

**Metropolitan Edison Company
 PTC Default Rate Sample Calculation¹
 Residential Class: June 2012 - August 2012 Estimate**

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	3	0	797.92
2	Oct 2010 Auction	4	66.66	3	0	775.92
3	Jan 2011 Auction	4	70.69	3	0	588.66
4	Mar 2011 Auction	3	70.09	3	0	822.83
5	Jan 2012 Auction	3	56.19	3	0	587.97
6	Mar 2012 Auction	3	55.83	3	0	587.97
		21	3	63	0	4,161.27
10	Total Average Fixed Price Tranche				\$ 66.05	
11	Times Fixed portion of Residential Load				100%	Fixed Portion
12	Total Fixed Price Residential Cost				\$ 66.43	dollar cost
13	Percentage of Total Load				75%	
14	Total Cost Fixed Price Tranche				\$ 49.82	
Fixed Price Block & Spot Purchases (\$ per MWh)						
		MWhs	Auction Clearing Price		Load Weighted Clearing Price	
15	Jan 2010 On-Peak Average Price	110,400	\$59.77		23.99	
16	May 2011 On-Peak Average Price	52,800	\$61.62		11.83	
17	May 2011 Off-Peak Average Price	28,800	\$45.28		4.74	
18	Oct 2011 On-Peak Average Price	44,400	\$58.16		9.39	
19	Oct 2011 Off-Peak Average Price	38,600	\$43.52		6.11	
20	48 Month Block Price	275,000			56.07	
21	Total Average Fixed Price Block & Spot		\$ 56.07			
22	Times Fixed portion of Residential Load		75%		Fixed Portion	
23	Total Fixed Price Residential Cost		\$ 41.78			dollar cost
24	Average Variable Hourly Price Tranche		\$ 44.35			
25	Times Variable portion of Residential Load		25%		Variable Portion	
26	Total Variable Priced Hourly Residential Cost		\$ 11.30			dollar cost
27	Capacity Adder		\$ 8.12			
28	AEPS Adder		\$ 0.09			
29	Ancillary Service Adder		\$ 1.73			
30	Block & Spot Subtotal		\$ 63.02			
31	Percentage of Total Load				25%	
32	Total Cost - Block and Spot		\$ 15.76			
33	Price to Compare Weighted Average Price		\$ 65.58			per MWh
34	PTC _{Current Cost Component} (line 31 / 1000)		\$ 0.06558			per kWh
35	Times Loss Factor		1.0515			
36	Subtotal (line 32 x line 33)		\$ 0.06896			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)		\$ 0.07255			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)		\$ 0.07710			per kWh
42	E Reconciliation Rate		\$ (0.00697)			per kWh
43	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)		1.062699			
44	E Reconciliation Rate x GRT		(0.00741)			
45	PTC_{Default Residential Class} (line 39 + line 42)		\$ 0.06969			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% **\$ 0.06961** per kWh