

Metropolitan Edison Company
PTC Default Rate Sample Calculation¹
Residential Class: September 2012 - November 2012

Line No.	Residential Class	Auction				Weighting
		Number of Tranches	Clearing Price	Summer 1.06	Winter 0.97	
Fixed Price Tranche Purchases (\$ per MWh)						
1	May 2010 Auction	4	68.55	1	2	822.60
2	Oct 2010 Auction	4	66.66	1	2	799.92
3	Jan 2011 Auction	4	70.69	1	2	848.28
4	Mar 2011 Auction	3	70.09	1	2	630.81
5	Jan 2012 Auction	3	56.19	1	2	505.71
6	Mar 2012 Auction	3	55.83	1	2	502.47
		21		3	63	4,109.79
10	Total Average Fixed Price Tranche				\$ 65.23	
11	Times Fixed portion of Residential Load				100%	Fixed Portion
12	Total Fixed Price Residential Cost				\$ 65.23	dollar cost
13	Percentage of Total Load				75%	
14	Total Cost Fixed Price Tranche				\$ 48.93	
Fixed Price Block & Spot Purchases (\$ per MWh)						
			MWhs	Auction Clearing Price		Load Weighted Clearing Price
15	48 Month Block Price		109,151	\$59.77		31.66
16	May 2011 On-Peak Average Price		17,875	\$61.62		5.34
17	May 2011 Off-Peak Average Price		36,725	\$45.28		8.07
18	Oct 2011 On-Peak Average Price		17,875	\$58.16		5.04
19	Oct 2011 Off-Peak Average Price		24,450	\$43.52		5.16
20			206,076			55.28
21	Total Average Fixed Price Block & Spot			\$ 55.28		
22	Times Fixed portion of Residential Load			71%		Fixed Portion
23	Total Fixed Price Residential Cost			\$ 39.10		dollar cost
24	Average Variable Hourly Price Tranche			\$ 38.19		
25	Times Variable portion of Residential Load			29%		Variable Portion
26	Total Variable Priced Hourly Residential Cost			\$ 11.18		dollar cost
27	Capacity Adder			\$ 9.93		
28	AEPS Adder			\$ 0.09		
29	Ancillary Service Adder			\$ 2.13		
30	Block & Spot Subtotal			\$ 62.43		
31	Percentage of Total Load			25%		
32	Total Cost - Block and Spot			\$ 15.61		
33	Price to Compare Weighted Average Price			\$ 64.53		per MWh
34	PTC _{Current} Cost Component (line 31 / 1000)			\$ 0.06453		per kWh
35	Times Loss Factor			1.0515		
36	Subtotal (line 32 x line 33)			\$ 0.06786		per kWh
37	Admin Costs including estimated interest @ 6%			\$ 0.00021		per kWh
38	NITS charge			\$ 0.00339		per kWh
39	Subtotal (line 34 + line 35 + line 36)			\$ 0.07145		per kWh
40	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
41	PTC_{Current} Residential Class (line 37 x line 38)			\$ 0.07593		per kWh
42	E Reconciliation Rate			\$ (0.00191)		per kWh
43	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
44	E Reconciliation Rate x GRT			(0.00203)		
45	PTC_{Default} Residential Class (line 39 + line 42)			\$ 0.07391		per kWh

Note 1: All Price to Compare rate computations will be pursuant to terms of Company's "Price to Compare Default Service Rate Rider".

Note 2: All Adders are subject to Quarterly Updates

Note 3: Line 43 represents the rate that is incorporated into the PTC Default Service Rate Rider. The Rate including STAS is equal to:

-0.12% \$ 0.07382 per kWh

Metropolitan Edison Company
Price to Compare Default Service Rider Rate Calculation
Residential Class
Computation of Residential Class E Reconciliation Factor
Rate Effective September 1, 2012 Through November 31, 2012

Line No.	Description	Amounts
1	DS _{Exp1} - Administrative Start-Up Costs (page 3, line 5)	\$ 139,572
2	DS _{Exp2} - Current Month Costs to Provide Default Service (page 3, line 6) ¹	69,226,285
	DS _{Exp3} - Amortization of January 2011 Residential Undercollection including	
3	Interest for 12 months (page 3, line 7)	-
4	DS _{Exp4} - NITS costs incurred (page 3, line 8)	6,508,555
5	Total Expenses for May - July 2012	<u>\$ 75,874,412</u>
6	PTC Revenues net of GRT for May - July 2012 (page 3, line 4)	<u>\$ 66,084,132</u>
7	(Over)/Under Collection of PTC for May - July 2012 (line 5- line 6)	\$ 9,790,280
8	Interest for regulatory purposes	<u>\$ (171,979)</u>
9	Current (Over)/Under Collection (line 7 + line 8)	\$ 9,618,301
10	Prior Period (Over)/Under Cumulative Collection	<u>\$ (11,275,090)</u>
11	Total (Over)/ Under Collection (Line 9 + Line 10 + Line 11)	\$ (1,656,789)
12	Projected Residential Class kilowatt hour sales - September 1, 2012 to November 30, 2012 (line 19)	869,231,895 kWhs
13	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 12 / Line 13)	\$ (0.00191) per kWh
14	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
15	Residential Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 13 X Line 14)	<u>\$ (0.00203) per kWh</u>
Projected Residential Class kilowatt hour sales (September 1, 2012 through November 30, 2012)		
16	Sep-12	351,474,763
17	Oct-12	254,586,318
18	Nov-12	<u>263,170,814</u>
19	Total projected Residential class kWh sales	<u><u>869,231,895</u></u>

**Metropolitan Edison Company Default Service Program Reconciliation
Residential Customer Class Deferrals
May 2012 through July 2012**

<u>Line No.</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>
1 Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (11,275,090)	\$ (11,118,395)	\$ (8,297,183)
2 Default Service Plan Revenues With Pa GRT	21,533,472	22,974,897	25,719,189
3 Pa GRT Included in Line 2	<u>\$ 1,270,475</u>	<u>\$ 1,355,519</u>	<u>\$ 1,517,432</u>
4 Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 20,262,997	\$ 21,619,378	\$ 24,201,757
<u>Expenses</u>			
5 Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 46,524	\$ 46,524	\$ 46,524
6 Current Month cost to provide Default Service [DSexp2] (Line 27)	\$ 17,762,439	\$ 22,014,386	\$ 29,449,460
7 Amortization of January 2011 Residential Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ -	\$ -
8 Cumulative costs for month of Network Integration Transmission Service (NITS) cost incurred by the Company [DSexp4]	\$ 2,685,130	\$ 2,444,187	\$ 1,379,238
9 Total Expenses for Month	<u>\$ 20,494,093</u>	<u>\$ 24,505,097</u>	<u>\$ 30,875,222</u>
10 Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 231,096	\$ 2,885,719	\$ 6,673,465
11 Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (11,043,994)	\$ (8,232,676)	\$ (1,623,718)
12 Interest for Current Month	<u>\$ (74,401)</u>	<u>\$ (64,507)</u>	<u>\$ (33,071)</u>
13 Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	<u>\$ (11,118,395)</u>	<u>\$ (8,297,183)</u>	<u>\$ (1,656,789)</u>