Pennsylvania Power Company
PTC Default Rate Sample Calculation[1]
Commercial Class: June - August 2011
Estimated Rate
Updated Last: 02/01/2011

Line No.	Commercial Class	Number of Tranches	Auction Clearing Price	Summer 1.06	Winter 0.97	Weighting
	Fixed Price Tranche Purchases ($ per Mwh)					
1	Jan 2011 Auction	*3*	57.88	3	0	552.18
2	Mar 2011 Auction - Based on Jan 2011 Auction	*4*	57.88	3	0	736.23
3		7	3	21		1,288.41
4	Total Average Fixed Price Tranche				$ 61.35	
5	Times Fixed portion of Commercial Load				90%	*Fixed Portion*
6	Total Fixed Price Commercial Cost				$ 55.22	*dollar cost*
7	Average Variable Hourly Price Tranche including fixed Anc. Serv. adder ($9/MWh)				$ 52.73	
8	Times Variable portion of Commercial Load				10%	*Variable Portion*
9	Total Variable Priced Hourly Commercial Cost				$ 5.27	*dollar cost*
10	**Price to Compare Weighted Average Price**				**$ 60.49**	*per MWh*
11	PTC $_{Current\ Cost\ Component}$ (line 10 / 1000)				$ 0.06049	*per kWh*
12	Times Loss Factor				1.0515	
13	Subtotal (line 11 x line 12)				$ 0.06361	*per kWh*
14	Admin Costs including estimated interest @ 6%				$ -	*per kWh*
15	NITS charge				$ 0.01419	*per kWh*
16	Subtotal (line 13 + line 14 + line 15)				$ 0.07780	*per kWh*
17	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
18	**PTC $_{Current}$ Commercial Class (line 16 x line 17)**				**$ 0.08138**	*per kwh*
19	E Reconciliation Rate				0.00519	*per kwh* — Estimate of DS Exp3 Amortization
20	Multiplied by [1/(1-T)] (4.4% Gross Receipts Tax)				1.046025	
21	E Reconciliation Rate x GRT				0.005429	
22	**PTC $_{Default}$ Commercial Class (line 18 + line 21)**				**$ 0.08681**	*per kwh*

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