

ORIGINAL



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October 1, 2018

RECEIVED

OCT 1 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Via Overnight Delivery

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

**Re: Duquesne Light Company – Default Service Plan VIII Compliance Filing
Docket No. P-2016-2543140
Supplement No. 185 to Tariff Electric – PA. P.U.C. No. 24**

Dear Secretary Chiavetta:

Enclosed please find Supplement No. 185 to Duquesne Light Company's ("Duquesne Light" or the "Company") Tariff No. 24 – Retail Tariff. Supplement No. 185 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 December 1, 2018.

Supplement No. 185 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



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

ISSUED: October 1, 2018

EFFECTIVE: December 1, 2018

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

NOTICE

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

In accordance with Commission Order at Docket No. M-2018-2641242 adopted and entered on March 15, 2018, the current rates and riders are declared to be temporary rates pursuant to Section 1310 (d) of the Public Utility Code, 66 Pa. C.S. § 1310(d) for a trial period ending September 15, 2018.

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

DECREASE

Rider No. 8 – Default Service Supply

**Twenty-Eighth Revised Page No. 88
Cancelling Twenty-Seventh Revised Page No. 88**

**Seventeenth Revised Page No. 88A
Cancelling Sixteenth Revised Page No. 88A**

**Fourth Revised Page No. 88A-1
Cancelling Third Revised Page No. 88A-1**

The supply charge for Residential customers has decreased from 6.1337 ¢/kWh to 6.0654 ¢/kWh for the Application Period December 1, 2018, through May 31, 2019.

The supply charge for Small Commercial & Industrial customers has decreased from 5.8026 ¢/kWh to 5.7642 ¢/kWh for the Application Period December 1, 2018, through May 31, 2019.

The supply charge for Lighting customers has decreased from 3.6653 ¢/kWh to 3.6248 ¢/kWh for the application period December 1, 2018, through May 31, 2019.

INCREASE

Rider No. 8 – Default Service Supply

**Seventeenth Revised Page No. 88A
Cancelling Sixteenth Revised Page No. 88A**

The supply charge for Medium Commercial & Industrial customers has increased from 5.5901 ¢/kWh to 6.6810 ¢/kWh for the Application Period December 1, 2018, through February 28, 2019.

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)

Application Period	Supply Charge - ¢/kWh
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	6.0654
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)

Application Period	Supply Charge - ¢/kWh
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	5.7642
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)

(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)

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	5.5901
December 1, 2018 through February 28, 2019	6.6810
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	3.6248
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	
Supply Charge ¢ per kWh		3.7939	3.8177	3.6653	3.6248	(D)
		Fixture Charge — \$ per Month				
Mercury Vapor						
100	44	1.67	1.68	1.61	1.59	(D)
175	74	2.81	2.83	2.71	2.68	(D)
250	102	3.87	3.89	3.74	3.70	(D)
400	161	6.11	6.15	5.90	5.84	(D)
1000	386	14.64	14.74	14.15	13.99	(D)
High Pressure Sodium						
70	29	1.10	1.11	1.06	1.05	(D)
100	50	1.90	1.91	1.83	1.81	(D)
150	71	2.69	2.71	2.60	2.57	(D)
200	95	3.60	3.63	3.48	3.44	(D)
250	110	4.17	4.20	4.03	3.99	(D)
400	170	6.45	6.49	6.23	6.16	(D)
1000	387	14.68	14.77	14.18	14.03	(D)
Flood Lighting - Unmetered						
70	29	1.10	1.11	1.06	1.05	(D)
100	46	1.75	1.76	1.69	1.67	(D)
150	67	2.54	2.56	2.46	2.43	(D)
250	100	3.79	3.82	3.67	3.62	(D)
400	155	5.88	5.92	5.68	5.62	(D)
Light-Emitting Diode (LED)						
43	15	0.57	0.57	0.55	0.54	(D)
106	37	1.40	1.41	1.36	1.34	(D)

