

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 December 1, 2020 through May 31, 2021

| | | | | |
|----|--|-----------|-------------|-------------------------------------|
| 1 | Total Average Winning Bid Price for Lighting per MWh | | \$44.83 | |
| 2 | Line Losses (Transmission 0.8%; Distribution 6.1%) | 6.9% | | |
| 3 | Price Adjustment for Losses (per MWh) | | \$3.09 | Line 1 * Line 2 |
| 4 | Price Adjusted for Losses (per MWh) | | \$47.92 | Line 1 + Line 3 |
| 5 | Administrative Fees to conduct RFPs | | \$68,365 | |
| 6 | Forecast POLR Sales (MWh) - December 1, 2020-May 31, 20201 | 1,308,245 | | |
| 7 | Administrative Adder | | \$0.05 | Line 5 / Line 6 |
| | <u>Total Unbundling</u> | | | |
| 8 | Filing Preparation and Approval Process Expense | | \$68,258 | |
| 9 | Working Capital for Default Service Supply Expense | | \$522,012 | |
| 10 | Total Residential/Lighting Unbundling Expense | | \$590,270 | Line 8 + Line 9 |
| 11 | Forecast POLR Sales (MWh) - December 1, 2020-May 31, 20201 | 1,308,245 | | |
| 12 | Unbundling Adder (per MWh) | | \$0.45 | Line 11 / Line 12 |
| | <u>Total E-Factor (Over)/Under Reconciliation</u> | | | |
| 13 | E-Factor (Over)/Under Collection | | \$557,174 | |
| 14 | Reconciliation Period (Over)/Under Collection | | (\$417,368) | |
| 15 | Total E-Factor (Over)/Under Collection | | \$139,806 | Line 13 + Line 14 |
| 16 | Audit Finding No. 1 | | \$155,168 | |
| 17 | Forecast POLR Sales (MWh) - December 1, 2020-May 31, 20201 | 1,308,245 | | |
| 18 | (Over)/Under Reconciliation Adder (per MWh) | | \$0.23 | (Line 15 + Line 16) / Line 17 |
| 19 | Adjusted Wholesale Price (per MWh) | | \$48.66 | Line 4 + Line 7 + Line 12 + Line 18 |
| 20 | Rate Factor | 0.6009 | | |
| 21 | Total Adjusted Wholesale Price for Rate Factor (\$/MWh) | | \$29.24 | Line 19 * Line 20 |
| 22 | PA GRT @ 5.9% | | \$1.83 | Line 23 * (.059/(1-.059)) |
| 23 | Total Rate (per MWh) | | \$31.07 | Line 21 + Line 22 |
| 24 | Lighting RFP Retail Supply Rate (¢ per kWh) | | 3.1067 | Line 23 / 10 |