



**Michael Zimmerman**  
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March 28, 2018

**Via Overnight Delivery**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2<sup>nd</sup> Floor  
400 North Street  
Harrisburg, PA 17120

**RECEIVED**

MAR 28 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: Duquesne Light Company – Default Service Plan VIII Compliance Filing  
Docket No. P-2016-2543140  
Supplement No. 172 to Tariff Electric – PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed please find Supplement No. 172 to Duquesne Light Company's ("Duquesne Light" or the "Company") Tariff No. 24 – Retail Tariff. Supplement No. 172 is filed in compliance with the Public Service Commission's ("Commission") Order issued December 22, 2016, in the above-captioned docket, and has an effective date of June 1, 2018.

Supplement No. 172 would modify default service rates contained in Rider No. 8 for residential, small commercial and industrial, and medium commercial and industrial customers. Herein, the Company is providing statements that support the proposed default service rates. Included with this filing are public and **CONFIDENTIAL** versions of the supporting statements. The **CONFIDENTIAL** versions include competitive Request for Proposal results. The Company respectfully requests that the **CONFIDENTIAL** versions be excluded from the public file.

Should you have any questions, please do not hesitate to contact David Ogden, Manager, Rates & Tariff Services, at (412) 393-6343 or dogden@duqlight.com.

Respectfully Submitted,

Michael Zimmerman  
Counsel, Regulatory

Enclosure

Cc: Certificate of Service, Non-confidential version

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA U.S. MAIL

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street, 2nd Floor West  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Small Business Advocate  
Commerce Tower, Suite 202  
300 North Second Street  
Harrisburg, PA 17101-1923

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923

Bureau of Audits  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 3<sup>rd</sup> Floor East  
Harrisburg, PA 17120

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MAR 28 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



Michael Zimmerman  
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Dated: March 28, 2018



# SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

**DUQUESNE LIGHT COMPANY**  
411 Seventh Avenue  
Pittsburgh, PA 15219

**Richard Riazzi**  
President and Chief Executive Officer

RECEIVED

MAR 28 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

ISSUED: March 28, 2018

EFFECTIVE: June 1, 2018

Issued in compliance with  
Commission Order dated December 22, 2016, at Docket No. P-2016-2543140.

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# NOTICE

**THIS TARIFF SUPPLEMENT DECREASES AND INCREASES RATES WITHIN AN EXISTING RIDER**

**See Page Two**

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LIST OF MODIFICATIONS MADE BY THIS TARIFF

**DECREASE**

Rider No. 8 – Default Service Supply

Twenty-Seventh Revised Page No. 88  
Cancelling Twenty-Sixth Revised Page No. 88

Fifteenth Revised Page No. 88A  
Cancelling Fourteenth Revised Page No. 88A

Second Revised Page No. 88A-1  
Cancelling First Revised Page No. 88A-1

The supply charge for Residential customers has decreased from 6.2407 ¢/kWh to 6.1337 ¢/kWh for the Application Period June 1, 2018, through November 30, 2018.

The supply charge for Lighting customers has decreased from 3.8177 ¢/kWh to 3.6653 ¢/kWh for the application period June 1, 2018, through November 30, 2018.

**INCREASE**

Rider No. 8 – Default Service Supply

Twenty-Seventh Revised Page No. 88  
Cancelling Twenty-Sixth Revised Page No. 88

Fifteenth Revised Page No. 88A  
Cancelling Fourteenth Revised Page No. 88A

The supply charge for Small Commercial & Industrial customers has increased from 5.5876 ¢/kWh to 5.8026 ¢/kWh for the Application Period June 1, 2018, through November 30, 2018.

The supply charge for Medium Commercial & Industrial customers has increased from 5.3509 ¢/kWh to 5.7142 ¢/kWh for the Application Period June 1, 2018, through August 31, 2018.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 8 – DEFAULT SERVICE SUPPLY**

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

Default Service Supply ("DSS") provides residential, commercial, industrial and lighting customers on the applicable rate schedules with a default service supply rate that is determined based on a request for proposal to acquire the energy to serve the load of customers taking service under the provisions of this Rider. Commercial and industrial customers are defined in Rate Schedules GS/GM and GMH, and, in general, are those customers with a monthly metered demand that is less than 300 kW in a twelve (12) month period.

**DEFAULT SERVICE SUPPLY RATE**

Residential

(Rate Schedules RS, RH and RA)

<u>Application Period</u>	<u>Supply Charge - ¢/kWh</u>
June 1, 2017 through November 30, 2017	6.2015
December 1, 2017 through May 31, 2018	6.2407
June 1, 2018 through November 30, 2018	6.1337
December 1, 2018 through May 31, 2019	X.XXXX
June 1, 2019 through November 30, 2019	X.XXXX
December 1, 2019 through May 31, 2020	X.XXXX
June 1, 2020 through November 30, 2020	X.XXXX
December 1, 2020 through May 31, 2021	X.XXXX

(D)

Small Commercial and Industrial customers with monthly metered demand less than 25 kW.

(Rate Schedules GS/GM and GMH and Rate Schedule UMS)

<u>Application Period</u>	<u>Supply Charge - ¢/kWh</u>
June 1, 2017 through November 30, 2017	5.3930
December 1, 2017 through May 31, 2018	5.5876
June 1, 2018 through November 30, 2018	5.8026
December 1, 2018 through May 31, 2019	X.XXXX
June 1, 2019 through November 30, 2019	X.XXXX
December 1, 2019 through May 31, 2020	X.XXXX
June 1, 2020 through November 30, 2020	X.XXXX
December 1, 2020 through May 31, 2021	X.XXXX

(I)

**(D) – Indicates Decrease**

**(I) – Indicates Increase**

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Medium Commercial and Industrial customers with monthly metered demand equal to or greater than 25 kW and less than 300 kW.