(D) – Indicates Decrease

Exhibit 1

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

Bi-Annual Rate Adjustment - February 1, 2018 through July 31, 2018

1	Surcharge Revenue, Incl. GRT	\$88,321,082	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$83,110,138 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	\$190,368	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT		\$179,136 Line 3 * 0.941
5	Net Residential Related Revenue, Excl. GRT		\$82,931,002 Line 2 - Line 4
6	<u>Residential Related Expense</u>		\$82,005,463 Exh. 1, Page 2
7	<u>Reconciliation Period (Over)/Under Collection</u>		(\$925,539) Line 6 - Line 5
8	<u>Interest</u>		(\$32,257) Exh. 1, Page 3
9	<u>Total Reconciliation Period (Over)/Under Collection</u>		(\$957,795) Line 7 + Line 8
10	Net (Over)/Under Collection at January 2018		(\$826,069) Exh. 1, Page 4
11	E-Factor Revenue - February 2018 - July 2018, Excl. GRT		\$179,136 Line 4
12	(Over)/Under E-Factor Recovery at July 31, 2018		(\$1,005,205) Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Feb 2018 - Jul 2018		(\$957,795) Line 9
14	<u>E-Factor Balance at July 31, 2018</u>		(\$1,963,000) Line 12 + Line 13

Exhibit 1

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

B-Annual Reconciliation of Revenue and Expense - Current Period

	<u>Feb 2018</u>	<u>Mar 2018</u>	<u>Apr 2018</u>	<u>May 2018</u>	<u>Jun 2018</u>	<u>Jul 2018</u>	<u>Total</u>
Revenue							
1 Actual Purchase Revenue	\$13,041,634	\$14,069,693	\$11,399,402	\$13,756,155	\$15,471,704	\$20,600,515	\$88,321,082
2 Escrow Revenue	\$132,911	\$148,569	\$120,515	\$149,099	(\$154,953)	\$520,272	\$190,368
3 Net Surcharge Revenue	\$12,907,704	\$13,901,124	\$11,278,887	\$13,609,056	\$15,626,656	\$20,811,287	\$88,130,734
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$761,319	\$820,166	\$665,454	\$802,934	\$921,973	\$1,222,866	\$5,299,712
5 Net Calendar Month Revenue	\$12,149,385	\$13,080,957	\$10,613,433	\$12,806,122	\$14,704,684	\$19,588,421	\$82,931,002
Expense							
6 Supply Invoice Amount	\$12,013,940	\$13,003,181	\$10,479,956	\$12,685,458	\$14,541,358	\$18,770,441	\$81,494,335
7 Administrative Expense (1)	\$675	\$635	\$85,240	\$625	\$625	\$825	\$688,365
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	\$12,088,359	\$13,077,600	\$10,618,991	\$12,759,877	\$14,615,777	\$18,864,660	\$82,005,463
11 <u>Over/Under Collection</u>	<u>(\$54,026)</u>	<u>(\$3,357)</u>	<u>\$3,558</u>	<u>(\$46,245)</u>	<u>(\$88,907)</u>	<u>(\$28,561)</u>	<u>(\$925,539)</u>

(1) Administrative fees to conduct the request for proposal for rates effective June 1, 2018

(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 filed 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 December 1, 2018

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

	<u>Feb 2018</u>	<u>Mar 2018</u>	<u>Apr 2018</u>	<u>May 2018</u>	<u>Jun 2018</u>	<u>Jul 2018</u>	<u>Total</u>
1 (Over)/Under Collection	(\$54,026)	(\$3,357)	\$5,558	(\$46,245)	(\$88,907)	(\$738,561)	(\$925,539)
2 Interest Rate (1)	4.50%	4.58%	4.75%	4.75%	4.89%	5.00%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	(\$2,634)	(\$154)	\$242	(\$1,831)	(\$3,262)	(\$24,619)	(\$32,257)

