

**Pennsylvania Power Company  
Hourly Pricing Service Charge Calculation  
Industrial Class: September - November 2012  
Rates Effective June 1, 2013 through August 31, 2013**

<b>Line</b>	<b>No.</b>	<b>Industrial Class</b>	
		<b><u>HP Energy Charge</u></b>	
	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 ME Zone for each t
	3		HPAnc = \$.002 per kWh for Ancillary Services
	4	<hr/> $\text{HP}_{\text{Energy Charge}} (\text{Line 1} \times \text{Line (2+3)})$	t = An hour in the Billing Period
	5	$\times \text{HP}_{\text{Loss Multiplier}}$	GS Small and Medium = 1.0515
			GP = 1.0171
			GT = 1.0007
	6	<hr/> $\text{HP Energy Charge Line 4} \times \text{Line 5}$	
		<i>PLUS</i>	
		<b><u>HP Cap-AEPS-Other Purchases-Cost of Credit (\$/MWh)</u></b>	<b>Clearing Price</b>
	7	Estimate	\$ 11.68 <i>\$/MWh</i>
			\$ 0.01168 <i>per kWh</i>
			$\times \text{Loss Multiplier}$
		Grossed up for Line Losses	GS Small and Medium = 1.0515
			GP = 1.0171
			GT = 1.0007
		<i>PLUS</i>	
	8	<b>HP Administrative Charge</b>	\$ 0.00004 <i>per kWh</i>
		<i>PLUS</i>	
	9	<b>HP Reconciliation Charge</b>	\$ (0.00396) <i>per kWh</i>
	10	<b>Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9)</b>	<hr/> <b>\$ x.xxxxx</b>

(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 Power Company  
Hourly Pricing Service Rider**

**Computation of Hourly Pricing Service (HPS) Reconciliation Rate Charge  
Effective June 1, 2013 Through August 31, 2013**

<b>Line No.</b>	<b>Description</b>	<b>Amounts</b>
1	Cumulative HPS Class (Over) / Under Collection as of March 31, 2013	\$ (98,477) Page 3, line 15
2	Projected HPS kilowatt-hour sales - June 1, 2013 through August 31, 2013 (Line 11)	6,502,222 kWhs
3	HPS Classes Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.01515) per kWh
4	HPS Classes Reconciliation Rate Adjustment Factor	<u>25.00%</u>
5	HPS Classes Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 3 X Line 4)	\$ (0.00379) per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) with T = 4.4% Gross Receipts Tax Rate]	<u>1.046025</u>
7	<b>Hourly Pricing Service Classes Reconciliation Rate with PA Gross Receipts Tax (Line 5 X Line 6)</b>	<b><u>\$ (0.00396) per kWh</u></b>

**Penn Power Default Service Program  
Reconciliation  
Hourly Pricing Service Customer Class  
Deferrals  
February 1, 2013 through March 31, 2013**

<u>Line No.</u>		<u>Feb-13</u>	<u>Mar-13</u>
1	Cumulative (Over) Under Collection at Beginning of Month Including Interest	\$ 648,440	\$ (106,082)
2	POLR II / IDSSP Revenues With Pa GRT	\$ 87,590	\$ 117,698
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)	\$ 87,590	\$ 117,698
5	Pa GRT Included in "C"	\$ 3,854	\$ 5,179
6	POLR II / IDSSP Revenues Including E Factor Revenues, Excluding Uncollectible Revenues and Pa GRT (line 4 - line 5)	\$ 83,736	\$ 112,519
	<u>Expenses</u>		
7	Amortization of Start Up Costs Through 05/31/2008 [DShpsexp1]	\$ 178	\$ 178
8	Current Month cost to provide Default Service [DSexp2]	\$ (694,258)	\$ 107,685
9	Current Month Administration Costs [DShpsexp2]	\$ -	\$ -
10	Amortization of POLR I (Over)/Under Collections [DShpsexp3]		
	Cumulative Costs for month of Network Integration Transmission Service (NITS) cost	\$ 21,942	\$ 12,941
11	Total Expenses for Month	\$ (672,138)	\$ 120,804
12	Monthly (Over)/Under Collections	\$ (755,875)	\$ 8,285
13	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (107,435)	\$ (97,797)
14	Interest for Current Month	\$ 1,353	\$ (680)
15	<b>Cumulative (Over) / Under Collections at End of Month Including Interest</b>	<b>\$ (106,082)</b>	<b>\$ (98,477)</b>