

RIDERS

RIDER N

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

\$X.XXXXX per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXX per kWh (C)

(C) Change

RIDERS

Rider N (continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

(C)

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current\ Cost\ Component} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan. The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan.

(C)

(C) Change

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Rider N (continued)

(C)

PTC Loss_{Current} = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Commercial Customer Class	1.0515
Residential Customer Class	1.0515

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

PTC_{NITS} = For the Residential Customer Class only, a Network Integration Transmission Service charge for block energy purchases, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

(C)

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

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Rider N (continued)

DS_{Exp1} = 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 for retail Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases (C)

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_{Exp2} = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following: (C)

(C) Change

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Rider N (continued)

- Payments made to winning bidders
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used. (C)
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider

(C) Change

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Rider N (continued)

- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

PTC_{Rev} = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class PTC_{Default} rates. (C)

DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{Exp2} costs incurred to date including (C)

(C) Change

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Rider N (continued)

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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

(C)

$DS_{Sales} =$ The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect.

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.

Each change in the $PTC_{Default}$ rates 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 $PTC_{Default}$ 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 $PTC_{Default}$ rates shall be subject to annual review and audit by the Commission.

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PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate ("PTC_{Default}") 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, High Pressure Sodium Vapor Street Lighting Service, Municipal Street Lighting Service, and Outdoor Lighting Service):

\$X.XXXXX per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXX per kWh (C)

(C) Change

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Rider N (continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

(C)

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current\ Cost\ Component} \times PTC\ LOSS_{Current}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related

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Rider N (continued)

to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan. The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan.

(C)

(C)

PTC Loss_{Current} = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Commercial Customer Class	1.0573
Residential Customer Class	1.0573

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Rider N (continued)

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

PTC_{NITS} = For the Residential Customer Class only, a Network Integration Transmission Service charge for block energy purchases, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

(C)

(C)

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

DS_{Expl} = 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 for retail Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases

(C)

(C)

(C) Change

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Rider N (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_{Exp2} =

The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following:

(C)

- Payments made to winning bidders
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used.

(C)

(C) Change

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Rider N (continued)

- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

(C) Change

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Rider N (continued)

PTC_{Rev} = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class PTC_{Default} rates.

(C)

(C)

DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

(C)

(C) Change

RIDERS

Rider N (continued)

DS_{Sales} = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the PTC_{Default} rate will be in effect.

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.

Each change in the PTC_{Default} rates 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 PTC_{Default} 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 PTC_{Default} rates shall be subject to annual review and audit by the Commission.

(C) Change

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider. (C)

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate Schedules GS (excluding GS Special Rule GSDS), GS Optional Controlled Service Rider, PNP, GM, GM Optional Controlled Service Rider, PLS, SV, SVD, SM, OH With Cooling Capabilities, OH Without Cooling Capabilities, and WH Non-Residential):

\$X.XXXXXX per kWh (C)

Residential Customer Class (Rate Schedules RS; RS Optional Controlled Service Rider; RH; RH Water Heating Option; WH; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services):

\$X.XXXXXX per kWh (C)

(C)

(C) Change

Price to Compare Default Service Rate Rider (Continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current\ Cost\ Component} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)
(C)

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

(C)

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan.

(C)

(C) Change

Price to Compare Default Service Rate Rider (Continued)

The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan. (C)

$PTC_{Loss_{Current}}$ = Distribution line losses for energy that are determined by the applicable Loss Factors specified below: (C)

<u>Customer Class</u>	<u>Loss Factor</u>	(C)
Commercial Customer Class	1.0661	
Residential Customer Class	1.0661	

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. (C)

PTC_{NITS} = For the Residential Customer Class only, a Network Integration Transmission Service charge for block energy purchases, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. (C)

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Price to Compare Default Service Rate Rider (Continued)

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to Retail Customers by Customer Class under this rider. (C)

DS_{Exp1} = 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 (C)
- Other start-up costs incurred to develop and implement the competitive bid process for the retail Default Service Supply Plan for retail Default Service including legal, customer notice, and consultant fees (C)
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases (C)

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) Change

Price to Compare Default Service Rate Rider (Continued)

DS_{Exp2} =

The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following:

- Payments made to winning bidders (C)
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used. (C)
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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 (C)
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider (C)

(C) Change

Price to Compare Default Service Rate Rider (Continued)

- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

$PTC_{Rev} =$ The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class $PTC_{Default}$ rates. (C)

$DS_{Int} =$ The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

(C) Change

Price to Compare Default Service Rate Rider (Continued)

$DS_{Sales} =$ The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect. (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)

Each change in the $PTC_{Default}$ rates 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 $PTC_{Default}$ 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 $PTC_{Default}$ rates shall be subject to annual review and audit by the Commission.

