

RIDERS

RIDER O

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Large, GP, and TP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service. (C)

All GS-Small and GS-Medium Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation: (C)

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$
 (C)

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the ME Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

(C) Change

RIDERS

Rider O (continued)

| | | |
|----------------------|-----------|--------|
| HP Loss Multipliers: | GS-Small | 1.0515 |
| | GS-Medium | 1.0515 |
| | GS-Large | 1.0515 |
| | GP | 1.0171 |
| | TP | 1.0007 |

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

(C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(C)

(C)

(C) Change

RIDERS

Rider O (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Met-Ed delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

(C) Change

RIDERS

Rider O (continued)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

- Payments made to winning bidders
- AEPS expenses incurred by Met-Ed related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity

(C)

(C)

(C)

(C) Change

RIDERS

Rider O (continued)

(C)

$PTC_{HPR_{rev}}$ = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

$DS_{HP_{int}}$ = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of $PTC_{HPR_{rev}}$ compared to the sum of the amortized portion of $DS_{HP_{exp1}}$ costs and $DS_{HP_{exp2}}$ costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of $PTC_{HPR_{rev}}$ compared to the amortized portion of $DS_{HP_{exp1}}$ costs and $DS_{HP_{exp2}}$ costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

(C)

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax:

(C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

(C) Change

RIDERS

Rider O (continued)

General:

(C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

(C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C)

Adjustment for Meter Location:

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

Metering:

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

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RIDERS

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RIDERS

RIDER O

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Large, GP, and LP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service. (C)

All GS-Small and GS-Medium Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation: (C)

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)] \quad (C)$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

(C) Change

RIDERS

Rider O (continued)

| | | |
|----------------------|-----------|--------|
| HP Loss Multipliers: | GS-Small | 1.0573 |
| | GS-Medium | 1.0573 |
| | GS-Large | 1.0573 |
| | GP | 1.0234 |
| | LP | 1.0035 |

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

(C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(C) 3

(C)

(C) Change

RIDERS

Rider O (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penelec delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C) Change

RIDERS

Rider O (continued)

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

$DS_{HPExp2} =$ The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

(C)

- Payments made to winning bidders
- AEPS expenses incurred by Penelec related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company’s Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity

(C)

(C)

(C)

$PTC_{HPR} =$ The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

(C) Change

RIDERS

Rider O (continued)

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of $PTC_{HPR_{ev}}$ compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of $PTC_{HPR_{ev}}$ compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax: (C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General: (C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates. (C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

(C)

Adjustment for Meter Location:

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

Metering:

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

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(C) Change

RIDERS

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HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

(C)

The charges billed under this rider are applicable to all Customers who elect to take Default Service from the Company and are receiving service under Rate Schedules GP, GT, or GS if such GS Customers also are under Special Rule GSDS. These charges are also applicable to Customers on Rate Schedules GS and GM on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

(C)

All GS and GM Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

(C)

(C)

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

(C)

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

| | | |
|---------------------------------|-----------|--------|
| HP _{Loss Multipliers:} | GS-Small | 1.0515 |
| | GS-Medium | 1.0515 |
| | GP | 1.0171 |
| | GT | 1.0007 |

These HP_{Loss Multipliers} exclude transmission losses.

(C) Change

Hourly Pricing Default Service Rider (Continued)

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

(C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(C)

(C)

(C) Change

Hourly Pricing Default Service Rider (Continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate. (C)

(C) Change

Hourly Pricing Default Service Rider (Continued)

$DS_{HPExp2} =$ The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following: (C)

- Payments made to winning bidders
- AEPS expenses incurred by Penn Power related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider (C)
(C)
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period (C)
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)
(C)

(C) Change

Hourly Pricing Default Service Rider (Continued)

$PTC_{HPRev} =$ The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

$DS_{HPInt} =$ The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

$DS_{HPSales} =$ The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect. (C)

Gross Receipts Tax: (C)

$T =$ The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General: (C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates. (C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission. (C)

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

HOURLY PRICING DEFAULT SERVICE RIDER**AVAILABILITY:**

The charges billed under this rider are applicable to all Customers who elect to take Default Service from the Company. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n [\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}}]$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone

HP_{Anc} = \$0.00200 per kWh for ancillary services

$\text{HP}_{\text{Loss Multiplier}}$ = 1.0356

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the $\text{HP}_{\text{Loss Multiplier}}$. This charge is subject to quarterly adjustments.