(Rate Schedules GS/GM and GMH)

Application Period	Supply Charge - ¢/kWh
June 1, 2017 through August 31, 2017	5.2863
September 1, 2017 through November 30, 2017	5.1571
December 1, 2017 through February 28, 2018	5.7974
March 1, 2018 through May 31, 2018	5.3509
June 1, 2018 through August 31, 2018	5.7142
September 1, 2018 through November 30, 2018	X.XXXX
December 1, 2018 through February 28, 2019	X.XXXX
March 1, 2019 through May 31, 2019	X.XXXX
June 1, 2019 through August 31, 2019	X.XXXX
September 1, 2019 through November 30, 2019	X.XXXX
December 1, 2019 through February 29, 2020	X.XXXX
March 1, 2020 through May 31, 2020	X.XXXX
June 1, 2020 through August 31, 2020	X.XXXX
September 1, 2020 through November 30, 2020	X.XXXX
December 1, 2020 through February 28, 2021	X.XXXX
March 1, 2021 through May 31, 2021	X.XXXX

(I)

Lighting

(Rate Schedules AL and SE)

Application Period	Supply Charge - ¢/kWh
June 1, 2017 through November 30, 2017	3.7939
December 1, 2017 through May 31, 2018	3.8177
June 1, 2018 through November 30, 2018	3.6653
December 1, 2018 through May 31, 2019	X.XXXX
June 1, 2019 through November 30, 2019	X.XXXX
December 1, 2019 through May 31, 2020	X.XXXX
June 1, 2020 through November 30, 2020	X.XXXX
December 1, 2020 through May 31, 2021	X.XXXX

(D)

(I) – Indicates Increase

(D) – Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 – DEFAULT SERVICE SUPPLY – (Continued)

(Applicable to Rate Schedules RS, RH, RA, GS/GM, GMH, AL, SE, SM, SH, UMS and PAL)

DEFAULT SERVICE SUPPLY RATE – (Continued)

Lighting

(Rate Schedules SM, SH and PAL)

Lamp wattage as available on applicable rate schedule.

June 1, 2017 through May 31, 2018 and June 1, 2018 through May 31, 2019

Wattage	Nominal kWh Energy Usage per Unit per Month	Application Period				
		06/01/2017 through 11/30/2017	12/01/2017 through 05/31/2018	06/01/2018 through 11/30/2018	12/01/2018 through 05/31/2019	
<b>Supply Charge ¢ per kWh</b>		3.7939	3.8177	3.6653	X.XXXX	(D)
<b>Fixture Charge — \$ per Month</b>						
<b>Mercury Vapor</b>						
100	44	1.67	1.68	1.61	X.XX	(D)
175	74	2.81	2.83	2.71	X.XX	(D)
250	102	3.87	3.89	3.74	X.XX	(D)
400	161	6.11	6.15	5.90	X.XX	(D)
1000	386	14.64	14.74	14.15	X.XX	(D)
<b>High Pressure Sodium</b>						
70	29	1.10	1.11	1.06	X.XX	(D)
100	50	1.90	1.91	1.83	X.XX	(D)
150	71	2.69	2.71	2.60	X.XX	(D)
200	95	3.60	3.63	3.48	X.XX	(D)
250	110	4.17	4.20	4.03	X.XX	(D)
400	170	6.45	6.49	6.23	X.XX	(D)
1000	387	14.68	14.77	14.18	X.XX	(D)
<b>Flood Lighting - Unmetered</b>						
70	29	1.10	1.11	1.06	X.XX	(D)
100	46	1.75	1.76	1.69	X.XX	(D)
150	67	2.54	2.56	2.46	X.XX	(D)
250	100	3.79	3.82	3.67	X.XX	(D)
400	155	5.88	5.92	5.68	X.XX	(D)
<b>Light-Emitting Diode (LED)</b>						
43	15	0.57	0.57	0.55	X.XX	(D)
106	37	1.40	1.41	1.36	X.XX	(D)

(D) – Indicates Decrease

**Exhibit 1**

**Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply  
Proposed Supply Rates Effective June 1, 2018**

**Bi-Annual Rate Adjustment - August 1, 2017 through January 31, 2018**

1	Surcharge Revenue, Incl. GRT	\$10,072,754	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT	\$9,478,462	Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$285,391)	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT	(\$268,553)	Line 3 * 0.941
5	Net Small C&I Related Revenue, Excl. GRT	\$9,747,015	Line 2 - Line 4
6	<u>Small C&amp;I Related Expense</u>	\$9,722,476	Exh. 1, Page 2
7	<u>Reconciliation Period (Over)/Under Collection</u>	(\$24,539)	Line 6 - Line 5
8	<u>Interest</u>	(\$782)	Exh. 1, Page 3
9	<u>Total Reconciliation Period (Over)/Under Collection</u>	(\$25,321)	Line 7 + Line 8
10	Net (Over)/Under Collection at July 2017	(\$143,365)	Exh. 1, Page 4
11	<u>E-Factor Revenue - August 2017 - January 2018, Excl. GRT</u>	(\$268,553)	Line 4
12	<u>(Over)/Under E-Factor Recovery at January 31, 2018</u>	\$125,188	Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Aug 2017 - Jan 2018	(\$25,321)	Line 9
14	<u>E-Factor Balance at January 31, 2018</u>	\$99,867	Sum Line 12 to Line 1

Exhibit 1

Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

BI-Annual Reconciliation of Revenue and Expense - Current Period

	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Total
<b>Revenue</b>							
1 Actual Surcharge Revenue	\$1,652,942	\$1,595,852	\$1,522,930	\$1,491,592	\$1,788,768	\$2,020,670	\$10,072,754
2 E-Factor Revenue	(\$61,177)	(\$58,337)	(\$54,409)	(\$55,911)	(\$26,592)	(\$28,966)	(\$285,391)
3 Net Surcharge Revenue	\$1,714,119	\$1,654,189	\$1,577,339	\$1,547,503	\$1,815,360	\$2,049,636	\$10,358,146
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$101,133	\$97,597	\$93,063	\$91,303	\$107,106	\$120,929	\$611,131
5 Net Calendar Month Revenue	\$1,612,986	\$1,556,592	\$1,484,276	\$1,456,200	\$1,708,254	\$1,928,708	\$9,747,015
<b>Expense</b>							
6 Supply Invoice Amount (1)	\$1,695,361	\$1,386,155	\$1,449,191	\$1,442,889	\$1,728,699	\$1,888,881	\$9,591,177
7 Administrative Expense (2)	\$625	\$625	\$65,240	\$625	\$625	\$625	\$68,365
8 Filing Preparation and Approval Process Expense (3)	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$14,265
9 Working Capital for Default Service Supply Expense (3)	\$8,111	\$8,111	\$8,111	\$8,111	\$8,111	\$8,111	\$48,668
10 Total Expense	\$1,706,475	\$1,397,269	\$1,524,920	\$1,454,003	\$1,739,813	\$1,899,995	\$9,722,476
11 (Over)/Under Collection	\$93,489	(\$159,322)	\$40,644	(\$2,197)	\$31,559	(\$28,712)	(\$24,539)

(1) Retail revenue excludes Company Use facilities. Supply invoice amount excludes expense associated with Company Use facilities

(2) Administrative fees to conduct the request for proposal for rates effective December 1, 2017.

