | |
| 19 | Transmission Plant In Service | (Note B) | p 204 -207.58.g | | | | |
| 25 | Common Plant (Electric Only) | (Note A) | p356 | | | | |
| Accumulated Depreciation | | | | | | | |
| 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 | Transmis sion Related | Non- transmission Related | Details |
|--|-----|--|---------------|-----------------------------|---------------------------------|------------------------|
| Directly Assigned A&G Regulatory Commission Exp Account | | | | | | |
| 77 | 928 | (Note G) p320-323.189.b <p>324.189.b</p> | | | | 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 General Advertising Exp Account | | | | | | |
| 81 | 930.1 | (Note F) p320-323.191.b <p>324.191.b</p> | | | | |

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 | | | | | | | | |
| SIT=State Income Tax Rate or Composite | | | PA | | | | | |
| 130 | | (NoteJ) | 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 <p>324.191.b</p> | | | | |

Excluded Plant Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | Excluded Transmissio n Facilities | Description of the Facilities |
|--|--|-----------|---|---------------------------------------|
| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | | General Description of the Facilities |
| 150 | Excluded Transmission Facilities | | | |
| Instructions: | | | Enter \$ | |
| 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. | | | |
| If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, | | | Or | |
| 2 | the following formula will be used: | Example | Enter \$ | |
| A | Total investment in substation | 1,000,000 | | |
| 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 | | |
| | | | | 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) | Appendix A, Line 113 | 0.0% |
| 3 | Preferred % | (Line 110 / Line 112) | Appendix A, Line 114 | 0.0% |
| 4 | Common % | (Line 111 / Line 112) | Appendix A, Line 115 | 0.0% |
| 5 | Debt Cost | (Line 92 / Line 109) | Appendix A, Line 116 | 0.00% |
| 6 | Preferred Cost | (Line 99 / Line 110) | Appendix A, Line 117 | 0.00% |
| 7 | Common Cost | Appendix A % plus 100 Basis Pts | Appendix A, Line 118 + 1% | 12.40% |
| 8 | Weighted Cost of Debt | (Line 113 * Line 116) | Appendix A, Line 119 | - |
| 9 | Weighted Cost of Preferred | (Line 114 * Line 117) | Appendix A, Line 120 | - |
| 10 | Weighted Cost of Common | (Line 115 * Line 118) | Line 4 * Line 7 | - |
| 11 | | (Sum Lines 119 to 121) | Sum Lines 8 to 10 | - |
| 12 | | (Line 51 * Line 122) | 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 | Net Plant Allocation Factor | (Line 12) | Appendix A, Line 131 | 0.0000% |
| 21 | ITC Adjustment Allocated to Transmission | (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 | Income Tax Component = CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) = | | Line 17*Line 12*(1-(Line 8/Line 11)) | - |
| 23 | Total Income Taxes | | (Line 132 + Line 132a + Line 133) | - |

Plant in Service Worksheet

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Details |
|--|--|-----------------------------------|---------------------|----------------------|
| | <u>Calculation of Transmission Plant In Service</u> | Source | Balance For True up | Balance for Estimate |
| | December | p204-207.58.bp206.58-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.gp207.58-g | For | - |
| 13 | Transmission Plant In Service | | | - |
| | <u>Calculation of Distribution Plant In Service</u> | Source | | |
| | December | p204-207.75.bp206.75-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.gp207.75-g | For | - |
| | Distribution Plant In Service | | | - |
| | <u>Calculation of Intangible Plant In Service</u> | Source | | |
| | December | p204-207.5.bp204.5-b | For | - |
| | December | p204-207.5.gp205.5-g | For | - |
| 16 | Intangible Plant In Service | | | - |
| | <u>Calculation of General Plant In Service</u> | Source | | |
| | December | p204-207.99.bp206.99-b | For | - |
| | December | p204-207.99.gp207.99-g | For | - |
| 16 | General Plant In Service | | | - |
| | <u>Calculation of Production Plant In Service</u> | Source | | |
| | December | p204-207.46.bp204.46-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.gp205.46-g | For | - |
| | Production Plant In Service | | | - |