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

Exhibit I

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

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

<u>Filed October 2015</u>				
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)	\$19,664	
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	\$18,474	
6		Total		\$413,534 Line 4 + Line 5
7		Net (Over)/Under Collection		\$292,335 Line 3 + Line 6
<u>Filed April 2016</u>				
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)	\$45,055	
10		(Over)/Under E-Factor Recovery		\$247,270 Line 8 + Line 9
11	Aug 2015 to Jan 2016	Current Period (Over)/Under Recovery	(\$495,625)	
12		Interest	(\$5,407)	
13		Total		(\$501,032) Line 11 + Line 12
14		Net (Over)/Under Collection		(\$253,762) Line 10 + Line 13
<u>Filed October 2016</u>				
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)	\$68,092	
17		(Over)/Under E-Factor Recovery		(\$321,853) Line 15 + Line 16
18	Feb 2016 to Jul 2016	Current Period (Over)/Under Recovery	\$222,576	
19		Interest	(\$684)	
20		Total		\$221,892 Line 18 + Line 19
21		Net (Over)/Under Collection		(\$99,961) Line 17 + Line 20
<u>Filed April 2017</u>				
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)	(\$220,310)	
24		(Over)/Under E-Factor Recovery		\$120,349 Line 22 + Line 23
25	Aug 2016 to Jan 2017	Current Period (Over)/Under Recovery	\$1,233,277	
26		Interest	\$45,211	
27		Total		\$1,278,488 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 Mistated E-Factor Revenue		(\$2,466)	See Note 1
31		Net (Over)/Under Collection		\$1,722,148 Sum Line 24 to Line 30
<u>Filed October 2017</u>				
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)	\$616,228	
34		(Over)/Under E-Factor Recovery		\$1,105,970 Line 32 + Line 33
35	Feb 2017 to Jul 2017	Current Period (Over)/Under Recovery	(\$308,272)	
36		Interest	(\$8,295)	
37		Total		(\$316,567) Line 35 + Line 36
38		Net (Over)/Under Collection		\$789,353 Sum Line 24 to Line 30
<u>Filed April 2018</u>				
Effective June 2018 to November 2018				
39	Feb 2017 to Jul 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)	\$1,398,445	
41		(Over)/Under E-Factor Recovery		(\$609,093) Line 39 + Line 40
42	Aug 2017 to Jan 2018	Current Period (Over)/Under Recovery	(\$212,521)	
43		Interest	(\$4,455)	
44		Total		(\$216,976) Line 42 + Line 43
45		Net (Over)/Under Collection		(\$826,069) Sum Line 24 to Line 30
<u>Filed October 2018</u>				
Effective December 2018 to May 2019				
46	Aug 2017 to Jan 2018	Prior Period Total (Over)/Under E-Factor Recovery	(\$826,069)	Line 45
47	Feb 2018 to Jul 2018	Current Period E Factor Revenue (excl. GRT)	\$179,136	
48		(Over)/Under E-Factor Recovery		(\$1,005,205) Line 46 + Line 47
49	Feb 2018 to Jul 2018	Current Period (Over)/Under Recovery	(\$925,539)	
50		Interest	(\$32,257)	
51		Total		(\$957,795) Line 49 + Line 50
52		Net (Over)/Under Collection		(\$1,963,000) 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.

CONFIDENTIAL

Attachment A

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

Summary of RFP Results

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**PA PUBLIC UTILITY COMMISSION
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**CONFIDENTIAL
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Attachment A

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

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

1	RFP Average Wholesale Price (\$/MWh)		\$54.15 /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)		\$3.74 /MWh	Line 1 * Line 2
4	Adjusted Wholesale Price for Losses (\$/MWh)		\$57.89 /MWh	Line 1 + Line 3
5	Forecast POLR Sales (MWh)	1,279,197		Residential/Lighting Forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
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)	1,279,197		Residential/Lighting Forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
12	Unbundling Rate (per MWh)		\$0.35 /MWh	Line 10 / Line 11
13	E-Factor (Over)/Under Reconciliation	(\$1,005,205)		Prior Period
	<u>Reconciliation</u>			
14	(Over)/Under Collection	(\$925,539)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$32,257)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$957,795)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	(\$1,963,000)		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	1,279,197		Residential/Lighting Forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
19	E Factor Rate (per MWh)		(\$1.53) /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price (\$/MWh)		\$56.76 /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)		\$57.07 /MWh	Line 20 * Line 21
23	PA GRI @ 5.9%		\$3.58 /MWh	Line 22 * (.059/(1-.059))
24	Total Retail Rate (\$/MWh)		\$60.65 /MWh	Line 22 + Line 23
25	RFP Residential Retail Supply Rate (¢/kWh)		6.0654 /kWh	Line 24 / 10
26	Forecast POLR Sales (kWh)	1,271,503,158		Residential Forecast POLR sales (kWh) December 1, 2018 through May 31, 2019
27	Projected RFP Revenue	\$77,122,243		Line 25 / 100 * Line 26

