

Pennsylvania Electric Company
PTC Default Rate Calculation¹
Commercial Class: December 2012 - February 2012
Rate Effective December 1, 2012 through February 28, 2013

Line No.	Commercial Class	Number of Tranches	Auction Clearing Price	Summer 1.06	Winter 0.97	Weighting
<u>Fixed Price Tranche Purchases (\$ per Mwh)</u>						
1	May 2011 Auction	5	64.45	0	3	937.75
2	Oct 2011 Auction	5	60.08	0	3	874.16
3	Jan 2012 Auction	5	51.25	0	3	745.69
4	Mar 2012 Auction	5	51.66	0	3	751.65
5		20	3	60		3,309.25
6	Total Average Fixed Price Tranche					\$ 55.15
7	Times Fixed portion of Commercial Load					90% <i>Fixed Portion</i>
8	Total Fixed Price Commercial Cost					\$ 49.64 <i>dollar cost</i>
9	Average Variable Hourly Price Tranche including fixed Anc. Serv. adder (\$9/MWh)					\$ 45.30
10	Times Variable portion of Commercial Load					10% <i>Variable Portion</i>
11	Total Variable Priced Hourly Commercial Cost					\$ 4.53 <i>dollar cost</i>
12	Price to Compare Weighted Average Price					\$ 54.17 <i>per MWh</i>
13	PTC <small>Current Cost Component</small> (line 12 / 1000)					\$ 0.05417 <i>per kWh</i>
14	Times Loss Factor					1.0573
15	Subtotal (line 12 x line 13)					\$ 0.05727 <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)					\$ 0.06158 <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)					\$ 0.06544 <i>per kWh</i>
21	E Reconciliation Rate					0.00318 <i>per kWh</i>
22	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)					1.062699
23	E Reconciliation Rate x GRT					\$ 0.00338
24	PTC <small>Default</small> Commercial Class (line 20 + line 23)					\$ 0.06882 <i>per kWh</i>

Pennsylvania Electric Company
PTC Default Rate Calculation
Commercial Class
Computation of Commercial Class Reconciliation Factor
Rate Effective December 1, 2012 through February 28, 2013

Line No.	Description	Amounts
1	Cumulative Commercial Class (Over) / Under Collection as of October 31, 2012	\$ 892,952
2	Projected November 2012 through January 2013 (Over) / Under Collection adjustment	\$ -
3	Projected Commercial Class kilowatt hour sales - September 1, 2012 to November 30, 2012 (Line 9)	\$ 280,620,534
4	Commercial Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 2 / Line 3)	\$ 0.00318
5	PA Gross Receipt Gross-Up $[1/(1-T)]$ with $T = 5.9\%$ Pa Gross Receipts Tax]	<u>1.062699</u>
6	Commercial Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 3 X Line 4)	<u>\$ 0.00338</u>
 Projected Commercial Class kilowatt hour sales (December 1, 2012 through February 28, 2013)		
7	Dec-12	94,385,413
8	Jan-13	94,023,412
9	Feb-13	<u>92,211,709</u>
10	Total projected Residential class kWh sales	280,620,534

**Pennsylvania Electric Company Default
Service Program Reconciliation**

**Commercial Customer Class Deferrals
August 1, 2012 through October 31, 2012**

<u>Line No.</u>		<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ (308,118)	\$ 244,708	\$ 423,842
2	Default Service Plan Revenues With Pa GRT	<u>\$ 6,958,422</u>	<u>\$ 6,398,323</u>	<u>\$ 5,725,034</u>
3	Pa GRT Included in Line 2	<u>\$ 410,547</u>	<u>\$ 377,501</u>	<u>\$ 337,777</u>
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 6,547,875	\$ 6,020,822	\$ 5,387,257
	<u>Expenses</u>			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 21,017	\$ 21,017	\$ 21,017
6	Current Month cost to provide Default Service [DSexp2] (Line 27)	\$ 6,697,052	\$ 5,830,969	\$ 5,473,208
7	Amortization of January 2011 Commercial 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]	<u>\$ 382,842</u>	<u>\$ 346,303</u>	<u>\$ 358,858</u>
9	Total PA Jurisdictional Expenses for Month	\$ 7,100,911	\$ 6,198,289	\$ 5,853,083
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 553,036	\$ 177,467	\$ 465,826
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 244,919	\$ 422,175	\$ 889,668
12	Interest for Current Month	<u>\$ (211)</u>	<u>\$ 1,667</u>	<u>\$ 3,284</u>
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting (Line 11 + Line 14)	<u>\$ 244,708</u>	<u>\$ 423,842</u>	<u>\$ 892,952</u>