(3) Reflects the unbundling provisions of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. The unbundled expenses will be fixed and reconciled only for differences between projected and actual consumption. Appendix C of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts for filing preparation and working capital for default service supply.

Exhibit 1

Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Bi-Annual Rate Adjustment - Interest Calculation on (Over)/Under Collection

	<u>Aug 2017</u>	<u>Sep 2017</u>	<u>Oct 2017</u>	<u>Nov 2017</u>	<u>Dec 2017</u>	<u>Jan 2018</u>	<u>Total</u>
1 (Over)/Under Collection	\$93,489	(\$159,322)	\$40,644	(\$2,197)	\$31,559	(\$28,712)	(\$24,539)
2 Interest Rate (1)	4.25%	4.25%	4.25%	4.25%	4.40%	4.50%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	\$4,304	(\$6,771)	\$1,583	(\$78)	\$1,040	(\$851)	(\$782)

1/ Interest rate per Section 54 Pa. Code 54.190(c).

**Exhibit 1**

**Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018**

**Bi-Annual Rate Adjustment - Reconciliation of E-Factor Revenue**

Filed October 2015

Effective December 2015 to May 2016

1	Oct 2014 to Mar 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$136,969	
2	Apr 2015 to Jul 2015	Current Period E-Factor Revenue (excl. GRT)	\$52,776	
3		(Over)/Under E-Factor Recovery		\$84,193 Line 1 - Line 2
4	Apr 2015 to Jul 2015	Current Period (Over)/Under Recovery	\$61,560	
5		Interest	\$2,590	
6		Total		\$64,150 Line 4 + Line 5
7		Net (Over)/Under Collection		\$148,343 Line 3 + Line 6

Filed April 2016

Effective June 2016 to November 2016

8	Apr 2015 to Jul 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$148,343	Line 7
9	Aug 2015 to Jan 2016	Current Period E-Factor Revenue (excl. GRT)	\$142,603	
10		(Over)/Under E-Factor Recovery		\$5,740 Line 8 - Line 9
11	Aug 2015 to Jan 2016	Current Period (Over)/Under Recovery	(\$13,499)	
12		Interest	\$288	
13		Total		(\$13,211) Line 11 + Line 12
14		Net (Over)/Under Collection		(\$7,471) Line 10 + Line 13

Filed October 2016

Effective December 2016 to May 2017

15	Aug 2015 to Jan 2016	Prior Period Total (Over)/Under E-Factor Recovery	(\$7,471)	Line 14
16	Feb 2016 to Jul 2016	Current Period E-Factor Revenue (excl. GRT)	\$88,217	
17		(Over)/Under E-Factor Recovery		(\$95,688) Line 15 - Line 16
18	Feb 2016 to Jul 2016	Current Period (Over)/Under Recovery	\$164,282	
19		Interest	\$3,149	
20		Total		\$167,431 Line 18 + Line 19
21		Net (Over)/Under Collection		\$71,743 Line 17 + Line 20

Filed April 2017

Effective June 2017 to November 2017

22	Feb 2016 to Jul 2016	Prior Period Total (Over)/Under E-Factor Recovery	\$71,743	Line 7
23	Aug 2016 to Jan 2017	Current Period E-Factor Revenue (excl. GRT)	\$19,831	
24		(Over)/Under E-Factor Recovery		\$51,912 Line 22 - Line 23
25	Aug 2016 to Jan 2017	Current Period (Over)/Under Recovery	(\$330,435)	
26		Interest	(\$12,489)	
27		Total		(\$342,924) Line 25 + Line 26
28	Audit Finding No 2 - Refund of Overstated Expenses		(\$69,503)	See Note 1
29	Audit Finding No 4 - Recovery of Misted E-Factor Revenue		\$4,039	See Note 1
30		Net (Over)/Under Collection		(\$356,476) Line 24 + Line 27+ Line 28+ Line 29

Filed October 2017

Effective December 2017 to May 2018

31	Aug 2016 to Jan 2017	Prior Period Total (Over)/Under E-Factor Recovery	(\$356,476)	Line
32	Feb 2017 to Jul 2017	Current Period E-Factor Revenue (excl. GRT)	\$85,583	
33		(Over)/Under E-Factor Recovery		(\$270,893) Line 31 - Line 32
34	Feb 2017 to Jul 2017	Current Period (Over)/Under Recovery	\$122,796	
35		Interest	\$4,732	
36		Total		\$127,528 Line 34 + Line 35
37		Net (Over)/Under Collection		(\$143,365) Line 33 + Line 36

Filed April 2018

Effective June 2018 to November 2018

38	Feb 2017 to Jul 2017	Prior Period Total (Over)/Under E-Factor Recovery	(\$143,365)	Line
39	Aug 2017 to Jan 2018	Current Period E-Factor Revenue (excl. GRT)	(\$268,553)	
40		(Over)/Under E-Factor Recovery		\$125,188 Line 38 - Line 39
41	Aug 2017 to Jan 2018	Current Period (Over)/Under Recovery	(\$24,539)	
42		Interest	(\$782)	
43		Total		(\$25,321) Line 41 + Line 42
44		Net (Over)/Under Collection		\$99,867 Line 40 + Line 43

1/ Audit findings per Commission audit order entered October 6, 2016 at Docket No. D-2015-2495282. Interest was calculated at the prime rate of interest from when the adjustment began, June 2012, through the mid-point of the rate effective period, August 31, 2017.

