

**Duquesne Light Company**  
**Default Service Rate Calculation - Illustrative Purposes Only**  
**Rate Design for Small C&I Tariff Rate Schedules GS, GM < 25kW & GMH < 25kW & UMS**  
**Based on Average Bid Prices for Rates Effective June 1, 2018 through November 30, 2018**

1	Total Average Winning Bid Price for Small C&I per MWh		\$50.26	
2	Line Losses (Transmission 0.8%; Distribution 5.3%)	6.1%		
3	Price Adjustment for Losses (per MWh)		\$3.07	Line 1 * Line 2
4	Price Adjusted for Losses (per MWh)		\$53.33	Line 1 + Line 3
5	Administrative Fees to conduct RFPs	\$68,365		
6	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	180,631		
7	Administrative Adder		\$0.38	Line 5 / Line 6
<u>Total Unbundling</u>				
8	Filing Preparation and Approval Process Expense	\$14,265		
9	Working Capital for Default Service Supply Expense	\$48,668		
10	Total Small C&I Unbundling Expense	\$62,933		Line 8 + Line 9
11	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	180,631		
12	(Over)/Under Reconciliation Adder (per MWh)		\$0.35	Line 10 / Line 11
<u>Total E-Factor (Over)/Under Reconciliation</u>				
13	E-Factor (Over)/Under Collection	\$125,188		
14	Reconciliation Period (Over)/Under Collection	(\$25,321)		
17	Total E-Factor (Over)/Under Collection	\$99,867		Line 13 + Line 14
18	Forecast POLR Sales (MWh) - June 1, 2018-November 30, 2018	180,631		
19	(Over)/Under Reconciliation Adder (per MWh)		\$0.55	Line 17 / Line 18
20	Adjusted Wholesale Price (per MWh)		\$54.61	Line 4 + Line 7 + Line 12 + Line 19
21	PA GRT @ 5.9%		\$3.42	Line 20 * (.059/(1-.059))
22	Total Rate (per MWh)		\$58.03	Line 20 + Line 21
23	Small RFP Retail Supply Rate (¢ per kWh)		5.8026	Line 22 / 10