

Pennsylvania Electric Company
PTC Default Rate Calculation¹
Commercial Class: September 2012 - November 2012
Rate Effective September 1, 2012 through November 30, 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	64.45	1	2	966.75
2	Oct 2011 Auction	5	60.08	1	2	901.20
3	Jan 2012 Auction	5	51.25	1	2	768.75
4	Mar 2012 Auction	5	51.66	1	2	774.90
5		20	3	60		3,411.60
6	Total Average Fixed Price Tranche				\$ 56.86	
7	Times Fixed portion of Commercial Load				90%	<i>Fixed Portion</i>
8	Total Fixed Price Commercial Cost				\$ 51.17	<i>dollar cost</i>
9	Average Variable Hourly Price Tranche including fixed Anc. Serv. adder (\$9/MWh)				\$ 40.11	
10	Times Variable portion of Commercial Load				10%	<i>Variable Portion</i>
11	Total Variable Priced Hourly Commercial Cost				\$ 4.01	<i>dollar cost</i>
12	Price to Compare Weighted Average Price				\$ 55.19	<i>per MWh</i>
13	PTC _{Current} Cost Component (line 12 / 1000)				\$ 0.05519	<i>per kWh</i>
14	Times Loss Factor				1.0573	
15	Subtotal (line 12 x line 13)				\$ 0.05835	<i>per kWh</i>
16	Admin Costs including estimated interest @ 6%				\$ 0.00039	<i>per kWh</i>
17	NITS charge				\$ 0.00391	<i>per kWh</i>
18	Subtotal (line 15 + line 16 + line 17)				\$ 0.06266	<i>per kWh</i>
19	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
20	PTC_{Current} Commercial Class (line 17 x line 18)				\$ 0.06658	<i>per kWh</i>
21	E Reconciliation Rate				(0.00110)	<i>per kWh</i>
22	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
23	E Reconciliation Rate x GRT				(0.00117)	
24	PTC_{Default} Commercial Class (line 20 + line 23)				\$ 0.06541	<i>per kWh</i>

Pennsylvania Electric Company
PTC Default Rate Calculation
Commercial Class
Computation of Commercial Class Reconciliation Factor
Rate Effective September 1, 2012 through November 30, 2012

Line No.	Description	Amounts
	<u>PA Jurisdictional Expenses</u>	
1	DS _{Exp1} - Administrative Start-Up Costs (page 3, line 5)	\$ 63,051
2	DS _{Exp2} - Current Month Costs to Provide Default Service (page 3, line 6)	\$ 19,328,831
3	DSE _{Exp3} - Amortization of January 2011 Commercial Undercollection including Interest for 12 months (page 3, line 7)	\$ -
4	DS _{Exp4} - NITS costs incurred (page 3, line 8)	\$ 1,150,383
5	Total PA Jurisdictional Expenses for May 2012 - July 2012	\$ 20,542,265
6	PTC Revenues net of GRT for May 2012 - July 2012	\$ 19,027,746
7	(Over)/Under Collection of PTC for May 2012 - July 2012 (line 5 - line 6)	\$ 1,514,519
8	Interest for Regulatory Purposes	\$ (30,209)
9	Current (Over)/Under Collection (line 7 + line 8)	\$ 1,484,310
10	Prior Period Cumulative (Over)/Under Collection ¹	\$ (1,792,427)
11	Total (Over)/Under Collection (Line 9 + Line 10)	\$ (308,118)
12	Projected Commercial Class kilowatt hour sales - September 1, 2012 through November 30, 2012 (line 19)	279,925,918 kWhs
13	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 11 / Line 12)	\$ (0.00110) per kWh
14	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	1.062699
15	Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 13 X Line 14)	\$ (0.00117) per kWh
	Projected Commercial Class kilowatt hour sales (September 1, 2011 through November 30, 2012)	
16	Sep-12	102,862,297
17	Oct-12	91,158,844
18	Nov-12	85,904,777
19	Total projected Commercial class kWh sales	279,925,918

¹ Includes a correction in the amount of \$186, that was previously included in error as a revenue in the June 2012 Rate Calculation