**CONFIDENTIAL**

**ATTACHMENT A**

**Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018**

**Summary of RFP Results**

**CONFIDENTIAL  
REDACTION**

ATTACHMENT A

**Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018**

**Rate Design for Small C&I Tariff Rate**

1	Wholesale Price		\$50.26 /MWh	Weighted bid price - Att. A, Page 1
2	Line Losses	6.1%		Transmission (0.8%); distribution (5.3%)
3	Price Adjustment for Losses		\$3.07 /MWh	Line 1 * Line 2
4	Price Adjusted for Losses		\$53.33 /MWh	Line 1 + Line 3
5	Outside Services	\$68,365		Outside services to conduct RFPs
6	Forecast POLR Sales (MWh)	180,631		Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
7	Administrative Adder (per MWh)		\$0.38 /MWh	Line 5 / Line 6
8	Filing Preparation and Approval Process Expense	\$14,265		Unbundling provisions of Appendix C of the Joint Petition Settlement
9	Working Capital for Default Service Supply Expense	\$48,668		adopted as part of the Commission order entered December 22, 2016 at
10	Total Residential/Lighting Unbundling Expense	\$62,933		Docket No. P-2016-2543140.
11	Forecast POLR Sales (MWh)	180,631		Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
12	Unbundling Rate (per MWh)		\$0.35 /MWh	Line 10 / Line 11
13	E-factor (Over)/Under Collection	\$125,188		Exh. 1, Page 4
	<u>Reconciliation</u>			
14	(Over)/Under Collection	(\$24,539)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$782)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$25,321)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	\$99,867		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	180,631		Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
19	E-Factor Rate (per MWh)		\$0.55 /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price		\$54.61 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	PA GRT @ 5.9%		\$3.42 /MWh	Line 20 * (.059/(1-.059))
22	Total Rate (per MWh)		\$58.03 /MWh	Line 20 + Line 21
23	<b>RFP Small C&amp;I Retail Supply Rate (c/kWh)</b>		<b>5.8026 /kWh</b>	Line 22 / 10
24	Forecast POLR Sales (kWh)	180,630,596		Forecast POLR sales (kWh) June 1, 2018 through November 30, 2018
25	Projected RFP Revenue	\$10,481,267		Line 24 * (Line 23 / 100)

ATTACHMENT A

Duquesne Light Company  
Rider No. 8 - Small C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Summary of Current Tariff Rates and Proposed Tariff Rates

<u>Rate Schedule</u>	<u>Units</u>	<u>Rate</u>	Current Tariff  Effective <u>12/1/2017</u>	Proposed Tariff  Effective <u>6/1/2018</u>
GS GM < 25 kW GMH <25 kW UMS				
All kWh	kWh	c/kWh	5.5876	5.8026

**Exhibit 1**

**Duquesne Light Company  
Rider No. 8 - Residential & Lighting Default Service Supply  
Proposed Supply Rates Effective June 1, 2018**

**Bi-Annual Rate Adjustment - August 1, 2017 through January 31, 2018**

1	Surcharge Revenue, Incl. GRT	\$86,275,132		Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$81,184,899	Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$1,486,127		Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT		\$1,398,445	Line 3 * 0.941
5	Net Residential Related Revenue, Excl. GRT		\$79,786,454	Line 2 - Line 4
6	<u>Residential Related Expense</u>		\$79,573,933	Exh. 1, Page 2
7	<u>Reconciliation Period (Over)/Under Collection</u>		(\$212,521)	Line 6 - Line 5
8	<u>Interest</u>		(\$4,455)	Exh. 1, Page 3
9	<u>Total Reconciliation Period (Over)/Under Collection</u>		(\$216,976)	Line 7 + Line 8
10	Net (Over)/Under Collection at July 2017		\$789,353	Exh. 1, Page 4
11	E-Factor Revenue - August 2017 - January 2018, Excl. GRT		\$1,398,445	Line 4
12	(Over)/Under E-Factor Recovery at January 31, 2018		(\$609,093)	Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Aug 2017 - Jan 2018		(\$216,976)	Line 9
14	<u>E-Factor Balance at January 31, 2018</u>		(\$826,069)	Line 12 + Line 13

Exhibit 1

Duquesne Light Company  
Rider No. 8 - Residential & Lighting Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Bi-Annual Reconciliation of Revenue and Expense - Current Period

	<u>Aug 2017</u>	<u>Sep 2017</u>	<u>Oct 2017</u>	<u>Nov 2017</u>	<u>Dec 2017</u>	<u>Jan 2018</u>	<u>Total</u>
<b>Revenue</b>							
1 Actual Surcharge Revenue	\$15,684,609	\$12,764,584	\$11,453,497	\$12,742,446	\$16,301,023	\$17,328,972	\$86,275,132
2 E-Factor Revenue	\$336,619	\$273,688	\$245,930	\$273,890	\$173,083	\$182,917	\$1,486,127
3 Net Surcharge Revenue	\$15,347,991	\$12,490,896	\$11,207,567	\$12,468,556	\$16,127,940	\$17,146,056	\$84,789,005
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$905,531	\$736,963	\$661,246	\$735,645	\$951,548	\$1,011,617	\$5,002,551
5 Net Calendar Month Revenue	\$14,442,459	\$11,753,933	\$10,546,321	\$11,732,911	\$15,176,392	\$16,134,438	\$79,786,454
<b>Expense</b>							
6 Supply Invoice Amount	\$14,453,663	\$11,810,743	\$10,404,099	\$11,495,060	\$15,041,413	\$15,857,826	\$79,062,805
7 Administrative Expense (1)	\$625	\$625	\$65,240	\$625	\$625	\$625	\$68,365
8 Filing Preparation and Approval Process Expense (2)	\$16,727	\$16,727	\$16,727	\$16,727	\$16,727	\$16,727	\$100,361
9 Working Capital for Default Service Supply Expense (2)	\$57,067	\$57,067	\$57,067	\$57,067	\$57,067	\$57,067	\$342,402
10 Total Expense	\$14,528,082	\$11,885,162	\$10,543,134	\$11,569,479	\$15,115,831	\$15,932,245	\$79,573,933
11 (Over)/Under Collection	\$85,623	\$131,229	(\$3,187)	(\$163,432)	(\$60,560)	(\$202,194)	(\$212,521)

(1) Administrative fees to conduct the request for proposal for rates effective December 1, 2017.

(2) Reflects the unbundling provisions of the Joint Petition for Approval of Non-Unanimous Settlement that was adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140. The unbundled expenses will be fixed and reconciled only for differences between projected and actual consumption. Appendix C of the Joint Petition for Approval of Non-Unanimous Settlement reflects, by customer class, the allocated fixed dollar amounts for filing preparation and working capital for default service supply.

Exhibit 1

Duquesne Light Company  
 Rider No. 8 - Residential & Lighting Default Service Supply Rate  
 Proposed Supply Rates Effective June 1, 2018

Bi-Annual Rate Adjustment - Interest Calculation on (Over)/Under Collection

	<u>Aug 2017</u>	<u>Sep 2017</u>	<u>Oct 2017</u>	<u>Nov 2017</u>	<u>Dec 2017</u>	<u>Jan 2018</u>	<u>Total</u>
1 (Over)/Under Collection	\$85,623	\$131,229	(\$3,187)	(\$163,432)	(\$60,560)	(\$202,194)	(\$212,521)
2 Interest Rate (1)	4.25%	4.25%	4.25%	4.25%	4.40%	4.50%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	\$3,942	\$5,577	(\$124)	(\$5,788)	(\$1,996)	(\$6,066)	(\$4,455)

1/ Interest rate per Section 54 Pa. Code 54.190(c).

