

**Pennsylvania Power Company
 Hourly Pricing Service Charge Calculation
 Industrial Class: March - May 2012
 Rates Effective March 1, 2012 through May 31, 2012**

<u>Line No.</u>	<u>Industrial Class</u>			
	<u>HP Energy Charge</u>			
1		$\sum (kWh_t \times$		kWh for each hour in billing period
2		$(LMP_t + HP_{Anc})$		LMP = Real Time PJM Load Weighted average LMP for ME Zone for each hc
3				HPAnc = \$.002 per kWh for Ancillary Services
4		<hr/> HP _{Energy Charge} (Line 1 x Line (2+3))		t = An hour in the Billing Period
5		x Loss Adjustment Factor		Up to, but not including, 23 kV = 3.0%
				23 kV up to, but not including, 69 kV = 0.1%
				69 kV or greater = 0%
6		<hr/> HP Energy Charge Line 4 x Line 5		
	PLUS			
	<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>		Clearing Price	
7	January 2011 Auction	\$ 10.83		\$/MWh
		\$ 0.01083		per kWh
		x Loss Adjustment Factor		Up to, but not including, 23 kV = 3.0%
	January 2011 Auction Grossed up for Line Losses			23 kV up to, but not including, 69 kV = 0.1%
				69 kV or greater = 0%
	PLUS			
8	HP Administrative Charge	\$ 0.00007		per kWh
	PLUS			
9	HP NITS	\$ 0.00186		per kWh
	PLUS			
10	HP Reconciliation Charge	\$ (0.00733)		per kWh
11	Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9 + 10)	<hr/> <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