

Pennsylvania Power Company
PTC Default Service Rider Rate Calculation
Commercial Class: Default Service Period Beginning September 1, 2013 - November 30, 2013

Line No.	Commercial Class	Number of Tranches	Auction Clearing Price	Summer 1.086	Winter 0.971	Weighted Clearing Price
Fixed Price Tranche Purchases (\$ per MWh)						
1	January 2013 Auction	3	\$ 47.19	1	2	428.67
2	February 2013 Auction	4	\$ 48.19	1	2	583.68
		7		3	21	
3	Total Average Fixed Price Tranche				\$ 48.21	
4	Percentage of Total Load				90%	Fixed Portion
5	Total Cost Fixed Price Tranche				\$ 43.39	dollar cost
6	Average Variable Hourly Price Tranche				\$ 34.46	
7	Capacity, Anc. Serv. and AEPS Adder (\$19/MWh)				\$ 19.00	Variable Portion
8	Variable Priced Hourly Commercial Cost				\$ 53.46	dollar cost
9	Percentage of Total Load				10%	
10	Total Variable Priced Hourly Commercial Cost				\$ 5.35	
11	Price to Compare Weighted Average Price (line 5 + line 10)				\$ 48.73	<i>per MWh</i>
12	PTC _{Current Cost Component} (line 11 / 1000)				\$ 0.04873	<i>per kWh</i>
13	Times Loss Factor				1.0661	
14	Subtotal (line 12 x line 13)				\$ 0.05195	<i>per kWh</i>
15	Admin Costs including estimated interest @ 6%				\$ 0.00011	<i>per kWh</i>
16	Subtotal (line 14 + line 15)				\$ 0.05206	<i>per kWh</i>
17	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
18	PTC _{Current} Commercial Class (line 16 x line 17)				\$ 0.05446	<i>per kWh</i>
19	E Reconciliation Rate (page 2, line 8)				0.00502	<i>per kWh</i>
20	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
21	E Reconciliation Rate x GRT				\$ 0.00525	
22	PTC _{Default} Commercial Class (line 18 + line 21)				\$ 0.05971	<i>per kWh</i>

Note 1: All Price to Compare rate computations will be pursuant to terms of Company's "Price to Compare Default Service Rate Rider".
Note 2: All Adders are subject to Quarterly Updates

Pennsylvania Power Company
Price to Compare Default Service Rider Rate Calculation
Commercial Class
Computation of Commercial Class Reconciliation Factor
Effective September 1, 2013 Through November 30, 2013

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of June 30, 2013	\$ 552,555 See Schedule 1, Page 3 for sup
2	Projected July 2013 through September 2013 (Over) / Under Collection adjustment	-
3	Projected July & August 2013 E Factor revenue adjustment	<u>(97,301)</u>
4	Total Cumulative Class (Over) / Under Collection as of June 30, 2013, including adjustment	\$ 455,254
5	Projected Commercial Class kilowatt-hour sales - September 1, 2013 through November, 2013 (Line 14)	90,734,839 kWhs
6	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ 0.00502 per kWh
7	Commercial Class Reconciliation Rate Adjustment Factor	<u>100.00%</u>
8	Commercial Class Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 6 X Line 7)	\$ 0.00502 per kWh
9	PA Gross Receipt Gross-Up [1/(1-T) with T = 4.4% Gross Receipts Tax]	<u>1.046025</u>
10	Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 8 X Line 9)	<u>\$ 0.00525 per kWh</u>

Projected Commercial Class kilowatt hour sales (September 1, 2013 through November 30, 2013)		
11	Sep-13	31,399,988
12	Oct-13	30,133,834
13	Nov-13	<u>29,201,016</u>
14	Total Projected Commercial Class kWh Sales	<u>90,734,839</u>

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**Pennsylvania Power Company Default Service Program
Commercial Customer Class Deferral
April 2013 through June 2013**

<u>Line No.</u>		<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (738,647)	\$ (558,082)	\$ (4,929)
2	POLR II / IDSSP Revenues With Pa GRT	\$ 1,608,158	\$ 1,037,682	\$ 1,637,473
3	Uncollectible Expense Revenues with Pa GRT Included in Line 2	\$ -	\$ -	\$ -
4	POLR II / IDSSP Revenues With Pa GRT excluding Uncollectible Expense Revenues (line 2 - line 3)	\$ 1,608,158	\$ 1,037,682	\$ 1,637,473
5	Pa GRT Included in Line 4	\$ 70,759	\$ 45,658	\$ 72,049
6	POLR II / IDSSP Revenues Including E Factor Revenues, Excluding Uncollectible Revenues and Pa GRT (Line 4 - Line 5)	\$ 1,537,399	\$ 992,024	\$ 1,565,424
	<u>Expenses</u>			
7	Amortization of Start Up Costs Through 05/31/2008/ Through 5/31/2011 starting 6/1/2011 {DSexp1}	\$ 4,054	\$ 4,054	\$ 3,534
8	Current Month cost to provide Default Service [DSexp2]	\$ 1,560,744	\$ 1,400,515	\$ 2,118,008
9	Current Month Administration Costs [DSexp2]			
10	Amortization of POLR I (Over)/Under Collections [DSexp3]			
11	Cumulative Costs for month of Network Integration Transmission Service (NITS) cost incurred by the Company	\$ 157,475	\$ 142,479	\$ -
12	Total Expenses for Month	\$ 1,722,273	\$ 1,547,048	\$ 2,121,542
13	Monthly (Over)/Under Collections	\$ 184,873	\$ 555,024	\$ 556,118
14	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (553,774)	\$ (3,058)	\$ 551,189
15	Interest for Current Month	\$ (4,308)	\$ (1,871)	\$ 1,366
16	Cumulative (Over) / Under Collections at End of Month Including Interest	\$ (558,082)	\$ (4,929)	\$ 552,555