

Pennsylvania Electric Company
Hourly Pricing Service Charge Sample Calculation - Illustrative Purposes Only
Industrial Class: December 1, 2012 - February 28, 2013

Line	No.	Industrial Class		
		<u>HP Energy Charge</u>		
	1		$\sum (\text{kWh}_t \times$	kWh for each hour in billing period
	2		$(\text{LMP}_t + \text{HPAnc})$	LMP = Real Time PJM Load Weighted average LMP for PN Zone for each hour
	3			HPAnc = \$.002 per kWh for Ancillary Services
	4		$\text{HP}_{\text{Energy Charge}} (\text{Line 1} \times \text{Line (2+3)})$	t = An hour in the Billing Period
	5		x Loss Factor	GS Small, Medium Large = 1.0573
				GP = 1.0234
				LP = 1.0035
	6		<hr/>	
			HP Energy Charge Line 4 x Line 5	
		<i>PLUS</i>		
		<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>	Clearing	
			Price	
	7	Auction	\$ 9.80	\$/MWh
			\$ 0.00980	per kWh
			x Loss Factor	GS Small, Medium Large = 1.0573
		January 2011 Auction Grossed up for Line Losses		GP = 1.0234
				LP = 1.0035
		<i>PLUS</i>		
	8	HP Administrative Charge	\$ 0.00017	per kWh
		<i>PLUS</i>		
	9	HP NITS	\$ 0.00269	per kWh
		<i>PLUS</i>		
	10	HP Reconciliation Charge	\$ 0.02851	per kWh
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	11	Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9 + 10)	<u>\$ x.xxxxx</u>	

(A) All Hourly Pricing Service Charge computations will be pursuant to the terms of the Company's "Hourly Pricing Default Service Rider"
 (B) All Adders are subject to Quarterly Updates

Pennsylvania Electric Company
PTC Default Rate Calculation
Computation of Industrial Class Reconciliation Factor
Rate Effective December 1, 2012 Through February 28, 2013

<u>Line No.</u>	<u>Description</u>	<u>Amounts</u>
1	Cumulative Industrial Class (Over) / Under Collection as of October 31, 2012 (page 2, line 12, col. 3)	\$ 778,792 See Page 3
2	Projected Industrial Class kilowatt hour sales - December 1, 2012 through February 28, 2013	29,026,956 kWhs
3	Industrial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.02683 per kWh
4	HPS Classes Reconciliation Rate Adjustment Factor	<u>100.00%</u>
5	HPS Classes Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 3 X Line 4)	\$ 0.02683 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	IndustrialClasses Reconciliation Factor Rate with PA Gross Receipts Tax (Line 5\ X Line 6)	<u>\$ 0.02851 per kWh</u>
Projected Industrial Class kilowatt hour sales (December 1, 2012 through February 28, 2013)		
8	Dec-12	9,560,966
9	Jan-13	9,390,142
10	Feb-13	<u>10,075,848</u>
11	Total projected Industrial class kWh sales	<u>29,026,956</u>

**Pennsylvania Electric Company Default Service
Program Reconciliation - Hourly Pricing Default Service
Rider
Hourly Pricing (Industrial) Customer Class Deferral
August 1, 2012 through October 31, 2012**

	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>
1 Cumulative (Over) Under Collection at Beginning of Month Including Interest	\$ 318,639	\$ 479,919	\$ 672,408
2 Default Service Plan Revenues With Pa GRT	\$ 902,833	\$ 780,328	\$ 938,791
3 Pa GRT Included in "A"	\$ 53,267	\$ 46,039	\$ 55,389
4 Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	<u>\$ 849,566</u>	<u>\$ 734,289</u>	<u>\$ 883,402</u>
<u>Expenses</u>			
5 Allocated portion of incremental start-up costs incurred by Company through 12/31/2010 [DSHPExp1]	\$ 11,897	\$ 11,897	\$ 11,897
6 Current Month cost to provide Default Service [DSHPExp2] (Line 22)	\$ 948,571	\$ 870,500	\$ 911,073
7 Cumulative costs for Month of Network Integration Transmission Service (NITS) cost incurred by the Company [DSHPExp3]	<u>\$ 48,386</u>	<u>\$ 41,507</u>	<u>\$ 63,197</u>
8 Total PA Jurisdictional Expenses for Month	<u>\$ 1,008,854</u>	<u>\$ 923,904</u>	<u>\$ 986,167</u>
9 Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 159,288	\$ 189,615	\$ 102,765
10 Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 477,928	\$ 669,534	\$ 775,173
11 Interest for Current Month for Both Regulatory and Accounting Reporting Purposes	\$ 1,991	\$ 2,874	\$ 3,619
12 Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory and Accounting Reporting Purposes (Line 10 + Line 11)	<u>\$ 479,919</u>	<u>\$ 672,408</u>	<u>\$ 778,792</u>