

Pennsylvania Electric Company
Hourly Pricing Service Charge Sample Calculation - Illustrative Purposes Only
Industrial Class: September 1, 2012 - November 30, 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 PN Zone for each hour
3			HPAnc = \$.002 per kWh for Ancillary Services
4		$HP_{Energy\ Charge} (Line\ 1 \times Line\ (2+3))$	t = An hour in the Billing Period
5		$\times Loss\ Factor$	GS Small, Medium Large = 1.0573 GP = 1.0234 LP = 1.0035
6		<hr/>	
		HP Energy Charge Line 4 x Line 5	
	<i>PLUS</i>		
	<u>HP Cap-AEPS-Other Purchases (\$/MWh)</u>	Clearing Price	
7	Auction	\$ 9.80	\$/MWh
		\$ 0.00980	per kWh
		<u>x Loss Factor</u>	GS Small, Medium Large = 1.0573 GP = 1.0234 LP = 1.0035
	January 2011 Auction Grossed up for Line Losses		
	<i>PLUS</i>		
8	HP Administrative Charge	\$ 0.00017	per kWh
	<i>PLUS</i>		
9	HP NITS	\$ 0.00286	per kWh
	<i>PLUS</i>		
10	HP Reconciliation Charge	\$ 0.00281	per kWh
11	Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9 + 10)	<hr/> <hr/>	\$ x.xxxxx

(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
 (C): HP Reconciliation Charge reflects actual results through January 31, 2012 reconciliation.

Pennsylvania Electric Company
PTC Default Rate Calculation
Computation of Industrial Class Reconciliation Factor
Rate Effective September 1, 2012 Through November 30, 2012

Line No.	Description	Amounts
1	Cumulative Industrial Class (Over) / Under Collection as of July 31, 2012 (page 2, line 12, col. 3)	\$ 318,639 See Page 3
2	Projected Industrial Class kilowatt hour sales - September 1, 2012 through November 30, 2012	30,157,570 kWhs
3	Industrial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ 0.01057 per kWh
4	HPS Classes Reconciliation Rate Adjustment Factor (A)	<u>25.00%</u>
5	HPS Classes Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 3 X Line 4)	\$ 0.00264 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) (5.9% Gross Receipts Tax)]	<u>1.062699</u>
7	IndustrialClasses Reconciliation Factor Rate with PA Gross Receipts Tax (Line 5\ X Line 6)	<u>\$ 0.00281 per kWh</u>
Projected Industrial Class kilowatt hour sales (September 1, 2012 through November 30, 2012)		
8	Sep-12	10,285,105
9	Oct-12	9,870,073
10	Nov-12	<u>10,002,391</u>
11	Total projected Industrial class kWh sales	<u>30,157,570</u>

(A) In order to mitigate the unintentional pricing signal of a large negative Reconciliation Rate Charge being billed to Hourly Pricing Service Classes for the three months ending August 31, 2012, Penelec is adjusting the supported Reconciliation Rate Charge. The reconciliation of actual revenues billed to actual costs incurred will continue for the three months ending August 31, 2012, including the accrual of interest on the cumulative net over or under collected balance, as described in Penelec's Hourly Pricing Service Default Service Rider.

**Pennsylvania Electric Company Default Service
Program Reconciliation - Hourly Pricing Default
Service Rider**
Hourly Pricing (Industrial) Customer Class Deferral
February 1, 2011 through April 30, 2012

