

Pennsylvania Power Company
Hourly Pricing Service Charge Calculation
Industrial Class: December 1 - February 2012
Rates Effective December 1, 2011 through February 28, 2012

Line No.	Industrial Class		
	<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/> $HP_{Energy\ Charge} (Line\ 1\ \times\ Line\ (2+3))$	t = An hour in the Billing Period
5		$\times\ Loss\ Adjustment\ Factor$	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/> $HP\ Energy\ Charge\ Line\ 4\ \times\ Line\ 5$	
	<i>PLUS</i>		
	<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>	Clearing Price	
7	January 2011 Auction	\$ 10.83	\$/MWh
		\$ 0.01083	per kWh
		<hr/> $\times\ Loss\ Adjustment\ Factor$	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%
	<i>PLUS</i>		
8	HP Administrative Charge	\$ 0.00007	per kWh
	<i>PLUS</i>		
9	HP NTS	\$ 0.00186	per kWh
	<i>PLUS</i>		
10	HP Reconciliation Charge	\$ (0.00030)	per kWh
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11	Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9 + 10)	<hr/> \$ x.xxxxx <hr/>	

(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