**Exhibit 1**

**Duquesne Light Company  
Rider No. 8 - Residential & Lighting Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018**

**Bi-Annual Rate Adjustment - Reconciliation of E-Factor Revenue**

Filed October 2015

Effective December 2015 to May 2016

1	Oct 2014 to Mar 2015	Prior Period Total (Over)/Under E-Factor Recovery	(\$101,535)	
2	Apr 2015 to Jul 2015	Current Period E-Factor Revenue (excl. GRT)	<u>\$19,664</u>	
3		(Over)/Under E-Factor Recovery		(\$121,199) Line 1 - Line 2
4	Apr 2015 to Jul 2015	Current Period (Over)/Under Recovery	\$395,060	
5		Interest	<u>\$18,474</u>	
6		Total		<u>\$413,534</u> Line 4 + Line 5
7		Net (Over)/Under Collection		<u>\$292,335</u> Line 3 + Line 6

Filed April 2016

Effective June 2016 to November 2016

8	Apr 2015 to Jul 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$292,335	Line 7
9	Aug 2015 to Jan 2016	Current Period E-Factor Revenue (excl. GRT)	<u>\$45,065</u>	
10		(Over)/Under E-Factor Recovery		<u>\$247,270</u> Line 8 - Line 9
11	Aug 2015 to Jan 2016	Current Period (Over)/Under Recovery	(\$495,625)	
12		Interest	<u>(\$5,407)</u>	
13		Total		<u>(\$501,032)</u> Line 11 + Line 12
14		Net (Over)/Under Collection		<u>(\$253,762)</u> Line 10 + Line 13

Filed October 2016

Effective December 2016 to May 2017

15	Aug 2015 to Jan 2016	Prior Period Total (Over)/Under E-Factor Recovery	(\$253,762)	Line 14
16	Feb 2016 to Jul 2016	Current Period E-Factor Revenue (excl. GRT)	<u>\$68,092</u>	
17		(Over)/Under E-Factor Recovery		<u>(\$321,853)</u> Line 15 - Line 16
18	Feb 2016 to Jul 2016	Current Period (Over)/Under Recovery	\$222,576	
19		Interest	<u>(\$684)</u>	
20		Total		<u>\$221,892</u> Line 18 + Line 19
21		Net (Over)/Under Collection		<u>(\$99,961)</u> Line 17 + Line 20

Filed April 2017

Effective June 2017 to November 2017

22	Feb 2016 to Jul 2016	Prior Period Total (Over)/Under E-Factor Recovery	(\$99,961)	Line 21
23	Aug 2016 to Jan 2017	Current Period E-Factor Revenue (excl. GRT)	<u>(\$220,310)</u>	
24		(Over)/Under E-Factor Recovery		<u>\$120,349</u> Line 22 - Line 23
25	Aug 2016 to Jan 2017	Current Period (Over)/Under Recovery	\$1,233,277	
26		Interest	<u>\$45,211</u>	
27		Total		<u>\$1,278,488</u> Line 25 + Line 26
28	Audit Finding No. 1 - Recovery of Understated Expenses		\$350,809	See Note 1
29	Audit Finding No. 3 - Refund of Overstated Expenses		(\$25,033)	See Note 1
30	Audit Finding No. 4 - Refund of Mismatched E-Factor Revenue		(\$2,466)	See Note 1
31		Net (Over)/Under Collection		<u>\$1,722,148</u> Sum Line 24 to Line 30

Filed October 2017

Effective December 2017 to May 2018

32	Aug 2016 to Jan 2017	Prior Period Total (Over)/Under E-Factor Recovery	\$1,722,148	Line 31
33	Feb 2017 to Jul 2017	Current Period E-Factor Revenue (excl. GRT)	<u>\$616,228</u>	
34		(Over)/Under E-Factor Recovery		<u>\$1,105,920</u> Line 32 - Line 33
35	Feb 2017 to Jul 2017	Current Period (Over)/Under Recovery	(\$308,272)	
36		Interest	<u>(\$8,295)</u>	
37		Total		<u>(\$316,567)</u> Line 35 + Line 36
38		Net (Over)/Under Collection		<u>\$789,353</u> Sum Line 24 to Line 30

Filed April 2018

Effective June 2018 to November 2018

39	Aug 2016 to Jan 2017	Prior Period Total (Over)/Under E-Factor Recovery	\$789,353	Line 38
40	Aug 2017 to Jan 2018	Current Period E-Factor Revenue (excl. GRT)	<u>\$1,398,445</u>	
41		(Over)/Under E-Factor Recovery		<u>(\$609,093)</u> Line 39 - Line 40
42	Aug 2017 to Jan 2018	Current Period (Over)/Under Recovery	(\$212,521)	
43		Interest	<u>(\$4,455)</u>	
44		Total		<u>(\$216,976)</u> Line 42 + Line 43
45		Net (Over)/Under Collection		<u>\$826,069</u> Sum Line 24 to Line 30

1/ Audit findings per Commission audit order entered October 6, 2016 at Docket No. D-2015-2495282. Interest on the refund of overstated expenses was calculated at the prime rate of interest from the mid-point of the adjustment period, November 30, 2013, through the mid-point of the rate effective period, August 31, 2017.

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**Attachment A**

**Duquesne Light Company  
Rider No. 8 - Residential/Lighting Default Service Supply Rates  
Proposed Supply Rates Effective June 1, 2018**

**Summary of RFP Results**

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Attachment A

**Duquesne Light Company**  
**Rider No. 8 - Residential/Lighting Default Service Supply Rates**  
**Proposed Supply Rates Effective June 1, 2018**