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(C) Indicates Change

Issued _____

Effective June 1, 2013

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider and the Tariff No. 39 Hourly Pricing Default Service Rider. Reconciliation amounts that are not fully refunded or recovered as of May 31, 2013 will be included in the E_{HP} rate.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales}$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan including legal, customer notice, and consultant fees

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

- Payments made to winning bidders
- Net AEPS expenses and AEPS expenses incurred by the Company related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

PTC_{HPRRev} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of: 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

(C) Indicates Change

Issued _____

Effective June 1, 2013

HOURLY PRICING DEFAULT SERVICE RIDER (Concluded)

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules 30 (large), 40, 41, 44, 46, and 86 who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules 20, 22, 23, 24, and 30 (small) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All Rate Schedules 20, 22, 23, 24, and 30 (small) Customers electing service under this rider must have smart meter technology installed as part of the Company's smart meter plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n [\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multipliers}}]$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone

HP_{Anc} = \$0.00200 per kWh for ancillary services

| | | |
|----------------------------------|--------------------------------------|--------|
| HP _{Loss Multipliers} : | Rates 20, 22, 23, 24, and 30 (small) | 1.0899 |
| | Rate 30 (large) | 1.0678 |
| | Rates 40, 41, 44, 46, and 86 | 1.0356 |

(C) Indicates Change

WEST PENN POWER COMPANY

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the HP_{Loss} Multipliers. This charge is subject to quarterly adjustments.

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

HP Reconciliation Charge:

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider and the Tariff No. 37 Hourly Pricing Default Service Rider. Reconciliation amounts that are not fully refunded or recovered as of May 31, 2013 will be included in the E_{HP} rate.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPR} + DS_{HPInt}) / DS_{HPSales}$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan including legal, customer notice, and consultant fees

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

- Payments made to winning bidders
- Net AEPS expenses and AEPS expenses incurred by the Company related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

PTC_{HPRev} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of: 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

(C) Indicates Change

WEST PENN POWER COMPANY

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Concluded)

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

**BLACKLINE
VERSION**

RIDERS

RIDER O

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Large, GP, and TP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service. (C)

All GS-Small and GS-Medium Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation: (C)

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)] \quad (C)$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the ME Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

| | | |
|----------------------|-----------|--------|
| HP Loss Multipliers: | GS-Small | 1.0515 |
| | GS-Medium | 1.0515 |
| | GS-Large | 1.0515 |
| | GP | 1.0171 |
| | TP | 1.0007 |

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments. (C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service. (C)

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Met-Ed delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

DS_{HPE}exp2 = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

(C)

- Payments made to winning bidders
- AEPS expenses incurred by Met-Ed related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- ~~All~~ contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity

Deleted: An allocated portion of any

Deleted: as a result of supplier(s) default either prior to or

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

(C)

PTC_{HPR_{ev}} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

DS_{HPI_{nt}} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPR_{ev}} compared to the sum of the amortized portion of DS_{HPE_{xp1}} costs and DS_{HPE_{xp2}} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPR_{ev}} compared to the amortized portion of DS_{HPE_{xp1}} costs and DS_{HPE_{xp2}} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

(C)

DS_{HPS_{ales}} = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax:

(C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

General:

(C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

(C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C)

Adjustment for Meter Location:

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

Metering:

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 51 (Supp. ___)

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RIDERS

(C)

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(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

RIDER O

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules GS-Large, GP, and LP who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules GS-Small and GS-Medium on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

(C)

All GS-Small and GS-Medium Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

(C)

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

(C)

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

| | | |
|----------------------|-----------|--------|
| HP Loss Multipliers: | GS-Small | 1.0573 |
| | GS-Medium | 1.0573 |
| | GS-Large | 1.0573 |
| | GP | 1.0234 |
| | LP | 1.0035 |

These HP Loss Multipliers exclude transmission losses.

