

**Pennsylvania Electric Company**  
**PTC Default Rate Calculation<sup>1</sup>**  
**Residential Class: June - August 2011**  
**Rate Effective June 1, 2011 through August 31, 2011**

Line No.	Residential Class	Auction		Summer	Winter	Weighting
		Number of Tranches	Clearing Price	1.06	0.97	
<b><u>Fixed Price Tranche Purchases (\$ per MWh)</u></b>						
1	June 2010 Auction	3	58.43	3	0	557.42
2	Oct 2010 Auction	3	55.74	3	0	531.76
3	Jan 2011 Auction	3	58.01	3	0	553.42
4	Jan 2011 Auction	2	59.74	3	0	379.95
5	Mar 2011 Auction	3	57.88	3	0	552.18
6	Mar 2011 Auction	2	60.27	3	0	383.32
7		16		3	48	2,958.04
8	Total Average Fixed Price Tranche				\$ 61.63	
9	Times Fixed portion of Residential Load				100%	<i>Fixed Portion</i>
10	Total Fixed Price Residential Cost				\$ 61.63	<i>dollar cost</i>
11	Percentage of Total Load				75%	
12	<b>Total Cost Fixed Price Tranche</b>				<b>\$ 46.22</b>	
<b><u>Fixed Price Block &amp; Spot Purchases (\$ per MWh)</u></b>						
			MWhs	Auction Clearing Price		Load Weighted Clearing Price
13	June 2010 On-Peak Average Price		26,000	\$50.95		5.79
14	June 2010 Off-Peak Average Price		29,200	\$36.58		4.67
15	Oct 2010 On-Peak Average Price		43,200	\$47.25		8.92
16	Oct 2010 Off-Peak Average Price		20,000	\$38.62		3.38
17	48 Month Block Price		110,400	\$54.38		26.24
18	Total		228,800			48.99
19	Total Average Fixed Price Block & Spot				\$ 48.99	
20	Times Fixed portion of Residential Load				80%	<i>Fixed Portion</i>
21	Total Fixed Price Residential Cost				\$ 39.20	<i>dollar cost</i>
22	Average Variable Hourly Price Tranche				\$ 48.55	
23	Times Variable portion of Residential Load				20%	<i>Variable Portion</i>
24	Total Variable Priced Hourly Residential Cost				\$ 9.71	<i>dollar cost</i>
25	Capacity Adder				\$ 10.15	
26	AEPS Adder				\$ 0.10	
27	Ancillary Service Adder				\$ 1.33	
28	Block & Spot Subtotal				\$ 60.48	
29	Percentage of Total Load				25%	
30	<b>Total Cost - Block and Spot</b>				<b>\$ 15.12</b>	
31	<b>Price to Compare Weighted Average Price (line 12 + line 30)</b>				<b>\$ 61.34</b>	<i>per MWh</i>
32	PTC <sub>Current</sub> Cost Component (line 31 / 1000)				\$ 0.06134	<i>per kWh</i>
33	Times Loss Factor				1.0515	
34	Subtotal (line 33 x line 32)				\$ 0.06450	<i>per kWh</i>
35	Admin Costs including estimated interest @ 6%				\$ 0.00021	<i>per kWh</i>
36	NITS charge				\$ 0.00316	<i>per kWh</i>
37	Subtotal (line 34 + line 35 + line 36)				\$ 0.06787	<i>per kWh</i>
38	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
39	<b>PTC<sub>Current</sub> Residential Class (line 37 x line 38)</b>				<b>\$ 0.07213</b>	<i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)				-0.00210	<i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
42	E Reconciliation Rate x GRT				(0.00223)	
43	<b>PTC<sub>Default</sub> Residential Class (line 39 + line 42)</b>				<b>\$ 0.06990</b>	<i>per kWh</i>