Attachment A

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

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

1	RFP Average Wholesale Price (\$/MWh)		\$54.15 /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)		\$3.74 /MWh	Line 1 * Line 2
4	Adjusted Wholesale Price for Losses (\$/MWh)		\$57.89 /MWh	Line 1 + Line 3
5	Forecast POLR Sales (MWh)	1,279,197		Residential/Lighting forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
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)	1,279,197		Residential/Lighting forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
12	Unbundling Rate (per MWh)		\$0.35 /MWh	Line 10 / Line 11
13	E-Factor (Over)/Under Reconciliation	(\$1,005,205)		Prior Period
<u>Reconciliation</u>				
14	(Over)/Under Collection	(\$925,539)		Exh 1, Page 2
15	Interest on (Over)/Under Collection	(\$32,257)		Exh 1, Page 3
16	Total (Over)/Under Collection	(\$957,795)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	(\$1,963,000)		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	1,279,197		Residential/Lighting forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
19	E Factor Rate (per MWh)		(\$1.53) /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price (\$/MWh)		\$56.76 /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)		\$34.11 /MWh	Line 20 * Line 21
23	PA GRT @ 5.9%		\$2.14 /MWh	Line 22 * (0.059/(1-.059))
24	Total Retail Rate (\$/MWh)		\$36.25 /MWh	Line 22 + Line 23
25	RFP Lighting Retail Supply Rate (¢/kWh)		3.6248 ¢/kWh	Line 24 / 10

Lighting Supply Charges by Lamp Wattage:

26	SM, SH & PAL (¢/kWh)			3.6248 Line 25
		Nominal Lamp Wattage	Nominal kWh Energy per Unit per Month	Fixture Charge \$/Month
27	Mercury Vapor:	100	44	\$1.59
28		175	74	\$2.68
29		250	102	\$3.70
30		400	161	\$5.84
31		1000	386	\$13.99
32	High Pressure Sodium:	70	29	\$1.05
33		100	50	\$1.81
34		150	71	\$2.57
35		200	95	\$3.44
36		250	110	\$3.99
37		400	170	\$6.16
38		1000	387	\$14.03
39	Flood Lighting - Unmetered:	70	29	\$1.05
40		100	46	\$1.67
41		150	67	\$2.43
42		250	100	\$3.62
43		400	155	\$5.62
39	LED	43	15	\$0.54
40		106	37	\$1.34

Attachment A

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

Summary of Current Tariff Rates and Proposed Tariff Rates

<u>Rate Schedule</u>	<u>Units</u>	<u>Rate</u>	<u>Current Tariff</u> <u>Effective</u> <u>6/1/2018</u>	<u>Proposed Tariff</u> <u>Effective</u> <u>12/1/2018</u>
RS	kWh	¢/kWh	6.1337	6.0654
RH	kWh	¢/kWh	6.1337	6.0654
RA	kWh	¢/kWh	6.1337	6.0654
AL	kWh	¢/kWh	3.6653	3.6248
SE	kWh	¢/kWh	3.6653	3.6248
	<u>Nominal Lamp Wattage</u>			
SM, SH & PAL				
Mercury Vapor:	100	\$/Mo.	\$1.61	\$1.59
	175	\$/Mo.	\$2.71	\$2.68
	250	\$/Mo.	\$3.74	\$3.70
	400	\$/Mo.	\$5.90	\$5.84
	1000	\$/Mo.	\$14.15	\$13.99
High Pressure Sodium:	70	\$/Mo.	\$1.06	\$1.05
	100	\$/Mo.	\$1.83	\$1.81
	150	\$/Mo.	\$2.60	\$2.57
	200	\$/Mo.	\$3.48	\$3.44
	250	\$/Mo.	\$4.03	\$3.99
	400	\$/Mo.	\$6.23	\$6.16
	1000	\$/Mo.	\$14.18	\$14.03
Flood Lighting - Unmetered:	70	\$/Mo.	\$1.06	\$1.05
	100	\$/Mo.	\$1.69	\$1.67
	150	\$/Mo.	\$2.46	\$2.43
	250	\$/Mo.	\$3.67	\$3.62
	400	\$/Mo.	\$5.68	\$5.62
LED	43	\$/Mo.	\$0.55	\$0.54
	106	\$/Mo.	\$1.36	\$1.34

