

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 December 1, 2019 through May 31, 2020

Estimate Only

| | | | | |
|---|---|-------------|----------|-------------------------------------|
| 1 | Total Average Winning Bid Price for Small C&I per MWh | | \$45.99 | |
| 2 | Line Losses (Transmission 0.8%; Distribution 5.3%) | 6.1% | | |
| 3 | Price Adjustment for Losses (per MWh) | | \$2.81 | Line 1 * Line 2 |
| 4 | Price Adjusted for Losses (per MWh) | | \$48.80 | Line 1 + Line 3 |
| 5 | Administrative Fees to conduct RFPs | \$68,365 | | |
| 6 | Forecast POLR Sales (MWh) - December 1, 2019-May 31, 2020 | 197,552 | | |
| 7 | Administrative Adder | | \$0.35 | Line 5 / Line 6 |
| <u>Total Unbundling</u> | | | | |
| 8 | Filing Preparation and Approval Process Expense | \$9,047 | | |
| 9 | Working Capital for Default Service Supply Expense | \$69,185 | | |
| 10 | Total Small C&I Unbundling Expense | \$78,231 | | Line 8 + Line 9 |
| 11 | Forecast POLR Sales (MWh) - December 1, 2019-May 31, 2020 | 197,552 | | |
| 12 | Unbundling Adder (per MWh) | | \$0.40 | Line 10 / Line 11 |
| <u>Total E-Factor (Over)/Under Reconciliation</u> | | | | |
| 13 | E-Factor (Over)/Under Collection | (\$79,412) | | |
| 14 | Reconciliation Period (Over)/Under Collection | (\$27,107) | | |
| 15 | Total E-Factor (Over)/Under Collection | (\$106,520) | | Line 13 + Line 14 |
| 16 | Forecast POLR Sales (MWh) - December 1, 2019-May 31, 2020 | 197,552 | | |
| 17 | (Over)/Under Reconciliation Adder (per MWh) | | (\$0.54) | Line 15 / Line 16 |
| 18 | Adjusted Wholesale Price (per MWh) | | \$49.01 | Line 4 + Line 7 + Line 12 + Line 17 |
| 19 | PA GRT @ 5.9% | | \$3.07 | Line 20 * (.059/(1-.059)) |
| 20 | Total Rate (per MWh) | | \$52.08 | Line 18 + Line 19 |
| 21 | Small RFP Retail Supply Rate (¢ per kWh) | | 5.2079 | Line 20 / 10 |