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments. (C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service. (C)

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate (“E_{HP}”) shall be applied to each kWh of Default Service that Penelec delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company’s Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

(C)

- Payments made to winning bidders
- AEPS expenses incurred by Penelec related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- ~~All contingency plan implementation costs incurred during the supply period~~
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity

Deleted: An allocated portion of any
Deleted: as a result of supplier(s) default either prior to or

(C)

(C)

PTC_{HPRev} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

$DS_{HPSales}$ = The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

Gross Receipts Tax: (C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General: (C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates. (C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider O (continued)

(C)

Adjustment for Meter Location:

Where the Company meters distribution secondary voltage service on the primary side of the transformers, the demand and energy registrations shall each be reduced by two and one-half percent (2.5%). Where the Company meters service supplied at voltages higher than the distribution secondary voltage on the secondary side of the transformers, either compensating - metering equipment will be used to correct for transformer losses or the demand and energy meter registration shall each be increased by two and one-half percent (2.5%).

Metering:

The Customer is responsible for providing a working dedicated telephone line for metering purposes at each metering point or shall pay the Company any and all expenses for providing communications to the interval equipment at the Customer's location(s). Maintenance of the meter(s) will be the responsibility of the Company, which will own the meter(s).

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa. P.U.C. No. 80 (Supp. ___)
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Superseding _____ Page 200

RIDERS

(C)

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(C) Change

Issued: _____

Effective: June 1, 2013

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

(C)

The charges billed under this rider are applicable to all Customers who elect to take Default Service from the Company and are receiving service under Rate Schedules GP, GT, or GS if such GS Customers also are under Special Rule GSDS. These charges are also applicable to Customers on Rate Schedules GS and GM on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

(C)

All GS and GM Customers electing service under this rider must have Smart Meter technology installed as part of the Company's Smart Meter Plan filed with and approved by the Commission.

(C)

(C)

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

(C)

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n (\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}})$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone.

HP_{Anc} = \$0.00200 per kWh for ancillary services

| | | |
|----------------------------------|-----------|--------|
| HP _{Loss Multipliers} : | GS-Small | 1.0515 |
| | GS-Medium | 1.0515 |
| | GP | 1.0171 |
| | GT | 1.0007 |

These HP_{Loss Multipliers} exclude transmission losses.

(C) Change

Hourly Pricing Default Service Rider (Continued)

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments. (C)

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service. (C)

(C)

(C) Change

Hourly Pricing Default Service Rider (Continued)

HP Reconciliation Charge:

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that Penn Power delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows: (C)

HP Reconciliation Charge Rate = \$X.XXXXX per kWh (C)

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below: (C)

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales} \quad (C)$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to: (C)

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to Retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the Retail Default Service Supply Plan including legal, customer notice, and consultant fees.

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate. (C)

(C) Change

Hourly Pricing Default Service Rider (Continued)

DS_{HPEXP2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following: (C)

- Payments made to winning bidders
- AEPS expenses incurred by Penn Power related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider (C)
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers (C)
- ~~All contingency plan implementation costs incurred during the supply period~~ (C)
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees.
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

Deleted: An allocated portion of any

Deleted: as a result of supplier(s) default either prior to or

(C) Change

Hourly Pricing Default Service Rider (Continued)

$PTC_{HPRev} =$ The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

$DS_{HPInt} =$ The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRev} , compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

$DS_{HPSales} =$ The Company's projected Hourly Pricing Default Service kWh sales to Retail Customers for the three-month billing period that the E_{HP} rate will be in effect. (C)

Gross Receipts Tax: (C)

$T =$ The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General: (C)

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates. (C)

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission. (C)

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Change

(C)

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers who elect to take Default Service from the Company. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n [\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multiplier}}]$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone

HP_{Anc} = \$0.00200 per kWh for ancillary services

HP_{Loss Multiplier} = 1.0356

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the HP_{Loss Multiplier}. This charge is subject to quarterly adjustments.