(C) Change

WEST PENN POWER COMPANY

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate ("PTC_{Default}") 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows:

Residential Customer Class (Rate Schedule 10):

\$ X.XXXXX per kWh

Commercial Customer Class (Rate Schedules 20, 22, 23, 24, 30 (small), 51, 52, 53, 54, 55, 56, 57, 58 and 71):

\$ X.XXXXX per kWh

The PTC_{Default} rates by Residential or Commercial Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1-T)]$$

$$PTC_{Current} = (PTC_{Current} \text{ Cost Component} \times PTC \text{ Loss}_{Current}) + PTC_{Adm}$$

$$E = [(DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}] / DS_{Sales}$$

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Residential or Commercial Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Residential or Commercial Customer Class will use the following procedures:

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Continued)

$PTC_{Current\ Cost\ Component}$ = The current cost component of the $PTC_{Default}$ rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any net AEPS expenses and AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan.

$PTC_{Loss_{Current}}$ = Line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Residential Customer Class	1.0910
Commercial Customer Class	1.0899

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider. Reconciliation amounts by Customer Class that are not fully refunded or recovered as of May 31, 2013 will be included in the Price to Compare Default Service Reconciliation Rate component.

DS_{Exp1} = 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 for retail Default Service 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

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Continued)

- DS_{Exp2} = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following:
- Payments made to winning bidders
 - 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
 - Net AEPS expenses and AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider
 - The cost of credit when the Company is considered by PJM to be the load serving entity
- PTC_{Rev} = The cumulative revenues billed to retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class $PTC_{Default}$ rates.
- DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.
- DS_{Sales} = The Company's projected Default Service kWh sales to retail Customers by Customer Class for the three-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect.

(C) Indicates Change

WEST PENN POWER COMPANY

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Concluded)

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.

Each change in the PTC_{Default} rates 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 PTC_{Default} 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 PTC_{Default} rates shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

**BLACKLINE
VERSION**

RIDERS

RIDER N

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate (“PTC_{Default}”) 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

\$X.XXXXXX per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXXX per kWh (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

(C)

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

Deleted: PTC_{MAC(C)}

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan. The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan.

(C)

(C) Change

RIDERS

Rider N (continued)

(C)

PTC_{LossCurrent} = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Commercial Customer Class	1.0515
Residential Customer Class	1.0515

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

~~PTC_{NITS} = For the Residential Customer Class only, a Network Integration Transmission Service charge for block energy purchases, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.~~

Deleted: PTC_{MAC} = . A Market Adjustment Charge to

(C) **Deleted:** The PTC_{MAC} is \$0.00500 per kWh for the Commercial and Residential Customer Class.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

(C)

(C)

(C) Change

METROPOLITAN EDISON COMPANY

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

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RIDERS

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Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

DS_{Exp1} = 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 for retail Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases (C)

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_{Exp2} = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following: (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

- Payments made to winning bidders
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used. (C)
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider

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

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

PTC_{Rev} = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class PTC_{Default} rates. (C)

Deleted: Market Adjustment Charge revenues and excluding

DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{Exp2} costs incurred to date including (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

(C)

DS_{Sales} = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the PTC_{Default} rate will be in effect.

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.

Each change in the PTC_{Default} rates 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 PTC_{Default} 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 PTC_{Default} rates shall be subject to annual review and audit by the Commission.

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

RIDER N

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate ("PTC_{Default}") 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows: (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate H, Borderline Service, High Pressure Sodium Vapor Street Lighting Service, Municipal Street Lighting Service, and Outdoor Lighting Service):

\$X.XXXXXX per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

\$X.XXXXXX per kWh (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

(C)

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current \text{ Cost Component}} \times PTC_{LOSS_{Current}}) + PTC_{Adm} + PTC_{NITS}$$

Deleted: PTC_{MAC(C)}

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related

(C) Change

RIDERS

Rider N (continued)

to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan. The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan.