**Rate Design for Residential Tariff Rates (RS, RH & RA)**

1	RFP Average Wholesale Price (\$/MWh)		\$53.90 /MWh	Weighted bid price - Attachment A, page 1
2	Line Losses - T & D	6.9%		Transmission (0.8%); distribution (6.1%)
3	Price Adjustment for Losses (\$/MWh)		\$3.72 /MWh	Line 1 * Line 2
4	Adjusted Wholesale Price for Losses (\$/MWh)		\$57.62 /MWh	Line 1 + Line 3
5	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
6	Outside Services Fees	\$68,365		Outside services to conduct RFPs
7	Administrative Adder (per MWh)		\$0.05 /MWh	Line 6 / Line 5
8	Filing Preparation and Approval Process Expense	\$100,361		Unbundling provisions of Appendix C of the Joint Petition Settlement
9	Working Capital for Default Service Supply Expense	\$342,402		adopted as part of the Commission order entered December 22, 2016 at
10	Total Residential/Lighting Unbundling Expense	\$442,763		Docket No. P-2016-2543140
11	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
12	Unbundling Rate (per MWh)		\$0.32 /MWh	Line 10 / Line 11
13	E-Factor (Over)/Under Reconciliation	(\$609,093)		Prior Period
	<u>Reconciliation</u>			
14	{Over}/Under Collection	(\$212,521)		Exh. 1, Page 2
15	Interest on {Over}/Under Collection	(\$4,455)		Exh. 1, Page 3
16	Total {Over}/Under Collection	(\$216,976)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	(\$826,069)		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
19	E Factor Rate (per MWh)		(\$0.59) /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price (\$/MWh)		\$57.40 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	Rate Factor		1.0055	Per the Company's Retail Tariff Rider 8
22	Adjusted Wholesale Price for Rate Factor (\$/MWh)		\$57.72 /MWh	Line 20 * Line 21
23	PA GRT @ 5.9%		\$3.62 /MWh	Line 22 * (.059/(1 - .059))
24	Total Retail Rate (\$/MWh)		\$61.34 /MWh	Line 22 + Line 23
25	<b>RFP Residential Retail Supply Rate (¢/kWh)</b>		<b>6.1337</b> /kWh	Line 24 / 10
26	Forecast POLR Sales (kWh)	1,384,424,468		Residential Forecast POLR sales (kWh) June 1, 2018 through November 30, 2018
27	Projected RFP Revenue	\$84,915,885		Line 25 / 100 * Line 26

**Attachment A**

**Duquesne Light Company  
Rider No. 8 - Residential/Lighting Default Service Supply Rates  
Proposed Supply Rates Effective June 1, 2018**

**Rate Design for Lighting Tariff Rates (AL, SE, SM, SH & PAL)**

1	RFP Average Wholesale Price (\$/MWh)		\$53.90 /MWh	Weighted bid price - Attachment A, Page 1
2	Line Losses - T & D	6.9%		Transmission (0.8%); distribution (6.1%)
3	Price Adjustment for Losses (\$/MWh)		\$3.72 /MWh	Line 1 * Line 2
4	Adjusted Wholesale Price for Losses (\$/MWh)		\$57.62 /MWh	Line 1 + Line 3
5	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
6	Outside Services Fees	\$68,365		Outside services to conduct RFPs
7	Administrative Adder (\$/MWh)		\$0.05 /MWh	Line 6 / Line 5
8	Filing Preparation and Approval Process Expense	\$100,361		Unbundling provisions of Appendix C of the Joint Petition Settlement
9	Working Capital for Default Service Supply Expense	\$342,402		adopted as part of the Commission order entered December 22, 2016 at
10	Total Residential/Lighting Unbundling Expense	\$442,763		Docket No. P-2016-2543140
11	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
12	Unbundling Rate (per MWh)		\$0.32 /MWh	Line 10 / Line 11
13	E-Factor (Over)/Under Reconciliation	(\$609,093)		Prior Period
	<u>Reconciliation</u>			
14	(Over)/Under Collection	(\$212,521)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$4,555)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$216,976)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	(\$826,069)		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	1,392,058		Residential/Lighting Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
19	E Factor Rate (per MWh)		(\$0.59) /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price (\$/MWh)		\$57.40 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	Rate Factor		0.6009	Per the Company's Retail Tariff Rider 8
22	Adjusted Wholesale Price for Rate Factor (\$/MWh)		\$34.49 /MWh	Line 20 * Line 21
23	PA GRT @ 5.9%		\$2.16 /MWh	Line 22 * (0.059/(1-0.059))
24	Total Retail Rate (\$/MWh)		\$36.65 /MWh	Line 22 + Line 23
25	RFP Lighting Retail Supply Rate (¢/kWh)		3.6653 kWh	Line 24 / 10

Lighting Supply Charges by Lamp Wattage:

26	SM, SH & PAL (¢/kWh)			3.6653 Line 25
		Nominal Lamp Wattage	Nominal kWh Energy per Unit per Month	Fixture Charge \$/Month
27	Mercury Vapor	100	44	\$1.61
28		175	74	\$2.71
29		250	102	\$3.74
30		400	161	\$5.90
31		1000	386	\$14.15
32	High Pressure Sodium:	70	29	\$1.06
33		100	50	\$1.83
34		150	71	\$2.60
35		200	95	\$3.48
36		250	110	\$4.03
37		400	170	\$6.23
38		1000	387	\$14.18
39	Flood Lighting - Unmetered	70	29	\$1.06
40		100	46	\$1.69
41		150	67	\$2.46
42		250	100	\$3.67
43		400	155	\$5.68
39	LED	43	15	\$0.55
40		106	37	\$1.36

**Attachment A**

**Duquesne Light Company  
Rider No. 8 - Residential/Lighting Default Service Supply Rates  
Proposed Supply Rates Effective June 1, 2018**

**Summary of Current Tariff Rates and Proposed Tariff Rates**

<u>Rate Schedule</u>	<u>Units</u>	<u>Rate</u>	<u>Current Tariff Effective 12/1/2017</u>	<u>Proposed Tariff Effective 6/1/2018</u>
RS	kWh	c/kWh	6.2407	6.1337
RH	kWh	c/kWh	6.2407	6.1337
RA	kWh	c/kWh	6.2407	6.1337
AL	kWh	c/kWh	3.8177	3.6653
SE	kWh	c/kWh	3.8177	3.6653
	<u>Nominal Lamp Wattage</u>			
SM, SH & PAL				
Mercury Vapor:	100	\$/Mo.	\$1.68	\$1.61
	175	\$/Mo.	\$2.83	\$2.71
	250	\$/Mo.	\$3.89	\$3.74
	400	\$/Mo.	\$6.15	\$5.90
	1000	\$/Mo.	\$14.74	\$14.15
High Pressure Sodium:	70	\$/Mo.	\$1.11	\$1.06
	100	\$/Mo.	\$1.91	\$1.83
	150	\$/Mo.	\$2.71	\$2.60
	200	\$/Mo.	\$3.63	\$3.48
	250	\$/Mo.	\$4.20	\$4.03
	400	\$/Mo.	\$6.49	\$6.23
	1000	\$/Mo.	\$14.77	\$14.18
Flood Lighting - Unmetered:	70	\$/Mo.	\$1.11	\$1.06
	100	\$/Mo.	\$1.76	\$1.69
	150	\$/Mo.	\$2.56	\$2.46
	250	\$/Mo.	\$3.82	\$3.67
	400	\$/Mo.	\$5.92	\$5.68
LED	43	\$/Mo.	\$0.57	\$0.55
	106	\$/Mo.	\$1.41	\$1.36