Exhibit 1

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

Bi-Annual Rate Adjustment - February 1, 2018 through July 31, 2018

1	Surcharge Revenue, Incl. GRT	\$11,708,620	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$11,017,811 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$61,849)	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT		(\$58,200) Line 3 * 0.941
5	<u>Net Small C&I Related Revenue, Excl. GRT</u>		<u>\$11,076,011</u> Line 2 - Line 4
6	<u>Small C&I Related Expense</u>		<u>\$10,935,506</u> Exh. 1, Page 2
7	<u>Reconciliation Period (Over)/Under Collection</u>		<u>(\$140,505)</u> Line 6 - Line 5
8	<u>Interest</u>		<u>(\$5,069)</u> Exh. 1, Page 3
9	<u>Total Reconciliation Period (Over)/Under Collection</u>		<u>(\$145,575)</u> Line 7 + Line 8
10	Net (Over)/Under Collection at January 2018		\$99,867 Exh. 1, Page 4
11	<u>E-Factor Revenue - February 2018 - July 2018, Excl. GRT</u>		<u>(\$58,200)</u> Line 4
12	<u>(Over)/Under E-Factor Recovery at July 31, 2018</u>		<u>\$158,067</u> Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Feb 2018 - Jul 2018		(\$145,575) Line 9
14	<u>E-Factor Balance at July 31, 2018</u>		<u>\$12,492</u> 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 December 1, 2018

Bi-Annual Reconciliation of Revenue and Expense - Current Period

	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Total
Revenue							
1 Actual Surcharge Revenue	\$1,740,125	\$1,934,365	\$1,665,819	\$1,921,459	\$2,009,840	\$2,437,013	\$11,708,620
2 E-Factor Revenue	(\$25,513)	(\$28,707)	(\$24,296)	(\$28,126)	\$20,530	\$24,263	(\$61,849)
3 Net Surcharge Revenue	\$1,765,638	\$1,963,072	\$1,690,115	\$1,949,585	\$1,989,310	\$2,412,750	\$11,770,469
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$104,173	\$115,821	\$99,717	\$115,026	\$117,369	\$142,352	\$694,458
5 Net Calendar Month Revenue	\$1,661,465	\$1,847,251	\$1,590,398	\$1,834,560	\$1,871,940	\$2,270,397	\$11,076,011
Expense							
6 Supply Invoice Amount (1)	\$1,590,079	\$1,829,359	\$1,613,031	\$1,757,639	\$1,871,250	\$2,142,849	\$10,804,208
7 Administrative Expense (2)	\$625	\$625	\$65,240	\$675	\$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	\$1,601,193	\$1,840,473	\$1,688,760	\$1,768,753	\$1,882,364	\$2,153,963	\$10,935,506
11 (Over)/Under Collection	(\$60,273)	(\$6,778)	\$98,363	(\$65,807)	\$10,424	(\$116,434)	(\$140,505)

(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 June 1, 2018.

(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 December 1, 2018**

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

	<u>Feb 2018</u>	<u>Mar 2018</u>	<u>Apr 2018</u>	<u>May 2018</u>	<u>Jun 2018</u>	<u>Jul 2018</u>	<u>Total</u>
1 (Over)/Under Collection	(\$60,273)	(\$6,778)	\$98,363	(\$65,807)	\$10,424	(\$116,434)	(\$140,505)
2 Interest Rate (1)	4.50%	4.58%	4.75%	4.75%	4.89%	5.00%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	(\$2,938)	(\$310)	\$4,283	(\$2,605)	\$382	(\$3,881)	(\$5,069)

