

**Pennsylvania Power Company**  
**PTC Default Service Rider Rate Calculation**  
**Commercial Class: Default Service Period Beginning June 1, 2013 - August 31 2013**

Line No.	Commercial Class	Number of Tranches	Auction Clearing Price	Summer 1.086	Winter 0.971	Weighted Clearing Price
<b><u>Fixed Price Tranche Purchases (\$ per MWh)</u></b>						
1	January 2013 Auction	3	\$ 47.19	3	0	461.24
2	February 2013 Auction	4	\$ 48.19	3	0	628.01
		7	3	21		
3	Total Average Fixed Price Tranche				\$ 51.87	
4	Percentage of Total Load				90%	Fixed Portion
5	Total Cost Fixed Price Tranche				\$ 46.68	dollar cost
6	Average Variable Hourly Price Tranche				\$ 39.65	
7	Capacity, Anc. Serv. and AEPS Adder (\$19/MWh)				\$ 19.00	Variable Portion
8	Variable Priced Hourly Commercial Cost				\$ 58.65	dollar cost
9	Percentage of Total Load				10%	
10	Total Variable Priced Hourly Commercial Cost				\$ 5.87	
11	<b>Price to Compare Weighted Average Price (line 5 + line 10)</b>				<b>\$ 52.55</b>	<i>per MWh</i>
12	PTC <sub>Current</sub> Cost Component (line 11 / 1000)				\$ 0.05255	<i>per kWh</i>
13	Times Loss Factor				1.0661	
14	Subtotal (line 12 x line 13)				\$ 0.05602	<i>per kWh</i>
15	Admin Costs including estimated interest @ 6%				\$ 0.00011	<i>per kWh</i>
16	Subtotal (line 14 + line 15)				\$ 0.05613	<i>per kWh</i>
17	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.062699	
18	<b>PTC <sub>Current</sub> Commercial Class (line 16 x line 17)</b>				<b>\$ 0.05965</b>	<i>per kWh</i>
19	E Reconciliation Rate (page 2, line 8)				0.00140	<i>per kWh</i>
20	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.062699	
21	E Reconciliation Rate x GRT				<b>\$ 0.00149</b>	
22	<b>PTC <sub>Default</sub> Commercial Class (line 18 + line 21)</b>				<b>\$ 0.06113</b>	<i>per kWh</i>

Note 1: All Price to Compare rate computations will be pursuant to terms of Company's "Price to Compare Default Service Rate Rider".

Note 2: All Adders are subject to Quarterly Updates

**Pennsylvania Power Company**  
**Price to Compare Default Service Rider Rate Calculation**  
**Commercial Class**  
**Computation of Commercial Class Reconciliation Factor**  
**Effective June 1, 2013 Through August 31, 2013**

<b>Line No.</b>	<b>Description</b>	<b>Amounts</b>
1	Cumulative Commercial Class (Over) / Under Collection as of March 31, 2013	\$ (569,399) See Schedule 1, Page 3 for sup
2	Projected April 2013 through July 2013 (Over) / Under Collection adjustment	340,947
3	Projected April & May 2013 E Factor revenue adjustment	<u>359,658</u>
4	Total Cumulative Class (Over) / Under Collection as of March 31, 2013, including adjustment	\$ 131,206
5	Projected Commercial Class kilowatt-hour sales - June 1, 2013 through August 31, 2013 (Line 14)	93,506,045 kWhs
6	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ 0.00140 per kWh
7	Commercial Class Reconciliation Rate Adjustment Factor	<u>100.00%</u>
8	Commercial Class Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 6 X Line 7)	\$ 0.00140 per kWh
9	PA Gross Receipt Gross-Up $[1/(1-T)]$ with $T = 4.4\%$ Gross Receipts Tax]	<u>1.046025</u>
10	<b>Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 8 X Line 9)</b>	<u><b>\$ 0.00146 per kWh</b></u>

**Projected Commercial Class kilowatt hour sales (June 1, 2013 through August 31, 2013)**

11	Jun-13	29,637,895
12	Jul-13	30,886,634
13	Aug-13	<u>32,981,516</u>
14	Total Projected Commercial Class kWh Sales	<u>93,506,045</u>

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**Pennsylvania Power Company Default Service Program  
Commercial Customer Class Deferral  
February 2013 through March 2013**

<u>Line No.</u>		<u>Feb-13</u>	<u>Mar-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (530,079)	\$ (547,001)
2	POLR II / IDSSP Revenues With Pa GRT	\$ 1,606,062	\$ 1,477,894
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)	\$ 1,606,062	\$ 1,477,894
5	Pa GRT Included in Line 4	\$ 70,667	\$ 65,027
6	POLR II / IDSSP Revenues Including E Factor Revenues, Excluding Uncollectible Revenues and Pa GRT (Line 4 - Line 5)	\$ 1,535,395	\$ 1,412,867
	<u>Expenses</u>		
7	Amortization of Start Up Costs Through 05/31/2008/ Through 5/31/2011 starting 6/1/2011 {DSexp1}	\$ 4,054	\$ 4,054
8	Current Month cost to provide Default Service [DSexp2]	\$ 1,222,821	\$ 1,251,689
9	Current Month Administration Costs [DSexp2]		
10	Amortization of POLR I (Over)/Under Collections [DSexp3]		
11	Cumulative Costs for month of Network Integration Transmission Service (NITS) cost incurred by the Company	\$ 295,177	\$ 138,436
12	Total Expenses for Month	\$ 1,522,052	\$ 1,394,179
13	Monthly (Over)/Under Collections	\$ (13,343)	\$ (18,688)
14	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (543,422)	\$ (565,690)
15	Interest for Current Month	\$ (3,579)	\$ (3,709)
16	<b>Cumulative (Over) / Under Collections at End of Month Including Interest</b>	<b>\$ (547,001)</b>	<b>\$ (569,399)</b>