

**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, 2020 through May 31, 2021**

|    |   |         |           |                                     |
|----|---|---------|-----------|-------------------------------------|
| 1  | Total Average Winning Bid Price for Small C&I per MWh     |         | \$43.03   |                                     |
| 2  | Line Losses (Transmission 0.8%; Distribution 5.3%)        | 6.1%    |           |                                     |
| 3  | Price Adjustment for Losses (per MWh)                     |         | \$2.62    | Line 1 * Line 2                     |
| 4  | Price Adjusted for Losses (per MWh)                       |         | \$45.65   | Line 1 + Line 3                     |
| 5  | Administrative Fees to conduct RFPs                       |         | \$68,365  |                                     |
| 6  | Forecast POLR Sales (MWh) - December 1, 2020-May 31, 2021 | 237,425 |           |                                     |
| 7  | Administrative Adder                                      |         | \$0.29    | 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, 2020-May 31, 2021 | 237,425 |           |                                     |
| 12 | Unbundling Adder (per MWh)                                |         | \$0.33    | Line 10 / Line 11                   |
|    | <u>Total E-Factor (Over)/Under Reconciliation</u>         |         |           |                                     |
| 13 | E-Factor (Over)/Under Collection                          |         | \$177,536 |                                     |
| 14 | Reconciliation Period (Over)/Under Collection             |         | \$119,045 |                                     |
| 15 | Total E-Factor (Over)/Under Collection                    |         | \$296,581 | Line 13 + Line 14                   |
| 16 | Forecast POLR Sales (MWh) - December 1, 2020-May 31, 2021 | 237,425 |           |                                     |
| 17 | (Over)/Under Reconciliation Adder (per MWh)               |         | \$1.25    | Line 15 / Line 16                   |
| 18 | Adjusted Wholesale Price (per MWh)                        |         | \$47.52   | Line 4 + Line 7 + Line 12 + Line 17 |
| 19 | PA GRT @ 5.9%   |         | \$2.98    | Line 20 * (.059/(1-.059))           |
| 20 | Total Rate (per MWh)                                      |         | \$50.50   | Line 18 + Line 19                   |
| 21 | Small RFP Retail Supply Rate (¢ per kWh)                  |         | 5.0497    | Line 20 / 10                        |