

Metropolitan Edison Company
PTC Default Rate Calculation¹
Commercial Class: June - August 2012
Rate Effective June 1, 2012 through August 31, 2012

| <u>Line No.</u> | <u>Commercial Class</u> | <u>Auction</u> | <u>Summer</u> | <u>Winter</u> | | |
|-----------------|--|------------------|-----------------|---------------|-------------------|-------------------------|
| | | <u>Number of</u> | <u>Clearing</u> | <u>1.06</u> | <u>0.97</u> | |
| | <u>Fixed Price Tranche Purchases (\$ per Mwh)</u> | <u>Tranches</u> | <u>Price</u> | | <u>Weighting</u> | |
| 1 | May 2011 Auction | 5 | 72.85 | 3 | 0 | 1,158.32 |
| 2 | Oct 2011 Auction | 6 | 68.00 | 3 | 0 | 1,297.44 |
| 3 | Jan 2012 Auction | 6 | 56.17 | 3 | 0 | 1,071.72 |
| 4 | Mar 2012 Auction | 6 | 54.98 | 3 | 0 | 1,049.02 |
| 5 | | 23 | 3 | 69 | | 4,576.50 |
| 6 | Total Average Fixed Price Tranche | | | | \$ 66.33 | |
| 7 | Times Fixed portion of Commercial Load | | | | 90% | <i>Fixed Portion</i> |
| 8 | Total Fixed Price Commercial Cost | | | | \$ 59.69 | <i>dollar cost</i> |
| 9 | Average Variable Hourly Price Tranche including fixed Anc. Serv. adder (\$9/MWh) | | | | \$ 46.52 | |
| 10 | Times Variable portion of Commercial Load | | | | 10% | <i>Variable Portion</i> |
| 11 | Total Variable Priced Hourly Commercial Cost | | | | \$ 4.65 | <i>dollar cost</i> |
| 12 | Price to Compare Weighted Average Price | | | | \$ 64.35 | <i>per MWh</i> |
| 13 | PTC <small>Current Cost Component</small> (line 12 / 1000) | | | | \$ 0.06435 | <i>per kWh</i> |
| 14 | Times Loss Factor | | | | 1.0515 | |
| 15 | Subtotal (line 12 x line 13) | | | | \$ 0.06766 | <i>per kWh</i> |
| 16 | Admin Costs including estimated interest @ 6% | | | | \$ 0.00034 | <i>per kWh</i> |
| 17 | NITS charge | | | | \$ 0.00358 | <i>per kWh</i> |
| 18 | Subtotal (line 15 + line 16 + line 17) | | | | \$ 0.07158 | <i>per kWh</i> |
| 19 | Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) | | | | 1.062699 | |
| 20 | PTC <small>Current</small> Commercial Class (line 17 x line 18) | | | | \$ 0.07607 | <i>per kWh</i> |
| 21 | E Reconciliation Rate | | | | (0.00936) | <i>per kWh</i> |
| 22 | Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) | | | | 1.062699 | |
| 23 | E Reconciliation Rate x GRT | | | | (0.00994) | |
| 24 | PTC <small>Default</small> Commercial Class (line 20 + line 23) | | | | \$ 0.06613 | <i>per kWh</i> |