

Duquesne Light Company
Default Service Rate Calculation - Illustrative Purposes Only
Rate Design for Lighting Tariff Rate Schedules AL, SE, SM, SH & PAL
Based on Average Bid Prices for Rates Effective June 1, 2018 through November 30, 2018

1	Total Average Winning Bid Price for Lighting per MWh		\$53.90	
2	Line Losses (Transmission 0.8%; Distribution 6.1%)	6.9%		
3	Price Adjustment for Losses (per MWh)		\$3.72	Line 1 * Line 2
4	Price Adjusted for Losses (per MWh)		\$57.62	Line 1 + Line 3
5	Administrative Fees to conduct RFPs	\$68,365		
6	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	1,392,058		
7	Administrative Adder		\$0.05	Line 5 / Line 6
	<u>Total Unbundling</u>			
8	Filing Preparation and Approval Process Expense	\$100,361		
9	Working Capital for Default Service Supply Expense	\$342,402		
10	Total Residential/Lighting Unbundling Expense	\$442,763		Line 8 + Line 9
11	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	1,392,058		
12	(Over)/Under Reconciliation Adder (per MWh)		\$0.32	Line 11 / Line 12
	<u>Total E-Factor (Over)/Under Reconciliation</u>			
13	E-Factor (Over)/Under Collection	(\$609,093)		
14	Reconciliation Period (Over)/Under Collection	(\$216,976)		
15	Total E-Factor (Over)/Under Collection	(\$826,069)		Line 13 + Line 14
16	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	1,392,058		
17	(Over)/Under Reconciliation Adder (per MWh)		(\$0.59)	Line 15 / Line 16
18	Adjusted Wholesale Price (per MWh)		\$57.40	Line 4 + Line 7 + Line 12 + Line 17
19	Rate Factor	0.6009		
20	Total Adjusted Wholesale Price for Rate Factor (\$/MWh)		\$34.49	Line 18 * Line 19
21	PA GRT @ 5.9%		\$2.16	Line 23 * (.059/(1-.059))
22	Total Rate (per MWh)		\$36.65	Line 20 + Line 21
23	Lighting RFP Retail Supply Rate (¢ per kWh)		3.6653	Line 22 / 10