| | | | | |
|----|---|-----------------------|-----|---|
| | <u>Calculation of Common Plant In Service</u> | Source | | |
| | December (Electric Portion) | p356 | For | - |
| | December (Electric Portion) | p356 | For | - |
| 17 | Common Plant In Service | | - | - |
| 6 | Total Plant In Service | 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 | Balance For True up | Balance for Estimate |
| | 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 | Transmission Accumulated Depreciation | | - | - |
| | <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 | - |
| | Distribution Accumulated Depreciation | | - | - |
| | <u>Calculation of Intangible Accumulated Depreciation</u> | Source | | |
| | December | Prior year p200-201.21.c | For | - |
| | December | p200-201.21.c | For | - |
| 26 | Accumulated Intangible Depreciation | | - | - |
| | <u>Calculation of General Accumulated Depreciation</u> | Source | | |
| | December | Prior year p219 | For | - |
| | December | p219.28 | For | - |
| 25 | Accumulated General Depreciation | | - | - |

| | | | | |
|---|--|--------|-----------------------|---|
| <u>Calculation of Production Accumulated Depreciation</u> | | 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 | - | - |
| Production Accumulated Depreciation | | | - | - |
| <u>Calculation of Common Accumulated Depreciation</u> | | Source | | |
| December (Electric Portion) | p356 | For | - | |
| December (Electric Portion) | p356 | For | - | - |
| 28 | Common Plant Accumulated Depreciation (Electric Only) | | - | - |
| 7 | <u>Total Accumulated Depreciation</u> | | Sum of averages above | - |

| Electric / Non-electric Cost Support | | | | | Form 1 Amount | Electric Portion | Non-electric Portion | Details |
|--|---|--|--|---------------------------------|------------------|---------------------|-------------------------|---------|
| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | | | | | |
| Plant Allocation Factors | | | | | | | | |
| 26 | Accumulated Intangible Depreciation | | | p200-201.21.c | | | | |
| 27 | Accumulated Common amortization – Electric | | | p356 | | | | |
| 28 | Common Plant Accumulated Depreciation (Electric Only) | | | p356 | | | | |
| Plant In Service | | | | | | | | |
| 17 | Common Plant (Electric Only) | | | p356 | | | | |
| Materials and Supplies | | | | | | | | |
| 42 | Undistributed Stores Exp | | | p227 Footnote Data.6.e & 4516.c | | | | |
| Allocated General & Common Expenses | | | | | | | | |
| 55 | Plus Net Transmission Lease Payments | | | p200-201.4.c | | | | |
| 57 | Common Plant O&M | | | p356 | | | | |
| Depreciation Expense | | | | | | | | |
| 80 | Intangible Amortization | | | p336-337p336.1.d&e | | | | |
| 84 | Common Depreciation – Electric Only | | | p336-337p336.11.b | | | | |
| 85 | Common Amortization – Electric Only | | | p356 or p336-337p336.11.d | | | | |

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

CWIP & Expensed Lease Worksheet

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | CWIP In Form 1 Amount | Expensed Lease in Form 1 Amount | Details |
|--|---------------------------------------|--|----------------|---------------|-----------------------|---------------------------------|---------|
| Plant Allocation Factors | | | | | | | |
| 6 | Total Plant In Service | | p204-207.104.g | | | | |
| Plant In Service | | | | | | | |
| 13 | Transmission Plant In Service | | p204-207.58.g | | | | |
| 17 | Common Plant (Electric Only) | | p356 | | | | |
| Accumulated Depreciation | | | | | | | |
| 22 | Transmission Accumulated Depreciation | | p219.25.c | | | | |

PBOPs Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | PBOBs | All other | Details |
|--|---|------|---|---------------|-------|-----------|--------------|
| Allocated General & Common Expenses | | | | | | | |
| | Account 926 (Prior Year) | | 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) | - | This is the increase in PBOP expense permitted in the current year. | | | | |
| 5 | Subtract line 4 from the Change in PBOP expense shown above | - | | | | | |
| 6 | Enter the result at line 5 on Appendix A, line 62 <u>ONLY</u> if it is positive; otherwise enter zero | | | | | | |
| 59 | Less PBOP Expense in Acct. 926 in Excess of Allowed Amount | - | | | | | |

EPRI Dues Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | Form 1 Amount | EPRI Dues | Details |
|--|----------------|--|----------|---------------|-----------|---------|
| Allocated General & Common Expenses | | | | | | |
| 63 | Less EPRI Dues | | 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 | | | | | | | |
| 67 | Regulatory Commission Exp Account 928 | | 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 | | | | | | | |
| 68 | General Advertising Exp Account 930.1 | | p320-323.191.b | - | - | - | None |

