

Duquesne Light Company
Default Service Rate Calculation - Illustrative Purposes Only
Rate Design for Residential Tariff Rate Schedules RS, RH & RA
Based on Average Bid Prices for Rates Effective June 1, 2020 through November 30, 2020

| | | | | |
|----|--|-------------|---------|-------------------------------------|
| 1 | Total Average Winning Bid Price for Residential per MWh | | \$44.82 | |
| 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) | | \$47.91 | Line 1 + Line 3 |
| 5 | Administrative Fees to conduct RFPs | \$68,365 | | |
| 6 | Forecast POLR Sales (MWh) - June 1, 2020-November 30, 2020 | 1,461,320 | | |
| 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) - June 1, 2020-November 30, 2020 | 1,461,320 | | |
| 12 | Unbundling Adder (per MWh) | | \$0.40 | Line 11 / Line 12 |
| | <u>Total E-Factor (Over)/Under Reconciliation</u> | | | |
| 13 | E-Factor (Over)/Under Collection | \$656,399 | | |
| 14 | Reconciliation Period (Over)/Under Collection | \$386,918 | | |
| 15 | Total E-Factor (Over)/Under Collection | \$1,043,316 | | Line 13 + Line 14 |
| 16 | Forecast POLR Sales (MWh) - June 1, 2020-November 30, 2020 | 1,461,320 | | |
| 17 | (Over)/Under Reconciliation Adder (per MWh) | | \$0.71 | Line 15 / Line 16 |
| 18 | Adjusted Wholesale Price (per MWh) | | \$49.07 | Line 4 + Line 7 + Line 12 + Line 17 |
| 19 | Rate Factor | 1.0055 | | |
| 20 | Adjusted Wholesale Price for Rate Factor (\$/MWh) | | \$49.34 | Line 18 * Line 19 |
| 21 | Total Adjusted Wholesale Price (per MWh) | | \$49.34 | |
| 22 | PA GRT @ 5.9% | | \$3.09 | Line 24 * (.059/(1-.059)) |
| 23 | Total Rate (per MWh) | | \$52.43 | Line 21 + Line 22 |
| 24 | Residential RFP Retail Supply Rate (¢ per kWh) | | 5.2428 | Line 23 / 10 |