

Pennsylvania Power Company
Price to Compare Default Service Rider Rate Calculation¹
Commercial Class: June - Aug 2012
Rate Effective June 1, 2012 through August 31, 2012

Line No.	Commercial Class	Number of	Auction Clearing	Summer 1.06	Winter 0.97	Weighting
Fixed Price Tranche Purchases (\$ per M		Tranches	Price			
1	Jan 2012 Auction	3	41.97	3	0	400.39
2	Mar 2012 Auction	4	42.07	3	0	535.13
3		7	3	21		935.52
4	Total Average Fixed Price Tranche				\$ 44.55	
5	Times Fixed portion of Commercial Load				90%	<i>Fixed Portion</i>
6	Total Fixed Price Commercial Cost				\$ 40.09	<i>dollar cost</i>
7	Average Variable Hourly Price Tranche including fixed Anc. Serv. adder (\$9/MWh)				\$ 41.92	
8	Times Variable portion of Commercial Load				10%	<i>Variable Portion</i>
9	Total Variable Priced Hourly Commercial Cost				\$ 4.19	<i>dollar cost</i>
10	Price to Compare Weighted Average Price				\$ 44.29	<i>per MWh</i>
11	PTC _{Current Cost Component} (line 10 / 1000)				\$ 0.04429	<i>per kWh</i>
12	Times Loss Factor				1.0515	
13	Subtotal (line 11 x line 12)				\$ 0.04657	<i>per kWh</i>
14	Admin Costs including estimated interest @ 6%				\$ 0.00031	<i>per kWh</i>
15	NITS charge				\$ 0.00200	<i>per kWh</i>
16	Subtotal (line 13 + line 14 + line 15)				\$ 0.04887	<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)				\$ 0.05112	<i>per kWh</i>
19	E Reconciliation Rate				(0.00581)	<i>per kWh</i>
20	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
21	E Reconciliation Rate x GRT				(0.00608)	
22	PTC_{Default} Commercial Class (line 18 + line 21)				\$ 0.04504	<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".