EXHIBIT 1

Duquesne Light Company  
Rider No. 8 - Medium C&I Default Service Supply  
Proposed Supply Rates Effective June 1, 2018

Quarterly Rate Adjustment - August 1, 2017 through January 31, 2018

1	Surcharge Revenue, Incl. GRT	\$19,512,599	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT	\$18,361,356	Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$658,015)	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT	(\$619,192)	Line 3 * 0.941
5	Net Medium C&I Related Revenue, Excl. GRT	\$18,980,548	Line 2 - Line 4
6	Medium C&I Related Expense	\$18,736,684	Exh. 1, Page 2
7	Reconciliation Period (Over)/Under Collection	(\$243,864)	Line 6 - Line 5
8	Interest	(\$9,698)	Exh. 1, Page 3
9	Total Reconciliation Period (Over)/Under Collection	(\$253,562)	Line 7 + Line 8
10	Net (Over)/Under Collection at July 2017	(\$605,964)	Exh. 1, Page 4
11	E-Factor Revenue - August 2017 - January 2018, Excl. GRT	(\$619,192)	Line 4
12	(Over)/Under E-Factor Recovery at January 31, 2018	\$13,229	Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Aug 2017 - Jan 2018	(\$253,562)	Line 9
14	E-Factor Balance at January 31, 2018	(\$240,334)	Sum Line 12 to Line

EXHIBIT 1

Duquesne Light Company  
Rider No. 8 - Medium C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Quarterly Rate Adjustment - Reconciliation of Revenue and Expense - Current Period

	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Total
<u>Revenue</u>							
1 Calendar Month Retail Revenue (1)	\$3,480,777	\$3,036,142	\$2,891,205	\$2,787,894	\$3,320,829	\$3,995,750	\$19,512,599
2 Less E Factor Rate Revenue	(\$125,831)	(\$111,540)	(\$106,854)	(\$104,886)	(\$99,901)	(\$109,003)	(\$658,015)
3 Net Calendar Month Revenue	\$3,606,608	\$3,147,682	\$2,998,060	\$2,892,781	\$3,420,730	\$4,104,754	\$20,170,614
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$212,790	\$185,713	\$176,886	\$170,674	\$201,823	\$242,180	\$1,190,066
5 Net Calendar Month Revenue less GRT	\$3,393,818	\$2,961,969	\$2,821,174	\$2,722,107	\$3,218,907	\$3,862,573	\$18,980,548
<u>Expense</u>							
6 Supply Invoice Amount (1)	\$3,358,039	\$2,774,623	\$2,723,183	\$2,656,059	\$3,401,900	\$3,635,678	\$18,549,482
7 Administrative Expense (2)	\$625	\$625	\$32,933	\$625	\$625	\$32,933	\$68,365
8 Filing Preparation and Approval Process Expense (3)	\$4,489	\$4,489	\$4,489	\$4,489	\$4,489	\$4,489	\$26,936
9 Working Capital for Default Service Supply Expense (3)	\$15,317	\$15,317	\$15,317	\$15,317	\$15,317	\$15,317	\$91,900
10 Total Expense	\$3,378,470	\$2,795,054	\$2,775,922	\$2,676,490	\$3,422,331	\$3,688,417	\$18,736,684
11 [(Over)/Under Collection	(\$15,348)	(\$166,915)	(\$45,252)	(\$45,617)	\$203,424	(\$174,156)	(\$243,864)

(1) Retail revenue excludes Company use facilities. Supply invoice amount excludes expense associated with Company use facilities.

(2) Administrative fees to conduct the request for proposal for rates effective December 1, 2017 and March 1, 2018.

EXHIBIT 1

Duquesne Light Company  
 Rider No. 8 - Medium C&I Default Service Supply Rate  
 Proposed Supply Rates Effective June 1, 2018

Quarterly Rate Adjustment - Interest Calculation on (Over)/Under Collection

	<u>Aug 2017</u>	<u>Sep 2017</u>	<u>Oct 2017</u>	<u>Nov 2017</u>	<u>Dec 2017</u>	<u>Jan 2018</u>	<u>Total</u>
1 (Over)/Under Collection	(\$15,348)	(\$166,915)	(\$45,252)	(\$45,617)	\$203,424	(\$174,156)	(\$243,864)
2 Interest Rate (1)	4.25%	4.25%	4.25%	4.25%	4.40%	4.50%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	(\$707)	(\$7,094)	(\$1,763)	(\$1,616)	\$6,706	(\$5,225)	(\$9,698)

1/ Interest rate per Section 54 Pa. Code 54.190(c).

EXHIBIT 1

Duquesne Light Company  
Rider No. 8 - Medium C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Quarterly Rate Adjustment - Reconciliation of E-Factor Revenue

File October 2015

Effective December 2015 to May 2016

1	Oct 2014 to Mar 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$94,969	Line 51
2	Apr 2015 to Jul 2015	Current Period E Factor Revenue (excl. GRT)	<u>(\$17,854)</u>	
3		(Over)/Under E-Factor Recovery	\$112,823	Line 52 - Line 53
4	Apr 2015 to Jul 2015	Current Period (Over)/Under Recovery	\$544,100	
5		Interest	<u>\$24,444</u>	
6		Total	\$568,544	Line 55 + Line 56
7		Net (Over)/Under Collection	<u>\$681,367</u>	Line 54 + Line 57

File April 2016

Effective June 2016 to November 2016

8	Apr 2015 to Jul 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$681,367	Line 7
9	Aug 2015 to Jan 2016	Current Period E Factor Revenue (excl. GRT)	<u>\$286,366</u>	
10		(Over)/Under E-Factor Recovery	\$395,000	Line 8 - Line 9
11	Aug 2015 to Jan 2016	Current Period (Over)/Under Recovery	\$15,140	
12		Interest	<u>\$734</u>	
13		Total	\$15,874	Line 11 + Line 12
14		Net (Over)/Under Collection	<u>\$410,875</u>	Line 10 + Line 13

