

**Pennsylvania Electric Company**  
**PTC Default Service Rider Rate Calculation**  
**Residential Class: Default Service Period Beginning December 1, 2013 - February 28, 2014**

Line No.	Residential Class	Auction Number of Tranches	Auction Clearing Price	Summer 1.086	Winter 0.971	Weighted Clearing Price
<b>Fixed Price Tranche Purchases (\$ per MWh)</b>						
1	January 2013 Auction	9	61.14	0	3	1,602.91
2	February 2013 Auction	9	64.39	0	3	1,688.11
		18	3	54		
3	Total Average Fixed Price Tranche				\$ 60.94	
4	Times Fixed Portion of Residential Load				90%	Fixed Portion
5	Total Fixed Price Residential Cost				\$ 54.85	dollar Cost
6	Average Variable Hourly Price Tranche				\$ 36.01	
7	Capacity, Anc. Serv. and AEPS Adder (\$19/MWh)				\$ 19.00	
8	Variable Priced Hourly Residential Cost				\$ 55.01	
9	Times Variable Portion of Residential Load				10%	Variable Portion
10	Total Variable Priced Hourly Residential Cost				\$ 5.50	dollar cost
11	Percentage of Total Load				85.7%	
12	<b>Total Cost Fixed/Variable Price Tranche</b>				\$ 51.72	
<b>Fixed Price Block &amp; Spot Purchases (\$ per MWh)</b>						
13	Total Fixed Block & Spot Price				\$ 54.38	
14	Times Fixed Portion of Residential Load				0.97	Fixed Portion
15	Total Fixed Price Residential cost				\$ 52.51	dollar Cost
16	Average Variable Hourly Price Tranche				\$ 61.39	
17	Times Variable Portion of Residential Load				0.03	Variable Portion
18	Total Variable Priced Hourly Residential Cost				\$ 2.12	dollar cost
19	Capacity Adder				\$ 33.40	
20	AEPS Adder				\$ 0.12	
21	Ancillary Adder				\$ 5.40	
22	NITS				\$ 3.16	
23	Block & Spot Subtotal				\$ 96.70	
24	Percentage of Total Load				14.3%	
25	<b>Total Cost - Block and Spot</b>				13.83	
26	<b>Price to Compare Weighted Average Price (line 12 + line 25)</b>				\$ 65.55	per MWh
27	PTC <sub>Current</sub> Cost Component (line 26 / 1000)				\$ 0.06555	per kWh
28	Times Loss Factor				1.0573	
29	Subtotal (line 27 x line 28)				\$ 0.06930	per kWh
30	Admin Costs including estimated interest @ 6%				\$ 0.00012	per kWh
31	Subtotal (line 29 + line 30)				\$ 0.06943	per kWh
32	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
33	<b>PTC<sub>Current</sub> Residential Class (line 31 x line 32)</b>				\$ 0.07378	per kWh
34	E Reconciliation Rate (page 2, line 6)				(0.00173)	per kWh
35	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
36	<b>E Reconciliation Rate x GRT</b>				\$ (0.00184)	
37	<b>PTC<sub>Default</sub> Residential Class (line 33 + line 36)</b>				\$ 0.07195	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

**Pennsylvania Electric Company**  
**Price to Compare Default Service Rider Rate Calculation**  
**Residential Class**  
**Computation of Residential Class Reconciliation Factor**  
**Rate Effective December 1, 2013 Through February 28, 2014**

Line No.	Description	Amounts
1	Cumulative Residential Class (Over)/Under Collection as of September 30, 2013	\$ 452,139
2	Projected December 2013 through February 2014 (Over)/Under Collection Adjustment	
3	Projected October & November 2013 E Factor revenue adjustment	<u>(1,830,974)</u>
4	Total (Over)/Under Collection (Line 1 + Line 2 + Line 3)	\$ (1,378,835)
5	Projected Residential Class kilowatt hour sales - December 1, 2013 through February 28, 2014 (line 12)	798,411,336 kWhs
6	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4/ Line 5)	\$ (0.00173) per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
<b>8</b>	<b>Residential Classes Reconciliation Factor Rate with PA Gross Receipts Tax (Line 6 X Line 7)</b>	<b><u>\$ (0.00184) per kWh</u></b>
 <b>Projected Residential Class kilowatt hour sales (December 1, 2013 through February 28, 2014)</b>		
9		Dec-13 255,053,209
10		Jan-14 277,158,026
11		Feb-14 <u>266,200,100</u>
12	Total Projected Residential Class kWh Sales	<u>798,411,336</u>

**Pennsylvania Electric Company Default Service Program Reconciliation  
Residential Customer Class Deferrals  
July 2013 through September 2013**

<u>Line No.</u>		<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ 5,618,695	\$ 5,525,644	\$ 3,282,139
2	Default Service Plan Revenues With Pa GRT	\$ 19,524,132	\$ 20,072,348	\$ 17,487,080
3	Pa GRT Included in Line 2	\$ 1,151,924	\$ 1,184,269	\$ 1,031,738
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 18,372,208	\$ 18,888,079	\$ 16,455,342
	<u>Expenses</u>			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 33,282	\$ 33,282	\$ 33,282
6	Current Month cost to provide Default Service [DSexp2] (Line 32)	\$ 17,687,677	\$ 15,247,141	\$ 12,913,872
7	Amortization of January 2011 Residential Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ -	\$ -
8	Cumulative costs for month of Transmission cost incurred by the Company [DSexp4] (1)	\$ 530,407	\$ 1,342,186	\$ 668,875
9	Total PA Jurisdictional Expenses for Month	\$ 18,251,366	\$ 16,622,609	\$ 13,616,029
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (120,842)	\$ (2,265,470)	\$ (2,839,313)
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 5,497,853	\$ 3,260,174	\$ 442,827
12	Interest for Current Month	\$ 27,791	\$ 21,965	\$ 9,312
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	\$ 5,525,644	\$ 3,282,139	\$ 452,139

(1) Beginning June 1, 2013 Transmission Service cost in line 8 above is allocated based on the Residential Block and Spot kwh over Total kwh for Residential Block and Spot and Industrial kWh