

Pennsylvania Electric Company
Hourly Pricing Service Charge Sample Calculation - Illustrative Purposes Only
Industrial Class: September - November 2011
Updated Last: 06/08/2011

| 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 | | $\times \text{Loss Factor}$ | GS Small, Medium Large = 1.0573 |
| | | | GP = 1.0234 |
| | | | LP = 1.0035 |
| 6 | | <hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> HP Energy Charge Line 4 x Line 5 | |
| | <i>PLUS</i> | | |
| | <u>HP Cap-AEPS-Other Purchases (\$/MWh)</u> | Clearing Price | |
| 7 | January 2011 Auction | \$ 9.91 | \$/MWh |
| | | \$ 0.00991 | per kWh |
| | | <u>x Loss Factor</u> | 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 NTS | \$ 0.00286 | per kWh |
| | <i>PLUS</i> | | |
| 10 | HP Reconciliation Charge | \$ 0.00525 | per kWh |
| 11 | Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9 + 10) | <hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> \$ x.xxxxx <hr style="width: 100%; border: 0.5px solid black;"/> | |

(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
(C): HP Reconciliation Charge reflects actual results through July 31, 2011 reconciliation.