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 December 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		\$7,529 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 21
23	Aug 2016 to Jan 2017	Current Period E-Factor Revenue (excl. GRT)	\$19,831	
24		(Over)/Under E-Factor Recovery		(\$91,912) Line 22 - Line 23
25	Aug 2016 to Jan 2017	Current Period (Over)/Under Recovery	(\$390,435)	
26		Interest	(\$12,489)	
27		Total		(\$402,924) 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 Mistated 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 30
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 37
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
Filed October 2018				
Effective December 2018 to May 2018				
45	Aug 2017 to Jan 2018	Prior Period Total (Over)/Under E-Factor Recovery	\$99,867	Line 44
46	#REF!	Current Period E-Factor Revenue (excl. GRT)	(\$58,200)	
47		(Over)/Under E-Factor Recovery		\$158,067 Line 45 - Line 46
48	#REF!	Current Period (Over)/Under Recovery	(\$140,505)	
49		Interest	(\$5,069)	
50		Total		(\$145,575) Line 48 + Line 49
51		Net (Over)/Under Collection		\$12,492 Line 47 + Line 50

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.

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ATTACHMENT A

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

Summary of RFP Results

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ATTACHMENT A

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

Rate Design for Small C&I Tariff Rate

1	Wholesale Price		\$50.35 /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		\$53.42 /MWh	Line 1 + Line 3
5	Outside Services	\$68,365		Outside services to conduct RFPs
6	Forecast POLR Sales (MWh)	173,187		Forecast POLR sales (MWh) December 1, 2018 through May 31, 2018
7	Administrative Adder (per MWh)		\$0.39 /MWh	Line 5 / Line 6
8	Filing Preparation and Approval Process Expense	\$14,265		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	\$48,668		
10	Total Residential/Lighting Unbundling Expense	\$62,933		
11	Forecast POLR Sales (MWh)	173,187		Forecast POLR sales (MWh) December 1, 2018 through May 31, 2018
12	Unbundling Rate (per MWh)		\$0.36 /MWh	Line 10 / Line 11
13	E-factor (Over)/Under Collection	\$158,067		Exh. 1, Page 4
	<u>Reconciliation</u>			
14	(Over)/Under Collection	(\$140,505)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$5,069)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$145,575)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	\$12,492		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	173,187		Forecast POLR sales (MWh) December 1, 2018 through May 31, 2018
19	E-Factor Rate (per MWh)		\$0.07 /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price		\$54.24 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	PA GRT @ 5.9%		\$3.40 /MWh	Line 20 * (.059/(1-.059))
22	Total Rate (per MWh)		\$57.64 /MWh	Line 20 + Line 21
23	RFP Small C&I Retail Supply Rate (¢/kWh)		5.7642 /kWh	Line 22 / 10
24	Forecast POLR Sales (kWh)	173,186,637		Forecast POLR sales (kWh) December 1, 2018 through May 31, 2018
25	Projected RFP Revenue	\$9,982,867		Line 24 * (Line 23 / 100)

ATTACHMENT A

**Duquesne Light Company
Rider No. 8 - Small C&I Default Service Supply Rate
Proposed Supply Rates Effective December 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>6/1/2018</u>	Proposed Tariff Effective <u>12/1/2018</u>
GS				
GM < 25 kW				
GMH <25 kW				
UMS				
All kWh	kWh	¢/kWh	5.8026	5.7642

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EXHIBIT 1

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

PA PUBLIC UTILITY COMMISSION
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Quarterly Rate Adjustment - February 1, 2018 through July 31, 2018