MultiState Workpaper

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | State 1 | State 2 | State 3 | State 4 | State 5 | Details |
|--|--|--|--|---------|---------|---------|---------|---------|---------|
| Income Tax Rates | | | | | | | | | |
| | | | | PA | | | | | |
| 125 | SIT=State Income Tax Rate or Composite | | | 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 |
|---|---|----------------|----------------------------------|---------------------------------------|
| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | | |
| 145 | Excluded Transmission Facilities | | 0 | General Description of the Facilities |
| | 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: | | Or | |
| | | Example | Enter \$ | |
| A | Total investment in substation | 1,000,000 | | |
| 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 | | |
| | | | Add more lines if necessary | |

Transmission Related Account 242 Reserves

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | Beg of year | End of Year | End of Year for Est. Average for Final | Allocation | Trans Rltd | Details |
|--|--|----------------------------------|-------------|-------------|--|------------|------------|---------|
| 39 | Transmission Related Account 242 Reserves (exclude current year environmental site related reserves) | | 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% | - |
| | PA GRT | - | - | - | | |
| Plant Related | Property Insurance | - | - | - | 0.000% | - |
| | | - | - | - | | - |

Materials & Supplies

| 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 |
|--|-----------------------------------|-------------|-------------|--|
| | Assigned to O&M | - | - | - |
| | Stores Expense Undistributed | - | - | - |
| 42 | Undistributed Stores Exp | 0 | - | - |
| 45 | Transmission Materials & Supplies | - | - | - |

Adjustments to Transmission O&M

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Total | Allocation | Related |
|--|--------------------------------------|-------|------------|---------|
| 55 | Plus Net Transmission Lease Payments | | | |

Facility Credits under Section 30.9 of the PJM OATT

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | Amount | Description & PJM Documentation |
|--|--|--------|---------------------------------|
| 166 | Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT | - | |

PJM Load Cost Support

| Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions | | | | | 1 CP Peak | Description & PJM Documentation |
|--|--|-----------|--|-------|-----------|---------------------------------|
| 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.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 | |
|--|-----|----------------|---|----------------------|-------------|--------------------|---|
| 92 | | | Long Term Interest | Total Column F below | | - | |
| 105 | | Long Term Debt | Total Column E below | - | | - | |
| | Act | | List all Bonds in Accounts 221 thru 224 | Principle | Outstanding | Months Outstanding | A |
| | | 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) Accumulated Balance Other Project PIS | (J) Project X CWIP | (K) Project X PIS | (L) Brady PIS | (M) BRADY CWIP | Total |
|-------|-----------------------------|--------------------------|--|----------------------|----------------------------------|------------------|------------------------------|--------------------------------|---|-----------------------|----------------------|------------------|----------------------|-------|
| 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 | (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 Trans 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 | | | - | goes to line 23 of the formula | | | | | | |
| | | | | Depreciation Expense = Col P + Col T + Col X | | | - | 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) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (M) | | Total |
|---|-------------------|-------------------|----------------|---------------|---------------------------|-----------|-----------------------|------------|---------------------|----------------|---------------|-----------|------------|-------|
| | | | | | | | | | Accumulated Balance | | | Brady PIS | BRADY CWIP | |
| | 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 | | | | | | | | | | | | | | |
| 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 | (O) | (P) = N*O | (Q) | (R) = K | (S) | (T) = R + S | (U) | (V) | (W) | (X) = V + W | (Y) |
|-------|-------------|---|--------------|--------------|-----------------|-----------------|--------------------------------|--------|-------|-----------------|--------------|--------|
| | Total Other | Composite Trans | Depreciation | Accum Deprec | Total Project X | Composite Trans | Depreciation | Accum | Brady | Composite Trans | Depreciation | Accum |
| | Project PIS | Deprec Rate | 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 | | | | - | 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 | Apri 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 | | 0.0000% | | |
| | Month | Yr | 1/12 of Step 7 | Interest 35.19a for and 35.19 b March Current Yr | Months | Interest | Refunds Owed |
| | 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) Accumulated Balance | (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 | Total |
| 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 | Depreciation | Accum Deprec | Total Project X | Composite | Depreciation | Accum | Brady | Composite Trans | Depreciation | Accum |
| | Project PIS | Deprec Rate | Expense | | PIS | Trans | 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.