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)**HP Reconciliation Charge:**

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider and the Tariff No. 39 Hourly Pricing Default Service Rider. Reconciliation amounts that are not fully refunded or recovered as of May 31, 2013 will be included in the E_{HP} rate.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPint}) / DS_{HPSales}$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan including legal, customer notice, and consultant fees

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

DS_{HPEXP2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

- Payments made to winning bidders
- Net AEPS expenses and AEPS expenses incurred by the Company related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- All contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

Deleted: An allocated portion of any

Deleted: as a result of supplier(s) default either prior to or

PTC_{HPRREV} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HPR} rates.

DS_{HPRINT} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of: 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRREV} compared to the sum of the amortized portion of DS_{HPEXP1} costs and DS_{HPEXP2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRREV} compared to the amortized portion of DS_{HPEXP1} costs and DS_{HPEXP2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

DS_{HPSALES} = The Company's projected Hourly Pricing Default Service kWh sales to retail Customers for the three-month billing period that the E_{HPR} rate will be in effect.

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

Supplement No. ____ to
Electric-Pa. P. U. C. No. 37
Original Page No. ____

HOURLY PRICING DEFAULT SERVICE RIDER (Concluded)

(C)

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

HOURLY PRICING DEFAULT SERVICE RIDER

AVAILABILITY:

The charges billed under this rider are applicable to all Customers on Rate Schedules 30 (large), 40, 41, 44, 46, and 86 who elect to take Default Service from the Company. These charges are also applicable to Customers on Rate Schedules 20, 22, 23, 24, and 30 (small) on a voluntary basis who meet the metering requirements of this rider. Rates shall be billed under this rider on the next scheduled meter reading date after electing Default Service.

All Rate Schedules 20, 22, 23, 24, and 30 (small) Customers electing service under this rider must have smart meter technology installed as part of the Company's smart meter plan filed with and approved by the Commission.

Hourly Pricing Service Charges:

Customers participating in the Hourly Pricing Default Service Rider will be billed for usage based on the following calculation:

$$\text{Hourly Pricing Service Charges} = (\text{HP}_{\text{Energy Charge}} + \text{HP}_{\text{Cap-AEPS-Other Charge}} + \text{HP}_{\text{Administrative Charge}} + \text{HP}_{\text{Reconciliation Charge}}) \times [1 / (1-T)]$$

HP Energy Charge per kWh:

$$\text{HP}_{\text{Energy Charge}} = \sum_{t=1}^n [\text{kWh}_t \times (\text{LMP}_t + \text{HP}_{\text{Anc}}) \times \text{HP}_{\text{Loss Multipliers}}]$$

Where:

n = Total number of hours in the billing period

t = An hour in the billing period

LMP = the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone

HP_{Anc} = \$0.00200 per kWh for ancillary services

| | | |
|---------------------------------|--------------------------------------|--------|
| HP _{Loss Multipliers:} | Rates 20, 22, 23, 24, and 30 (small) | 1.0899 |
| | Rate 30 (large) | 1.0678 |
| | Rates 40, 41, 44, 46, and 86 | 1.0356 |

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

(C)

HP Cap-AEPS-Other Charge:

\$X.XXXXX per kWh representing the costs paid by the Company to the supplier for capacity, AEPS costs, and any other costs incurred by the supplier multiplied by the HP_{Loss} Multipliers. This charge is subject to quarterly adjustments.