(C)

(C)

PTC Loss_{Current} = Distribution line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Commercial Customer Class	1.0573
Residential Customer Class	1.0573

(C) Change

Issued: _____

Effective: June 1, 2013

PENNSYLVANIA ELECTRIC COMPANY

Electric Pa. P.U.C. No. 80 (Supp. __)

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Superseding ____ Page 188

RIDERS

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Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

~~PTC_{NITS} = For the Residential Customer Class only, a Network Integration Transmission Service charge for block energy purchases, determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.~~

Deleted: PTC_{MAC} = A Market Adjustment Charge to

Deleted: The PTC_{MAC} is \$0.00500 per kWh for the Commercial and Residential Customer Class.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider.

DS_{Exp1} = 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 for retail Default Service including legal, customer notice, and consultant fees
- The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases

(C)

(C)

(C) Change

RIDERS

Rider N (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.

$DS_{Exp2} =$ The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following: (C)

- Payments made to winning bidders
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider N (continued)

- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- 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

RIDERS

Rider N (continued)

$DS_{Sales} =$ The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the $PTC_{Default}$ rate will be in effect.

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

Each change in the $PTC_{Default}$ rates 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 $PTC_{Default}$ 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 $PTC_{Default}$ rates shall be subject to annual review and audit by the Commission.

(C) Change

Issued: _____

Effective: June 1, 2013

Price to Compare Default Service Rate Rider (Continued)

The PTC_{Default} rates by Commercial or Residential Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

(C)
(C)

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1 - T)]$$

$$PTC_{Current} = (PTC_{Current\ Cost\ Component} \times PTC_{LossCurrent}) + PTC_{Adm} + PTC_{NIES}$$

Deleted: PTC_{Mac}(C)

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{Int}) / DS_{Sales}]$$

(C)

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Commercial or Residential Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider.

(C)

The computation of the PTC_{Current} component of the PTC_{Default} rate by Commercial or Residential Customer Class will use the following procedures:

PTC_{Current Cost Component} = The current cost component of the PTC_{Default} rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to Retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan.

(C)

(C) Change

Pennsylvania Power Company

Supplement No. __ to
Electric Pa. P. U. C. No. 35
_____ Sheet No. 71.4
Canceling _____ Sheet No. 71.4

(C)

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Effective: June 1, 2013

Price to Compare Default Service Rate Rider (Continued)

DS_{Exp2} =

The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following: (C)

- Payments made to winning bidders (C)
- Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used. (C)
- Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases (C)
- An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases (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 (C)
- AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider (C)

Deleted: An allocated portion of any

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

(C) Change

Price to Compare Default Service Rate Rider (Continued)

- The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements. (C)
- The cost of credit when the Company is considered by PJM to be the load serving entity (C)

PTC_{Rev} = The cumulative revenues billed to Retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class PTC_{Default} rates. (C)

Deleted: Market Adjustment Charge revenues and excluding

DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections. (C)

(C) Change

Price to Compare Default Service Rate Rider (Continued)

DS_{Sales} = The Company's projected Default Service kWh sales to Retail Customers by Customer Class for the three-month billing period that the E rate component of the PTC_{Default} rate will be in effect. (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)

Each change in the PTC_{Default} rates 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 PTC_{Default} 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 PTC_{Default} rates shall be subject to annual review and audit by the Commission.

(C) Change

WEST PENN POWER COMPANY

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER

A Price to Compare Default Service Rate ("PTC_{Default}") 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 PTC_{Default} rate shall be billed to Customers receiving Default Service from the Company under this rider. The rates shall be calculated according to the provisions of this rider.

For service rendered June 1, 2013 through August 31, 2013, the PTC_{Default} rates billed by Customer Class are as follows:

Residential Customer Class (Rate Schedule 10):

\$ X.XXXXX per kWh

Commercial Customer Class (Rate Schedules 20, 22, 23, 24, 30 (small), 51, 52, 53, 54, 55, 56, 57, 58 and 71):

\$ X.XXXXX per kWh

The PTC_{Default} rates by Residential or Commercial Customer Class 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 PTC_{Default} rate shall be calculated by Customer Class in accordance with the formula set forth below:

$$PTC_{Default} = [(PTC_{Current} + E)] \times [1 / (1-T)]$$

$$PTC_{Current} = (PTC_{Current} \text{ Cost Component} \times PTC \text{ LOSS}_{Current}) + PTC_{Adj}$$

Deleted: + PTC_{MAC}

$$E = [((DS_{Exp1} + DS_{Exp2}) - PTC_{Rev} + DS_{int}) / DS_{Sales}]$$

Where:

PTC_{Current} = The current cost component of the PTC_{Default} rate grossed up for line losses calculated by Residential or Commercial Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider.