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

| 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 | | | | | | | | | | | | | | | | | | | | | | | |
| | | Fixed Charge Rate (FCR) if not a CIAC | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | Total = Sum of Revenue for Projects | | | | | | | | | | | | | |
| | | Deprec = 13 month avg Accumulated Depreciation (specific for Incentive Plant) | | | | | | | | | | Incentive = Total for "W Increased ROE" row | | | | | | | | | | | | | |
| | | Ending = Beginning - Deprec | | | | | | | | | | Revenue Credit = Total for "FCR W base ROE" row | | | | | | | | | | | | | |
| | | Amort = Annual Amortization Expense (specific for Abandoned Plant). | | | | | | | | | | | | | | | | | | | | | | | |
| | | Revenue= FCR* (Beginning + Ending)/2 + Amort (specific for Abandoned Plant). | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
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| (A) | (B) | (C) | (D) |
|--|-------------------------|-------------------|----------------------|
| Account Number | Depreciation Plant Base | Depreciation Rate | Depreciation Expense |
| Transmission Plant | | | |
| <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 | - |
| | | 2.68 | |
| Subtotal | - | | - |
| General Plant | | | |
| 390 | - | 3.33 | - |
| 391 | - | 20 | - |
| 391.1 | - | 5 | - |
| 392 | - | 9.1 | - |
| 393 | - | 3.33 | - |
| 394 | - | 4 | - |
| 395 | - | 5 | - |
| 396 | - | 6.1 | - |
| 397 | - | 6.67 | - |
| <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

| A | | B | C | | D | E | |
|-------------------------------|---|------------------------|--|---|----------------------------|-----------------------------------|--------------|
| Impacts on Total Income Taxes | | Source | Deficient or (Excess) ADIT Amortization | | Tax Gross-up Percentage | Impact on Income Tax Allowance | |
| 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) | | \$ - | | | | |
| 5 | Total Impact on Tax Expense (with Tax Gross-up) | | | | | | \$ - |
| | | | | | | | 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% |
| Tax Gross-up Percentage (1 / (1-T)) | 140.63% |

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) As of Beginning of Test Year | Amortization of Excess / (Deficient) ADIT during Test Year Debit / (Credit) | Deficient / (Excess) ADIT (without Tax Gross-up) As of End of Test Year | 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 | ACCOUNT 254: | | | | | | | | | |
| 2 | Protected Plant-related (Excess) ADIT | TCJA-2017 | ARAM | \$ - | \$ - | \$ - | \$ - | \$ - | Col. F to 1-ADIT, Line 12C, Col H to 1-ADIT, Line 12B Col. F to 1-ADIT, Line 18C, Col H to 1-ADIT, Line 18B | |
| 3 | Unprotected Plant-related (Excess) ADIT | TCJA-2017 | ARAM | - | - | - | - | - | | |
| 4 | Total Plant-related (Excess) ADIT | TCJA-2017 | ARAM | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 5 | Unprotected Non-plant-related (Excess) ADIT | TCJA-2017 | 3 Years | - | - | - | - | - | | |
| 6 | [Reserved for future changes] | | | - | - | - | - | - | | |
| 7 | Total (Excess) ADIT (Account 254) | TCJA-2017 | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 8 | ACCOUNT 182.3: | | | | | | | | | |
| 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 | Total (Excess) ADIT (Account 182.3) | TCJA-2017 | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 12 | Net Deficient / (Excess) Deferred Taxes | | | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| | | | | 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

| | A | B | C | D | E | F | G | H | I | J |
|---------------------------------|--|------------------------------|--|--|---------------------------------------|--|---|---|--|---|
| | Temporary Difference | Account 190, 281, 282 or 283 | Cumulative Temporary Difference at Enactment of TCJA (Pre-tax) | ADIT Balance before TCJA Remeasurement | ADIT Balance after TCJA Remeasurement | Deficient or (Excess) ADIT Due to TCJA (F = D - E) | Protected Deficient or (Excess) ADIT (Portion of F) | Unprotected Deficient or (Excess) ADIT (Portion of F) | Deficient ADIT Recorded to Account 182.3 (prior to tax gross-up) | Excess ADIT Recorded to Account 254 (prior to tax gross-up) |
| | <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> | <u>Note I</u> | <u>Note J</u> |
| Plant-related Items | | | | | | | | | | |
| 1 | Federal Method/Life | | - | - | - | - | - | - | | |
| 2 | Basis / Other Differences | | - | - | - | - | - | - | | |
| 3 | Total Plant-related Excess Deferred Taxes | 282 | - | - | - | - | - | - | | - |
| Non-Plant Related Items: | | | | | | | | | | |
| 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 | - | - | - | - | | - | - | |
| 15 | Total Non-Plant Related Deficient or Excess Deferred Taxes | | - | - | - | - | - | - | - | - |
| 16 | Total Deficient and (Excess) ADIT (prior to gross-up or amortization) | | - | - | - | - | - | - | - | - |
| | | | | | | | Col. G + Col. H = | - | Col. I + Col. J = | - |

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.