	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	
1 Cumulative (Over) Under Collection at Beginning of Month Including Interest	\$ 10,074,653	\$ 3,990,202	\$ 3,514,095	\$ 2,698,427	\$ 2,070,913	\$ 1,296,579	\$ 303,184	\$ 113,026	\$ (70,683)	\$ (110,645)	\$ (74,683)	\$ (47,128)	\$ 435,568	\$ (149,485)	\$ (126,227)	\$ 94,555	\$ 167,165	\$ 161,823	
2 Default Service Plan Revenues With Pa GRT	\$ 10,758,356	\$ 3,407,420	\$ 3,006,454	\$ 2,229,591	\$ 1,667,083	\$ 1,250,756	\$ 1,171,553	\$ 842,258	\$ 579,650	\$ 614,714	\$ 702,682	\$ 550,392	\$ 1,107,041	\$ 599,167	\$ 288,791	\$ 589,286	\$ 667,186	\$ 600,810	
3 Pa GRT Included in "A"	\$ 634,743	\$ 201,038	\$ 177,381	\$ 131,546	\$ 98,358	\$ 73,795	\$ 69,122	\$ 49,693	\$ 34,199	\$ 36,268	\$ 41,458	\$ 32,473	\$ 65,315	\$ 35,351	\$ 17,039	\$ 34,768	\$ 39,364	\$ 35,448	
4 Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 10,123,613	\$ 3,206,382	\$ 2,829,074	\$ 2,098,045	\$ 1,568,725	\$ 1,176,961	\$ 1,102,431	\$ 792,565	\$ 545,451	\$ 578,446	\$ 661,224	\$ 517,919	\$ 1,041,726	\$ 563,816	\$ 271,752	\$ 554,518	\$ 627,822	\$ 565,362	
Expenses																			
5 Allocated portion of incremental start-up costs incurred by Company through 12/31/2010 [DSHPExp1]	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	\$ 11,897	
6 Current Month cost to provide Default Service [DSHPExp2] (Line 22)	\$ 3,702,345	\$ 2,585,461	\$ 1,891,756	\$ 1,379,398	\$ 723,297	\$ 127,044	\$ 870,417	\$ 569,076	\$ 466,362	\$ 578,910	\$ 653,585	\$ 966,598	\$ 387,778	\$ 542,866	\$ 464,186	\$ 575,092	\$ 568,360	\$ 677,907	
7 Cumulative costs for Month of Network Integration Transmission Service (NITS) cost incurred by the Company [DSHPExp3]	\$ 289,845	\$ 114,203	\$ 94,260	\$ 67,342	\$ 50,799	\$ 40,636	\$ 28,921	\$ 27,777	\$ 27,832	\$ 24,217	\$ 23,702	\$ 21,151	\$ 56,285	\$ 33,227	\$ 16,556	\$ 39,486	\$ 41,403	\$ 31,176	
8 Total PA Jurisdictional Expenses for Month	\$ 4,004,087	\$ 2,711,561	\$ 1,997,913	\$ 1,458,637	\$ 785,993	\$ 179,577	\$ 911,235	\$ 608,750	\$ 506,091	\$ 615,024	\$ 689,184	\$ 999,646	\$ 455,960	\$ 587,990	\$ 492,639	\$ 626,475	\$ 621,660	\$ 720,980	
9 Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (6,119,525)	\$ (494,821)	\$ (831,161)	\$ (639,408)	\$ (782,732)	\$ (997,384)	\$ (191,196)	\$ (183,815)	\$ (39,360)	\$ 36,578	\$ 27,960	\$ 481,727	\$ (585,766)	\$ 24,174	\$ 220,887	\$ 71,957	\$ (6,162)	\$ 155,618	
10 Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 3,955,128	\$ 3,495,381	\$ 2,682,934	\$ 2,059,019	\$ 1,288,181	\$ 299,195	\$ 111,988	\$ (70,789)	\$ (110,043)	\$ (74,067)	\$ (46,723)	\$ 434,599	\$ (150,198)	\$ (125,311)	\$ 94,660	\$ 166,512	\$ 161,003	\$ 317,441	
11 Interest for Current Month for Both Regulatory and Accounting Reporting Purposes	\$ 35,074	\$ 18,714	\$ 15,493	\$ 11,894	\$ 8,398	\$ 3,989	\$ 1,038	\$ 106	\$ (602)	\$ (616)	\$ (405)	\$ 969	\$ 713	\$ (916)	\$ (105)	\$ 653	\$ 820	\$ 1,198	
12 Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory and Accounting Reporting Purposes (Line 10 + Line 11)	\$ 3,990,202	\$ 3,514,095	\$ 2,698,427	\$ 2,070,913	\$ 1,296,579	\$ 303,184	\$ 113,026	\$ (70,683)	\$ (110,645)	\$ (74,683)	\$ (47,128)	\$ 435,568	\$ (149,485)	\$ (126,227)	\$ 94,555	\$ 167,165	\$ 161,823	\$ 318,639	