The computation of the PTC_{Current} component of the PTC_{Default} rate by Residential or Commercial Customer Class will use the following procedures:

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Continued)

$PTC_{Current\ Cost\ Component}$ = The current cost component of the $PTC_{Default}$ rate calculated by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider. This rate will be determined, by Customer Class, using the projected weighted cost of Default Service supply acquired by the Company to serve Default Service load and will include any net AEPS expenses and AEPS expenses that may be incurred by the Company related to amendments to the AEPS Act that may occur subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan.

Deleted: The cost of Default Service supply will include the costs the Company incurs from any block and spot purchases as required by the terms of the Default Service Supply Plan.

$PTC_{Loss_{Current}}$ = Line losses for energy that are determined by the applicable Loss Factors specified below:

Customer Class	Loss Factor
Residential Customer Class	1.0910
Commercial Customer Class	1.0899

PTC_{Adm} = An administrative fee for applicable administration costs by Customer Class determined to the nearest one-thousandth of a cent per kWh to be applied to each kWh of Default Service delivered to retail Customers under this rider.

E = The Price to Compare Default Service Reconciliation Rate component by Customer Class. The rate determined to the nearest one-thousandth of a cent per kWh by Customer Class shall be applied to each kWh of Default Service delivered to retail Customers by Customer Class under this rider. Reconciliation amounts by Customer Class that are not fully refunded or recovered as of May 31, 2013 will be included in the Price to Compare Default Service Reconciliation Rate component.

Deleted: PTC_{MAC} = A Market Adjustment Charge to be applied to each kWh of Default Service delivered to retail Customers under this rider. The PTC_{MAC} is \$0.00500 per kWh for the Residential and Commercial Customer Class.¶

DS_{Exp1} = 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 for retail Default Service including legal, customer notice, and consultant fees

Deleted: <#>The incremental administrative start-up costs associated with the portfolio procurements of the supply needed from block and spot purchases¶

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

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Continued)

DS_{Exp2} = The cumulative costs to provide Default Service incurred by the Company for the respective Customer Class through the end of the previous Default Service Quarter, including but not limited to the following:

- Payments made to winning bidders
- ~~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~~
- ~~Net AEPS expenses and~~ AEPS expenses incurred by the Company related to amendments to the AEPS Act occurring subsequent to the effective date of the Supplier Master Agreement for the Default Service Supply Plan excluding such costs that are recovered through the Company's Solar Photovoltaic Requirements Charge Rider
- ~~The cost of credit when the Company is considered by PJM to be the load serving entity~~

PTC_{Rev} = The cumulative revenues billed to retail Customers by Customer Class for Default Service under the Default Service Supply Plan, excluding applicable Pennsylvania gross receipts tax, through the end of the most recent Default Service Quarter billed under the respective Customer Class PTC_{Default} rates.

DS_{Int} = The cumulative amount of carrying charges calculated on a monthly basis through the end of the most recent Default Service Quarter by Customer Class. 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_{Rev} compared to the sum of the amortized portion of DS_{Exp1} costs and DS_{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_{Rev} compared to the amortized portion of DS_{Exp1} costs and DS_{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 based upon the 41 P.S. § 202 statutory annual rate plus two percent for (over) collections.

DS_{Sales} = The Company's projected Default Service kWh sales to retail Customers by Customer Class for the three-month billing period that the E rate component of the PTC_{Default} rate will be in effect.

Deleted: <#>Any net energy costs associated with the portfolio procurements of the supply needed from block and spot purchases. These net energy costs will reflect the net proceeds from sales in the wholesale energy market of any excess energy purchased by the Company to provide Default Service that exceeds actual energy used.¶

<#>Any PJM related charges including capacity, operating reserve, transmission-related costs other than Non-Market Based Services Transmission Charges, and ancillary services associated with the portfolio procurements of the supply needed from block and spot purchases¶

<#>An allocated portion of administrative costs associated with the portfolio procurements of the supply needed from block and spot purchases¶

Deleted: An allocated portion of any

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

Deleted: <#>The net AEPS expenses incurred by the Company associated with the portfolio procurements of the supply needed from block and spot purchases. These net AEPS expenses will reflect the net proceeds of sales of AEPS credits purchased that exceed the AEPS credits needed to meet AEPS requirements.¶

Deleted: Market Adjustment Charge revenues and excluding

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

PRICE TO COMPARE DEFAULT SERVICE RATE RIDER (Concluded)

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.

Each change in the PTC_{Default} rates 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 PTC_{Default} 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 PTC_{Default} rates shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013