File October 2016

Effective December 2016 to May 2017

15	Aug 2015 to Jan 2016	Prior Period Total (Over)/Under E-Factor Recovery	\$410,875	Line 14
16	Feb 2016 to Jul 2016	Current Period E Factor Revenue (excl. GRT)	<u>\$562,099</u>	
17		(Over)/Under E-Factor Recovery	(\$151,224)	Line 15 - Line 16
18	Feb 2016 to Jul 2016	Current Period (Over)/Under Recovery	\$411,236	
19		Interest	<u>\$4,080</u>	
20		Total	\$415,316	Line 18 + Line 19
21		Net (Over)/Under Collection	<u>\$264,092</u>	Line 17 + Line 20

File April 2017

Effective June 2017 to November 2017

22	Apr 2015 to Jul 2015	Prior Period Total (Over)/Under E-Factor Recovery	\$264,092	Line 21
23	Aug 2016 to Jan 2017	Current Period E Factor Revenue (excl. GRT)	<u>\$346,356</u>	
24		(Over)/Under E-Factor Recovery	(\$82,264)	Line 22 - Line 23
25	Aug 2016 to Jan 2017	Current Period (Over)/Under Recovery	(\$620,058)	
26		Interest	<u>(\$23,117)</u>	
27		Total	(\$643,175)	Line 25 + Line 26
28	Audit Finding No. 4 - Refund of Mistated E-Factor Revenue		(\$12,929)	See Note 1
29		Net (Over)/Under Collection	<u>(\$738,368)</u>	Line 24 + Line 27 + Line 28

File October 2017

Effective December 2017 to May 2018

30	Aug 2016 to Jan 2017	Prior Period Total (Over)/Under E-Factor Recovery	(\$738,368)	Line 29
31	Feb 2017 to Jul 2017	Current Period E Factor Revenue (excl. GRT)	<u>(\$66,279)</u>	
32		(Over)/Under E-Factor Recovery	(\$672,089)	Line 30 - Line 31
33	Feb 2017 to Jul 2017	Current Period (Over)/Under Recovery	\$65,776	
34		Interest	<u>\$349</u>	
35		Total	\$66,125	Line 33 + Line 34
36		Net (Over)/Under Collection	<u>(\$605,964)</u>	Line 32 + Line 35

File April 2018

Effective June 2018 to November 2018

37	Feb 2017 to Jul 2017	Prior Period Total (Over)/Under E-Factor Recovery	(\$605,964)	Line 36
38	Aug 2017 to Jan 2018	Current Period E Factor Revenue (excl. GRT)	<u>(\$619,192)</u>	
39		(Over)/Under E-Factor Recovery	\$13,229	Line 37 - Line 38
40	Aug 2017 to Jan 2018	Current Period (Over)/Under Recovery	(\$243,864)	
41		Interest	<u>(\$9,698)</u>	
42		Total	(\$253,562)	Line 40 + Line 41
43		Net (Over)/Under Collection	<u>(\$240,334)</u>	Line 39 + Line 42

1/ Audit findings per Commission audit order entered October 6, 2016 at Docket No. P-2015-2495282.

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**ATTACHMENT A**

**Duquesne Light Company  
Rider No. 8 - Medium C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018**

**Summary of RFP Results**

**CONFIDENTIAL  
REDACTION**

ATTACHMENT A

Duquesne Light Company  
 Rider No. 8 - Medium C&I Default Service Supply Rate  
 Proposed Supply Rates Effective June 1, 2018

Rate Design for Medium C&I Tariff Rate

1	Wholesale Price		\$50.86 /MWh	Weighted bid price - Att. A, Page 1
2	Line Losses	6.1%		Transmission (0.8%); distribution (5.3%)
3	Price Adjustment for Losses		\$3.10 /MWh	Line 1 * Line 2
4	Price Adjusted for Losses		\$53.96 /MWh	Line 1 + Line 3
5	Outside Services	\$34,183		Outside services to conduct RFPs
6	Forecast POLR Sales (MWh)	187,695		Forecast POLR sales (MWh) June 1, 2018 through August 31, 2018
7	Administrative Adder (per MWh)		\$0.18 /MWh	Line 5 / Line 6
8	Filing Preparation and Approval Process Expense	\$13,468		Unbundling provisions of Appendix C of the Joint Petition Settlement adopted as part of the Commission order entered December 22, 2016 at Docket No. P-2016-2543140.
9	Working Capital for Default Service Supply Expense	\$45,950		
10	Total Medium C&I Unbundling Expense	\$59,418		
11	Forecast POLR Sales (MWh)	187,695		Forecast POLR sales (MWh) June 1, 2018 through August 31, 2018
12	Unbundling Rate (per MWh)		\$0.32 /MWh	Line 10 / Line 11
13	E-factor (Over)/Under Collection	\$13,229		Exh. 1, Page 4
	<u>Reconciliation (August 2017 to January 2018)</u>			
14	(Over)/Under Collection	(\$243,864)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$9,698)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$253,562)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	(\$240,334)		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	349,699		Forecast POLR sales (MWh) June 1, 2018 through November 30, 2018
19	E Factor Rate (per MWh)		(\$0.69) /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price		\$53.77 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	PA GRT @ 5.9%		\$3.37 /MWh	Line 20 * (.059/(1-.059))
22	Total Rate (per MWh)		\$57.14 /MWh	Line 20 + Line 21
23	<b>RFP Medium C&amp;I Retail Supply Rate (¢/kWh)</b>		<b>5.7142 /kWh</b>	Line 22 / 10
24	Forecast POLR Sales (kWh)	187,694,994		Forecast POLR sales (kWh) June 1, 2018 through August 31, 2018
25	Projected RFP Revenue	\$10,725,290		Line 24 * (Line 23 / 100)

ATTACHMENT A

Duquesne Light Company  
Rider No. 8 - Medium C&I Default Service Supply Rate  
Proposed Supply Rates Effective June 1, 2018

Summary of Current Tariff Rates and Proposed Tariff Rates

<u>Rate Schedule</u>	<u>Units</u>	<u>Rate</u>	<u>Current Tariff Effective 3/1/2018</u>	<u>Proposed Tariff Effective 6/1/2018</u>
GM => 25 kW GMH => 25 kW				
All kWh	kWh	c/kWh	5.3509	5.7142

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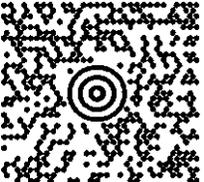
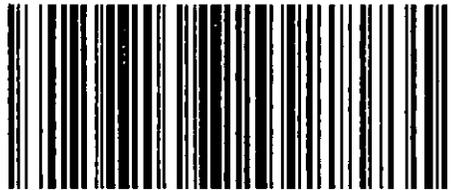
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