**Pennsylvania Electric Company Default Service
Program Reconciliation**

**Commercial Customer Class Deferrals
February 1, 2011 through July 31, 2012**

Line No.		Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ -	\$ (728,515)	\$ 627,001	\$ (573,157)	\$ (627,197)	\$ (392,536)	\$ 255,721	\$ 197,442	\$ (333,699)	\$ 174,737	\$ 455,032	\$ 986,752	\$ 906,333	\$ (100,184)	\$ (1,654,688)	\$ (1,792,427)	\$ (1,750,952)	\$ (1,745,039)
2	Default Service Plan Revenues With Pa GRT	\$ 13,884,754	\$ 12,783,892	\$ 12,833,541	\$ 10,964,278	\$ 10,996,593	\$ 10,872,484	\$ 11,091,871	\$ 9,859,265	\$ 8,326,248	\$ 8,319,256	\$ 8,797,643	\$ 9,338,205	\$ 9,062,291	\$ 8,478,529	\$ 6,908,921	\$ 6,720,778	\$ 6,767,620	\$ 6,732,374
3	Pa GRT Included in Line 2	\$ 819,200	\$ 754,250	\$ 757,179	\$ 646,892	\$ 648,799	\$ 641,477	\$ 654,420	\$ 581,697	\$ 491,249	\$ 490,836	\$ 519,061	\$ 550,954	\$ 534,675	\$ 500,233	\$ 407,626	\$ 396,526	\$ 399,290	\$ 397,210
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 13,065,554	\$ 12,029,642	\$ 12,076,362	\$ 10,317,386	\$ 10,347,794	\$ 10,231,007	\$ 10,437,451	\$ 9,277,568	\$ 7,834,999	\$ 7,828,420	\$ 8,278,582	\$ 8,787,251	\$ 8,527,616	\$ 7,978,296	\$ 6,501,295	\$ 6,324,252	\$ 6,368,330	\$ 6,335,164
Expenses																			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017	\$ 21,017
6	Current Month cost to provide Default Service [DSexp2] (Line 27)	\$ 11,923,302	\$ 11,928,342	\$ 9,382,767	\$ 8,807,466	\$ 9,052,724	\$ 9,453,253	\$ 8,980,994	\$ 7,379,300	\$ 6,965,518	\$ 6,745,647	\$ 7,466,033	\$ 7,349,925	\$ 6,214,494	\$ 6,025,329	\$ 5,967,802	\$ 5,949,920	\$ 5,973,562	\$ 7,405,349
7	Amortization of January 2011 Commercial Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,245	\$ 945,240	\$ -	\$ -	\$ -	\$ -	\$ -
8	Cumulative costs for month of Network Integration Transmission Service (NITS) cost incurred by the Company [DSexp4]	\$ 395,140	\$ 490,891	\$ 527,041	\$ 493,606	\$ 566,857	\$ 460,204	\$ 430,786	\$ 401,318	\$ 412,183	\$ 395,237	\$ 374,412	\$ 385,924	\$ 338,338	\$ 383,276	\$ 386,190	\$ 406,563	\$ 391,279	\$ 352,541
9	Total PA Jurisdictional Expenses for Month	\$ 12,339,459	\$ 13,385,495	\$ 10,876,070	\$ 10,267,334	\$ 10,585,843	\$ 10,879,719	\$ 10,378,042	\$ 8,746,880	\$ 8,343,963	\$ 8,107,146	\$ 8,806,707	\$ 8,702,111	\$ 7,519,089	\$ 6,429,622	\$ 6,375,009	\$ 6,377,500	\$ 6,385,858	\$ 7,778,907
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (726,095)	\$ 1,355,853	\$ (1,200,292)	\$ (50,052)	\$ 238,049	\$ 648,712	\$ (59,409)	\$ (530,688)	\$ 508,964	\$ 278,725	\$ 528,125	\$ (85,140)	\$ (1,008,527)	\$ (1,548,674)	\$ (126,286)	\$ 53,248	\$ 17,528	\$ 1,443,743
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (726,095)	\$ 627,338	\$ (573,291)	\$ (623,209)	\$ (389,148)	\$ 256,176	\$ 196,312	\$ (333,246)	\$ 175,265	\$ 453,462	\$ 983,157	\$ 901,612	\$ (102,194)	\$ (1,648,858)	\$ (1,780,974)	\$ (1,739,179)	\$ (1,733,424)	\$ (301,297)
12	Interest for Current Month	\$ (2,420)	\$ (337)	\$ 134	\$ (3,988)	\$ (3,388)	\$ (455)	\$ 1,130	\$ (453)	\$ (528)	\$ 1,570	\$ 3,595	\$ 4,721	\$ 2,010	\$ (5,830)	\$ (11,453)	\$ (11,773)	\$ (11,615)	\$ (6,821)
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting (Line 11 + Line 14)	\$ (728,515)	\$ 627,001	\$ (573,157)	\$ (627,197)	\$ (392,536)	\$ 255,721	\$ 197,442	\$ (333,699)	\$ 174,737	\$ 455,032	\$ 986,752	\$ 906,333	\$ (100,184)	\$ (1,654,688)	\$ (1,792,427)	\$ (1,750,952)	\$ (1,745,039)	\$ (308,118)