

West Penn Power Company
PTC Default Service Rider Rate Calculation
Commercial Class: Default Service Period Beginning September 1, 2013 - November 30, 2013

| Line No. | Commercial Class | Number of Tranches | Auction Clearing Price | Summer 1,086 | Winter 0,971 | Weighted Clearing Price |
|---|--|--------------------|------------------------|--------------|-------------------|-------------------------|
| Fixed Price Tranche Purchases (\$ per MWh) | | | | | | |
| 1 | January 2013 Auction | 9 | \$ 45.05 | 1 | 2 | 1,227.70 |
| 2 | February 2013 Auction | 10 | \$ 45.92 | 1 | 2 | 1,390.46 |
| | | 19 | 3 | 57 | | |
| 3 | Total Average Fixed Price Tranche | | | | \$ 45.93 | |
| 4 | Percentage of Total Load | | | | 90% | |
| 5 | Total Cost Fixed Price Tranche | | | | \$ 41.34 | |
| 6 | Average Variable Hourly Price Tranche | | | | \$ 35.84 | |
| 7 | Capacity, Anc. Serv. and AEPS Adder (\$19/MWh) | | | | \$ 19.00 | |
| 8 | Variable Priced Hourly Commercial Cost | | | | \$ 54.84 | |
| 9 | Percentage of Total Load | | | | 10% | |
| 10 | Total Variable Priced Hourly Commercial Cost | | | | \$ 5.48 | |
| 11 | Price to Compare Weighted Average Price (line 5 + line 10) | | | | \$ 46.82 | <i>per MWh</i> |
| 12 | PTC _{Current} Cost Component (line 11 / 1000) | | | | \$ 0.04682 | <i>per kWh</i> |
| 13 | Times Loss Factor | | | | 1.0899 | |
| 14 | Subtotal (line 12 x line 13) | | | | \$ 0.05103 | <i>per kWh</i> |
| 15 | Admin Costs including estimated interest @ 6% | | | | \$ 0.00011 | <i>per kWh</i> |
| 16 | Subtotal (line 14 + line 15) | | | | \$ 0.05114 | <i>per kWh</i> |
| 17 | Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) | | | | 1.062699 | |
| 18 | PTC _{Current} Commercial Class (line 16 x line 17) | | | | \$ 0.05435 | <i>per kWh</i> |
| 19 | E Reconciliation Rate (page 2, line 8) | | | | 0.00062 | <i>per kWh</i> |
| 20 | Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) | | | | 1.062699 | |
| 21 | E Reconciliation Rate x GRT | | | | \$ 0.00066 | |
| 22 | PTC _{Default} Commercial Class (line 18 + line 21) | | | | \$ 0.05500 | <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

West Penn Power Company
Price to Compare Default Service Rider Rate Calculation
Commercial Class
Computation of Commercial Class Reconciliation Factor
Effective September 1, 2013 Through November 30, 2013

| Line No. | Description | Amounts |
|-----------|--|------------------------------------|
| 1 | Cumulative Commercial Class (Over) / Under Collection as of June 30, 2013 | \$ 1,554,320 |
| | | See Schedule 1, Page 3 for support |
| 2 | Projected July 2013 through September 2013 (Over) / Under Collection adjustment | |
| 3 | Projected June & July 2013 E Factor revenue adjustment | <u>(1,337,601)</u> |
| 4 | Total Cumulative Class (Over) / Under Collection as of June 30, 2013, including adjustment | \$ 216,719 |
| 5 | Projected Commercial Class kilowatt-hour sales - September 1, 2013 through November 30, 2013 (Line 14) | 350,419,483 kWhs |
| 6 | Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4 / Line 5) | \$ 0.00062 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) | \$ 0.00062 per kWh |
| 9 | PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Gross Receipts Tax] | <u>1.062699</u> |
| 10 | Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 8 X Line 9) | <u>\$ 0.00066 per kWh</u> |

Projected Commercial Class kilowatt hour sales (September 1, 2013 through November 30, 2013)

| | | |
|----|--|--------------------|
| 11 | Sep-13 | 129,176,004 |
| 12 | Oct-13 | 112,049,064 |
| 13 | Nov-13 | <u>109,194,416</u> |
| 14 | Total Projected Commercial Class kWh Sales | 350,419,483 |

**West Penn Power Company Default Service Program
Commercial Customer Class Deferrals
February 2013 through June 2013**

| <u>Line No.</u> | <u>Feb-13</u> | <u>Mar-13</u> | <u>Apr-13</u> | <u>May-13</u> | <u>Jun-13</u> | |
|-----------------|--|---------------|---------------|---------------|---------------|--------------|
| 1 | Cumulative (Over) Under Collections at Beginning of Month Including Interest | \$ 2,815,088 | \$ 2,539,359 | \$ 1,794,795 | \$ 1,553,245 | \$ 1,575,292 |
| 2 | Default Service Plan Revenues With Pa GRT | \$ 7,739,137 | \$ 8,248,522 | \$ 6,591,384 | \$ 6,716,776 | \$ 7,637,016 |
| 3 | Pa GRT Included in Line 2 | \$ 456,609 | \$ 486,663 | \$ 388,892 | \$ 396,290 | \$ 450,584 |
| 4 | Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT | \$ 7,282,528 | \$ 7,761,859 | \$ 6,202,492 | \$ 6,320,486 | \$ 7,186,432 |
| | <u>Expenses</u> | | | | | |
| 5 | Amortization of Start Up Costs through 5/31/15 | | | | \$ 14,770 | |
| 6 | Current Month Default Service Generation Cost | \$ 6,480,584 | \$ 6,449,014 | \$ 5,417,947 | \$ 5,786,019 | \$ 7,151,404 |
| 7 | Cumulative costs for month of Transmission cost incurred by the Company [DSexp4] (1) | \$ 512,651 | \$ 557,911 | \$ 535,680 | \$ 549,966 | \$ (8,519) |
| 8 | Total Expenses for Month | \$ 6,993,235 | \$ 7,006,924 | \$ 5,953,627 | \$ 6,335,985 | \$ 7,157,655 |
| 9 | Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes | \$ (289,292) | \$ (754,934) | \$ (248,865) | \$ 15,499 | \$ (28,777) |
| 10 | Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation | \$ 2,525,796 | \$ 1,784,425 | \$ 1,545,930 | \$ 1,568,744 | \$ 1,546,515 |
| 11 | Interest for Current Month | \$ 13,564 | \$ 10,370 | \$ 7,315 | \$ 6,548 | \$ 7,805 |
| 12 | Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 10 + Line 11) | \$ 2,539,360 | \$ 1,794,795 | \$ 1,553,245 | \$ 1,575,292 | \$ 1,554,320 |