

**Pennsylvania Power Company**  
**Price to Compare Default Service Rider Rate Calculation<sup>1</sup>**  
**Commercial Class: March 2013 - May 2013**

**Line**

<b>No.</b>	<b>Commercial Class</b>	<b>Number of</b>	<b>Auction</b>	<b>Summer</b>	<b>Winter</b>	
		<b>Tranches</b>	<b>Clearing</b>	<b>1.06</b>	<b>0.97</b>	<b>Weighting</b>
<b>Fixed Price Tranche Purchases (\$ per MWh)</b>			<b>Price</b>			
1	Jan 2012 Auction	3	41.97	0	3	366.40
2	Mar 2012 Auction	4	42.07	0	3	489.69
3		7		3	21	856.09
4	Total Average Fixed Price Tranche				\$ 40.77	
5	Times Fixed portion of Commercial Load				90%	<i>Fixed Portion</i>
6	Total Fixed Price Commercial Cost				\$ 36.69	<i>dollar cost</i>
7	Average Variable Hourly Price Tranche including fixed Anc. Serv. adder (\$9/MWh)				\$ 42.65	
8	Times Variable portion of Commercial Load				10%	<i>Variable Portion</i>
9	Total Variable Priced Hourly Commercial Cost				\$ 4.27	<i>dollar cost</i>
10	<b>Price to Compare Weighted Average Price</b>				<b>\$ 40.95</b>	<i>per MWh</i>
11	PTC <sub>Current</sub> Cost Component (line 10 / 1000)				\$ 0.04095	<i>per kWh</i>
12	Times Loss Factor				1.0661	
13	Subtotal (line 11 x line 12)				\$ 0.04366	<i>per kWh</i>
14	Admin Costs including estimated interest @ 6%				\$ 0.00031	<i>per kWh</i>
15	NITS charge				\$ 0.00200	<i>per kWh</i>
16	Subtotal (line 13 + line 14 + line 15)				\$ 0.04597	<i>per kWh</i>
17	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
18	<b>PTC<sub>Current</sub> Commercial Class (line 16 x line 17)</b>				<b>\$ 0.04808</b>	<i>per kWh</i>
19	E Reconciliation Rate				(0.00573)	<i>per kWh</i>
20	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
21	E Reconciliation Rate x GRT				<b>\$ (0.00599)</b>	
22	<b>PTC<sub>Default</sub> Commercial Class (line 18 + line 21)</b>				<b>\$ 0.04209</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".

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

<b>Line No.</b>	<b>Description</b>	<b>Amounts</b>
1	Cumulative Commercial Class (Over) / Under Collection as of January 31, 2013	\$ (530,079) See Schedule 1, Page 3 for support
2	Projected February 2013 through April 2013 (Over) / Under Collection adjustment	-
3	Projected February 2013 E Factor Revenue Adjustment	-
4	Total Cumulative Class (Over) / Under Collection as of January 31, 2013, including adjustment	\$ (530,079)
5	Projected Commercial Class kilowatt-hour sales - March 1, 2013 through May 31, 2013	92,464,621 kWhs
6	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4 / Line 5)	\$ (0.00573) 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)	\$ (0.00573) per kWh
9	PA Gross Receipt Gross-Up [1/(1-T) with T = 4.4% Gross Receipts Tax]	<u>1.046025</u>
<b>10</b>	<b>Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 8 X Line 9)</b>	<b><u><u>\$ (0.00599) per kWh</u></u></b>

<u>Line No.</u>		<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (1,422,953)	\$ (1,416,768)	\$ (1,280,021)
2	POLR II / IDSSP Revenues With Pa GRT	\$ 1,244,069	\$ 1,432,713	\$ 1,597,322
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)	\$ 1,244,069	\$ 1,432,713	\$ 1,597,322
5	Pa GRT Included in Line 4	\$ 54,739	\$ 63,039	\$ 70,282
6	POLR II / IDSSP Revenues Including E Factor Revenues, Excluding Uncollectible Revenues and Pa GRT (Line 4 - Line 5)	\$ 1,189,330	\$ 1,369,674	\$ 1,527,040
	<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	\$ 4,054
8	Current Month cost to provide Default Service [DSexp2]	\$ 1,156,503	\$ 1,363,612	\$ 1,981,541
9	Current Month Administration Costs [DSexp2]			
10	Amortization of POLR I (Over)/Under Collections [DSexp3]			
11	Integration Transmission Service (NITS) cost incurred by the Company	\$ 44,393	\$ 147,715	\$ 297,401
12	Total Expenses for Month	\$ 1,204,950	\$ 1,515,381	\$ 2,282,996
13	Monthly (Over)/Under Collections	\$ 15,620	\$ 145,708	\$ 755,956
14	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (1,407,333)	\$ (1,271,061)	\$ (524,065)
15	Interest for Current Month	\$ (9,435)	\$ (8,960)	\$ (6,014)
16	<b>Cumulative (Over) / Under Collections at End of Month Including Interest</b>	<b>\$ (1,416,768)</b>	<b>\$ (1,280,021)</b>	<b>\$ (530,079)</b>