1	Surcharge Revenue, Incl. GRT	\$18,873,568	Exh. 1, Page 2
2	Surcharge Revenue, Excl. GRT		\$17,760,027 Line 1 * 0.941
3	E-Factor Revenue, Incl. GRT	(\$454,415)	Exh. 1, Page 2
4	E-Factor Revenue, Excl. GRT		(\$427,604) Line 3 * 0.941
5	Net Medium C&I Related Revenue, Excl. GRT		\$18,187,632 Line 2 - Line 4
6	<u>Medium C&I Related Expense</u>	\$18,036,817	Exh. 1, Page 2
7	<u>Reconciliation Period (Over)/Under Collection</u>	(\$150,814)	Line 6 - Line 5
8	Interest	(\$6,717)	Exh. 1, Page 3
9	<u>Total Reconciliation Period (Over)/Under Collection</u>	(\$157,531)	Line 7 + Line 8
10	Net (Over)/Under Collection at January 2018	(\$240,334)	Exh. 1, Page 4
11	<u>E-Factor Revenue - February 2018 - July 2018, Excl. GRT</u>	(\$427,604)	Line 4
12	<u>(Over)/Under E-Factor Recovery at July 31, 2018</u>	\$187,270	Line 10 - Line 11
13	Reconciliation Period (Over)/Under Collection - Feb 2018 - Jul 2018	(\$157,531)	Line 9
14	<u>E-Factor Balance at July 31, 2018</u>	\$29,740	Sum Line 12 to Line

EXHIBIT 1

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

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

	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Total
Revenue							
1 Calendar Month Retail Revenue (1)	\$2,959,432	\$3,187,484	\$2,706,259	\$3,062,256	\$3,206,942	\$3,751,195	\$18,873,568
2 Less E Factor Rate Revenue	(\$84,763)	(\$96,946)	(\$85,818)	(\$96,977)	(\$42,671)	(\$47,239)	(\$454,415)
3 Net Calendar Month Revenue	\$3,044,195	\$3,284,430	\$2,792,077	\$3,159,233	\$3,249,613	\$3,798,434	\$19,327,983
Expense							
4 Less PA Gross Receipts Tax (GRT) at 5.9%	\$179,607	\$193,781	\$164,733	\$186,395	\$191,727	\$224,108	\$1,140,351
5 Net Calendar Month Revenue less GRT	\$2,864,587	\$3,090,649	\$2,627,345	\$2,972,838	\$3,057,886	\$3,574,326	\$18,187,632
Expense							
6 Supply Invoice Amount (1)	\$2,848,348	\$2,862,809	\$2,630,377	\$2,903,414	\$3,207,365	\$3,397,302	\$17,849,616
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	\$2,868,779	\$2,883,240	\$2,683,116	\$2,923,845	\$3,227,796	\$3,450,041	\$18,036,817
11 (Over)/Under Collection	\$4,192	(\$207,408)	\$55,771	(\$48,993)	\$169,910	(\$124,286)	(\$150,814)

- (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 June 1, 2018 and September 1, 2018.

EXHIBIT 1

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

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

	<u>Feb 2018</u>	<u>Mar 2018</u>	<u>Apr 2018</u>	<u>May 2018</u>	<u>Jun 2018</u>	<u>Jul 2018</u>	<u>Total</u>
1 (Over)/Under Collection	\$4,192	(\$207,408)	\$55,771	(\$48,993)	\$169,910	(\$124,286)	(\$150,814)
2 Interest Rate [1]	4.50%	4.58%	4.75%	4.75%	4.89%	5.00%	
3 Interest Weight	13/12	12/12	11/12	10/12	9/12	8/12	
4 Interest	\$204	(\$9,501)	\$2,428	(\$1,939)	\$6,234	(\$4,143)	(\$6,717)

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 December 1, 2018

Quarterly Rate Adjustment - Reconciliation of E-Factor Revenue

<u>File October 2015</u>				
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
<u>File April 2016</u>				
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
<u>File October 2016</u>				
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
<u>File April 2017</u>				
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
<u>File October 2017</u>				
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
<u>File April 2018</u>				
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
<u>File October 2018</u>				
Effective December 2018 to May 2019				
44	Aug 2017 to Jan 2018	Prior Period Total (Over)/Under E-Factor Recovery	(\$240,334)	Line 43
45	Feb 2018 to Jul 2018	Current Period E Factor Revenue (excl GRT)	<u>(\$427,604)</u>	
46		(Over)/Under E-Factor Recovery	\$187,270	Line 44 - Line 45
47	Feb 2018 to Jul 2018	Current Period (Over)/Under Recovery	(\$150,814)	
48		Interest	<u>(\$6,717)</u>	
49		Total	(\$157,531)	Line 47 + Line 48
50		Net (Over)/Under Collection	<u>\$29,740</u>	Line 46 + Line 49

