

**Duquesne Light Company**  
**Default Service Rate Calculation - Illustrative Purposes Only**  
**Rate Design for Medium C&I Tariff Rate Schedules GM => 25kW & GMH => 25kW**  
**Based on Average Bid Prices for Rates Effective March 1, 2019 through May 31, 2019**

|    |   |             |         |                                     |
|----|---|-------------|---------|-------------------------------------|
| 1  | Total Average Winning Bid Price for Medium C&I per MWh    |             | \$56.38 |                                     |
| 2  | Line Losses (Transmission 0.8%; Distribution 5.3%)        | 6.1%        |         |                                     |
| 3  | Price Adjustment for Losses (per MWh)                     |             | \$3.44  | Line 1 * Line 2                     |
| 4  | Price Adjusted for Losses (per MWh)                       |             | \$59.82 | Line 1 + Line 3                     |
| 5  | Administrative Fees to conduct RFPs                       | \$34,183    |         |                                     |
| 6  | Forecast POLR Sales (MWh) - March 1, 2019-May 31, 2019    | 164,638     |         |                                     |
| 7  | Administrative Adder                                      |             | \$0.21  | Line 5 / Line 6                     |
|    | <u>Total Unbundling</u>                                   |             |         |                                     |
| 8  | Filing Preparation and Approval Process Expense           | \$13,468    |         |                                     |
| 9  | Working Capital for Default Service Supply Expense        | \$45,950    |         |                                     |
| 10 | Total Medium C&I Unbundling Expense                       | \$59,418    |         | Line 8 + Line 9                     |
| 11 | Forecast POLR Sales (MWh) - March 1, 2019-May 31, 2019    | 164,638     |         |                                     |
| 12 | (Over)/Under Reconciliation Adder (per MWh)               |             | \$0.36  | Line 10 / Line 11                   |
|    | <u>Total E-Factor (Over)/Under Reconciliation</u>         |             |         |                                     |
| 13 | E-Factor (Over)/Under Collection                          | \$187,270   |         |                                     |
| 14 | Reconciliation Period (Over)/Under Collection             | (\$157,531) |         |                                     |
| 15 | Total E-Factor (Over)/Under Collection                    | \$29,740    |         | Line 13 + Line 14                   |
| 16 | Forecast POLR Sales (MWh) - December 1, 2018-May 31, 2019 | 335,128     |         |                                     |
| 17 | (Over)/Under Reconciliation Adder (per MWh)               |             | \$0.09  | Line 15 / Line 16                   |
| 18 | Adjusted Wholesale Price (per MWh)                        |             | \$60.48 | Line 4 + Line 7 + Line 12 + Line 17 |
| 19 | PA GRT @ 5.9%   |             | \$3.79  | Line 19 * (.059/(1-.059))           |
| 20 | Total Rate (per MWh)                                      |             | \$64.27 | Line 18 + Line 19                   |
| 21 | Medium RFP Retail Supply Rate (¢ per kWh)                 |             | 6.4268  | Line 20 / 10                        |