

Pennsylvania Power Company
Price to Compare Default Service Rider Rate Calculation¹
Residential Class: September - November 2011

Line No.

Residential Class

	Number of Tranches	Auction Clearing Price	Summer 1.06	Winter 0.97	Weighting
	Fixed Price Tranche Purchases (\$ per MWh)				
1	2	60.29	1	2	361.74
2	2	55.39	1	2	332.34
3	1	55.85	1	2	167.55
4	2	56.49	1	2	338.94
5	7	3	21		1,200.57
6	Total Average Fixed Price Tranche			\$ 57.17	
7	Times Fixed portion of Residential Load			100%	<i>Fixed Portion</i>
8	Total Fixed Price Residential Cost			\$ 57.17	<i>dollar cost</i>
9	Percentage of Total Load			75%	
10	Total Cost Fixed Price Tranche			\$ 42.88	
				Auction Clearing Price	Load Weighted Clearing Price
		MWhs			
11	Mar 2011 On-Peak Average Price		59,600	\$43.96	12.61
12	Mar 2011 Off-Peak Average Price		19,800	\$33.21	3.16
13	48 Month Block Price		128,400	\$47.20	29.16
14			207,800		44.94
15	Total Average Fixed Price Block & Spot			\$ 44.94	
16	Times Fixed portion of Residential Load			64%	<i>Fixed Portion</i>
17	Total Fixed Price Residential Cost			\$ 28.60	<i>dollar cost</i>
18	Average Variable Hourly Price Tranche			\$ 53.52	<i>Estimate</i>
19	Times Variable portion of Residential Load			36%	<i>Variable Portion</i>
20	Total Variable Priced Hourly Residential Cost			\$ 19.46	<i>dollar cost</i>
21	Capacity Adder			\$ 15.45	<i>Estimate</i>
22	AEPS Adder			\$ 0.44	<i>Estimate</i>
23	Ancillary Service Adder			\$ 1.93	<i>Estimate</i>
24	Block & Spot Subtotal			\$ 65.88	
25	Percentage of Total Load			25%	
26	Total Cost - Block and Spot			\$ 16.47	
27	Price to Compare Weighted Average Price			\$ 59.35	<i>per MWh</i>
28	PTC _{Current Cost Component} (line 27 / 1000)			\$ 0.05935	<i>per kWh</i>
29	Times Loss Factor			1.0515	
30	Subtotal (line 28 x line 29)			\$ 0.06240	<i>per kWh</i>
31	Admin Costs including estimated interest @ 6%			\$ 0.00019	<i>per kWh</i>
32	NITS charge			\$ 0.00212	<i>per kWh</i>
33	Subtotal (line 30 + line 31 + line 32)			\$ 0.06472	<i>per kWh</i>
34	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)			1.046025	
35	PTC _{Current} Residential Class (line 33 x line 34)			\$ 0.06770	<i>per kWh</i>
36	E Reconciliation Rate			0.01060	<i>per kWh</i>
37	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)			1.046025	
38	E Reconciliation Rate x GRT			0.01109	
39	PTC _{Default} Residential Class (line 35 + line 38)			\$ 0.07879	<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".