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ATTACHMENT A

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

Summary of RFP Results

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**CONFIDENTIAL
REDACTION**

ATTACHMENT A

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

Rate Design for Medium C&I Tariff Rate

1	Wholesale Price		\$58.65 /MWh	Weighted bid price - Att. A, Page 1
2	Line Losses	6.1%		Transmission (0.8%); distribution (5.3%)
3	Price Adjustment for Losses		\$3.58 /MWh	Line 1 * Line 2
4	Price Adjusted for Losses		\$62.23 /MWh	Line 1 + Line 3
5	Outside Services	\$34,183		Outside services to conduct RFPs
6	Forecast POLR Sales (MWh)	170,490		Forecast POLR sales (MWh) December 1, 2018 through February 28, 2019
7	Administrative Adder (per MWh)		\$0.20 /MWh	Line 5 / Line 6
8	Filing Preparation and Approval Process Expense	\$13,468		Unbundling provisions of Appendix C of the Joint Petition Settlement
9	Working Capital for Default Service Supply Expense	\$45,950		adopted as part of the Commission order entered December 22, 2016 at
10	Total Medium C&I Unbundling Expense	\$59,418		Docket No. P-2016-2543140.
11	Forecast POLR Sales (MWh)	170,490		Forecast POLR sales (MWh) December 1, 2018 through February 28, 2019
12	Unbundling Rate (per MWh)		\$0.35 /MWh	Line 10 / Line 11
13	E-factor (Over)/Under Collection	\$187,270		Exh. 1, Page 4
	<u>Reconciliation (February 2018 to July 2018)</u>			
14	(Over)/Under Collection	(\$150,814)		Exh. 1, Page 2
15	Interest on (Over)/Under Collection	(\$6,717)		Exh. 1, Page 3
16	Total (Over)/Under Collection	(\$157,531)		Line 14 + Line 15
17	Total E Factor (Over)/Under Reconciliation	\$29,740		Line 13 + Line 16
18	Forecast POLR Sales (MWh)	335,128		Forecast POLR sales (MWh) December 1, 2018 through May 31, 2019
19	E Factor Rate (per MWh)		\$0.09 /MWh	Line 17 / Line 18
20	Adjusted Wholesale Price		\$62.87 /MWh	Line 4 + Line 7 + Line 12 + Line 19
21	PA GRT @ 5.9%		\$3.94 /MWh	Line 20 * (.059/(1-.059))
22	Total Rate (per MWh)		\$66.81 /MWh	Line 20 + Line 21
23	RFP Medium C&I Retail Supply Rate (¢/kWh)		6.6810 /kWh	Line 22 / 10
24	Forecast POLR Sales (kWh)	170,489,901		Forecast POLR sales (kWh) December 1, 2018 through February 28, 2019
25	Projected RFP Revenue	\$11,390,515		Line 24 * (Line 23 / 100)

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Duquesne Light Company
Rider No. 8 - Medium C&I Default Service Supply Rate
Proposed Supply Rates Effective December 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 9/1/2018</u>	<u>Proposed Tariff Effective 12/1/2018</u>
GM => 25 kW				
GMH => 25 kW				
All kWh	kWh	c/kWh	5.5901	6.6810

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).

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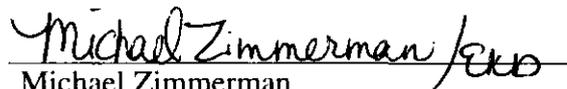
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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, 3rd Floor East
Harrisburg, PA 17120



Michael Zimmerman
Duquesne Light Company
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Pittsburgh, PA 15219
Phone: 412-393-6268
mzimmerman@duqlight.com

Dated: October 1, 2018

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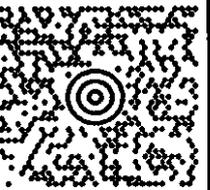
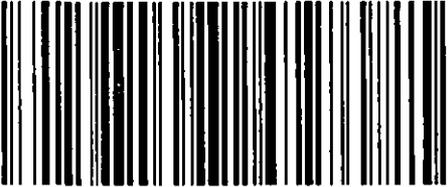
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