

West Penn Power Company
Hourly Pricing Service Charge Calculation
Industrial Class: December 2013 - February 2014
Rates Effective December 1, 2013 through February 28, 2014

Line No.	Industrial Class		
	<u>HP Energy Charge</u>		
1		$\sum (\text{kWh}_t \times$	kWh for each hour in billing period
2		$(\text{LMP}_t + \text{HPAnc})$	LMP = Real Time PJM Load Weighted average LMP for APS Zone for each
3			HPAnc = \$.002 per kWh for Ancillary Services
4		<hr/> HP Energy Charge (Line 1 x Line 2)	t = An hour in the Billing Period
5		x HP _{Loss} Multiplier	Rates 20, 22, 23, 24, and 30 = 1.0899
			Rate 30 = 1.0678
		<hr/>	Rates 40, 41, 44, 46, and 86 = 1.0356
6		HP Energy Charge Line 4 x Line 5	
	PLUS		
	<u>HP Cap-AEPS-Other Purchases-Cost of Credit (\$/MWh)</u>	Clearing Price	
7	September 2013 Auction	\$ 5.68	\$/MWh
		\$ 0.00568	per kWh
		x Loss Multiplier	Rates 20, 22, 23, 24, and 30 = 1.0899
	Grossed up for Line Losses		Rate 30 = 1.0678
			Rates 40, 41, 44, 46, and 86 = 1.0356
	PLUS		
8	HP Administrative Charge	\$ 0.00002	per kWh
	PLUS		
9	HP Reconciliation Charge	\$ (0.00064)	per kWh
		<hr/>	
10	Hourly Pricing Service Charge (Line 6 + 7 + 8 + 9)	<u>\$ x.xxxxx</u>	

(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

**West Penn Power Company
Hourly Pricing Service Rider**

**Computation of Hourly Pricing Service (HPS) Reconciliation Rate Charge
Effective December 1, 2013 Through February 28, 2014**

Line No.	Description	Amounts
1	Cumulative HPS Class (Over) / Under Collection as of September 30, 2013	\$ (456,414) Page 3, line 15
2	Projected HPS kilowatt-hour sales - December 1, 2013 through February 28, 2014 (Line 11)	191,187,214 kWhs
3	HPS Classes Reconciliation Rate before PA Gross Receipts Tax (Line 1 / Line 2)	\$ (0.00239) per kWh
4	HPS Classes Reconciliation Rate Adjustment Factor	<u>25.00%</u>
5	HPS Classes Reconciliation Rate with Adjustment before PA Gross Receipts Tax (Line 3 X Line 4)	\$ (0.00060) per kWh
6	PA Gross Receipt Gross-Up $[1/(1-T)]$ with T = 5.9% Gross Receipts Tax Rate]	<u>1.062699</u>
7	Hourly Pricing Service Classes Reconciliation Rate with PA Gross Receipts Tax (Line 5 X Line 6)	<u><u>\$ (0.00064) per kWh</u></u>

West Penn Power Company Default Service Program Reconciliation
Hourly Customer Class Deferrals
July 2013 through September 2013

<u>Line No.</u>		<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ 1,657,348	\$ 473,988	\$ (512,043)
2	Default Service Plan Revenues With Pa GRT	\$ 4,991,113	\$ 3,848,699	\$ 3,008,812
3	Pa GRT Included in Line 2	<u>\$ 294,476</u>	<u>\$ 227,073</u>	<u>\$ 177,520</u>
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 4,696,637	\$ 3,621,626	\$ 2,831,292
	<u>Expenses</u>			
5	Amortization of Start Up Costs through 5/31/15	\$ 1,343	\$ 1,343	\$ 1,343
6	Current Month Default Service Generation Cost	\$ 3,066,135	\$ 2,321,386	\$ 2,691,481
7	Current Month Transmission Service Cost	\$ 440,484	\$ 312,991	\$ 197,314
8	Total Expenses for Month	<u>\$ 3,507,962</u>	<u>\$ 2,635,720</u>	<u>\$ 2,890,138</u>
9	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (1,188,675)	\$ (985,905)	\$ 58,847
10	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 468,673	\$ (511,917)	\$ (453,196)
11	Interest for Current Month	<u>\$ 5,315</u>	<u>\$ (126)</u>	<u>\$ (3,218)</u>
12	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 10 + Line 11)	<u>\$ 473,988</u>	<u>\$ (512,043)</u>	<u>\$ (456,414)</u>