

**Pennsylvania Power Company
 Hourly Pricing Service Charge Calculation
 Industrial Class: September - November 2011
 Rates Effective September 1, 2011 through November 30, 2011**

<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 h
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	
	<i>PLUS</i>		
		Clearing Price	
	<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>		
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%
	<i>PLUS</i>		
8	HP Administrative Charge	\$ 0.00007	per kWh
	<i>PLUS</i>		
9	HP NITS	\$ 0.00186	per kWh
	<i>PLUS</i>		
10	HP Reconciliation Charge	\$ 0.01340	per kWh
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