HP Administrative Charge:

\$X.XXXXX per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

HP Reconciliation Charge:

The HP Reconciliation Charge Rate ("E_{HP}") shall be applied to each kWh of Default Service that the Company delivers to Customers under this rider as determined to the nearest one-thousandth of a cent per kWh. The E_{HP} rate shall be included as a non-bypassable component billed to Customers receiving Default Service from the Company under this rider. The rate shall be calculated according to the provisions of this rider, and shall be calculated and applied equally to Customers under this rider and the Tariff No. 37 Hourly Pricing Default Service Rider. Reconciliation amounts that are not fully refunded or recovered as of May 31, 2013 will be included in the E_{HP} rate.

For service rendered June 1, 2013 through August 31, 2013, the E_{HP} rate is as follows:

HP Reconciliation Charge Rate = \$X.XXXXX per kWh

The E_{HP} rate will be calculated at the end of each Default Service Quarter (three months ending March 31st, June 30th, September 30th, and December 31st) to be effective for the three-month period beginning on the first day of the third calendar month following the end of that Default Service Quarter (June 1st, September 1st, December 1st, and March 1st). The E_{HP} rate shall be calculated in accordance with the formula set forth below:

$$E_{HP} = ((DS_{HPExp1} + DS_{HPExp2}) - PTC_{HPRev} + DS_{HPInt}) / DS_{HPSales}$$

Where:

E_{HP} = The rate determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Customers under this rider.

DS_{HPExp1} = An allocated portion of the incremental start-up costs incurred by the Company through May 31, 2013 in connection with the Company's Default Service Supply Plan to provide Default Service amortized over the twenty-four (24) month period ending May 31, 2015 including but not limited to:

- Incremental start-up administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan including legal, customer notice, and consultant fees

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Continued)

Interest will be calculated monthly on the average of the beginning and the end of month balances of these costs and included in the determination of the monthly amortized amount. The monthly interest rate will be based upon the 41 P.S. § 202 statutory rate.

DS_{HPExp2} = The cumulative costs to provide Hourly Pricing Default Service incurred by the Company through the end of the previous Default Service Quarter including but not limited to the following:

- Payments made to winning bidders
- ~~Net~~ AEPS expenses ~~and AEPS expenses~~ incurred by the Company related to amendments to the AEPS Act and/or related laws or regulations occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- An allocated portion of incremental administrative costs including metering and billing costs incurred and other costs as necessary to provide service to retail Default Service Customers
- ~~All~~ contingency plan implementation costs incurred during the supply period
- An allocated portion of other costs incurred to develop and implement the competitive bid process for retail Default Service including legal, customer notice, and consultant fees
- The cost of credit when the Company is considered by PJM to be the load serving entity

Deleted: An allocated portion of any

Deleted: as a result of supplier(s) default either prior to or

PTC_{HPRRev} = The cumulative revenues, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed to Hourly Pricing Default Service Customers under this rider including the applicable E_{HP} rates.

DS_{HPInt} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter. Interest will be calculated monthly on the average balance of: 1) the respective month's beginning balance of prior months' cumulative over or under collection of PTC_{HPRRev} compared to the sum of the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month; and 2) the respective month's ending balance of cumulative over or under collection of PTC_{HPRRev} compared to the amortized portion of DS_{HPExp1} costs and DS_{HPExp2} costs incurred to date including cumulative interest calculated thereon through the beginning of the month. The monthly interest rate will be based upon the 41 P.S. § 202 statutory annual rate for under collections and the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

DS_{HPSales} = The Company's projected Hourly Pricing Default Service kWh sales to retail Customers for the three-month billing period that the E_{HP} rate will be in effect.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

HOURLY PRICING DEFAULT SERVICE RIDER (Concluded)

Gross Receipts Tax:

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

General:

Each change in the E_{HP} rate as well as other rates within this rider will be filed with the Commission thirty (30) days prior to the effective date of the rate changes. The Company shall file details in support of the revised rates.

At the conclusion of the duration of this reconciliation rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the E_{HP} rate shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013