

**Pennsylvania Electric Company
 PTC Default Rate Calculation¹
 Residential Class: March - May 2013
 Rate Effective March 1, 2013 through May 31, 2013**

Line No.	Residential Class	Auction			Weighting	
		Number of Tranches	Clearing Price	Summer		
	Fixed Price Tranche Purchases (\$ per MWh)			1.06	0.97	
1	May 2010 Auction	3	58.43	0	3	510.09
2	Oct 2010 Auction	3	55.74	0	3	486.61
3	Jan 2011 Auction	2	59.74	0	3	347.69
4	Mar 2011 Auction	2	60.27	0	3	350.77
5	Jan 2012 Auction	3	50.62	0	3	441.91
6	Mar 2012 Auction	3	51.76	0	3	451.86
7		16	3	48		2,588.94
8	Total Average Fixed Price Tranche				\$ 53.94	
9	Times Fixed portion of Residential Load				100%	<i>Fixed Portion</i>
10	Total Fixed Price Residential Cost				\$ 53.94	<i>dollar cost</i>
11	Percentage of Total Load				75%	
12	Total Cost Fixed Price Tranche				\$ 40.45	
	Fixed Price Block & Spot Purchases (\$ per MWh)		MWhs	Auction Clearing Price	Load Weighted Clearing Price	
13	May 2011 On-Peak Average Price		17,875	\$53.19	5.55	
14	May 2011 Off-Peak Average Price		24,775	\$41.22	5.96	
15	Oct 2011 On-Peak Average Price		5,775	\$53.50	1.80	
16	Oct 2011 Off-Peak Average Price		12,550	\$39.78	2.91	
17	48 Month Block Price		110,400	\$54.38	35.03	
18	Total		171,375		51.25	
19	Total Average Fixed Price Block & Spot			\$ 51.25		
20	Times Fixed portion of Residential Load				98.74%	<i>Fixed Portion</i>
21	Total Fixed Price Residential Cost			\$ 50.61		<i>dollar cost</i>
22	Average Variable Hourly Price Tranche			\$ 138.68		
23	Times Variable portion of Residential Load				1.26%	<i>Variable Portion</i>
24	Total Variable Priced Hourly Residential Cost			\$ 1.74		<i>dollar cost</i>
25	Capacity Adder			\$ 10.00		
26	AEPS Adder			\$ 0.09		
27	Ancillary Service Adder			\$ 2.51		
28	Block & Spot Subtotal			\$ 64.95		
29	Percentage of Total Load				25%	
30	Total Cost - Block and Spot			\$ 16.24		
31	Price to Compare Weighted Average Price (line 12 + line 30)			\$ 56.69		<i>per MWh</i>
32	PTC _{Current} Cost Component (line 31 / 1000)			\$ 0.05669		<i>per kWh</i>
33	Times Loss Factor			1.0573		
34	Subtotal (line 33 x line 33)			\$ 0.05994		<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)			\$ 0.06331		<i>per kWh</i>
38	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
39	PTC_{Current} Residential Class (line 37 x line 38)			\$ 0.06728		<i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)			0.00232		<i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
42	E Reconciliation Rate x GRT			0.00247		
43	PTC_{Default} Residential Class (line 39 + line 42)			\$ 0.06975		<i>per kWh</i>

Pennsylvania Electric Company
Price to Compare Default Service Rider Rate Calculation
Residential Class
Computation of Residential Class Reconciliation Factor
Rate Effective March 1, 2013 Through May 31, 2013

Line No.	Description	Amounts
1	Cumulative Residential Class (Over)/Under Collection as of January 31, 2013	\$ 7,342,842
2	Projected February 2013 through April 2013 (Over)/Under Collection Adjustment	(4,253,132)
3	Projected February 2013 Factor Revenue Adjustment	<u>(1,572,970)</u>
4	Total (Over)/Under Collection (Line 1 + Line 2 + Line 3)	\$ 1,516,740
5	Projected Residential Class kilowatt hour sales - March 1, 2013 through May 31, 2013 (line 12)	652,657,397 kWhs
6	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 4/ Line 5)	\$ 0.00232 per kWh
7	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
8	Residential Classes Reconciliation Factor Rate with PA Gross Receipts Tax (Line 6 X Line 7)	<u>\$ 0.00247 per kWh</u>
 Projected Residential Class kilowatt hour sales (March 1, 2013 through May 31, 2013)		
9	Mar-13	258,620,958
10	Apr-13	211,701,703
11	May-13	<u>182,334,736</u>
12	Total projected Residential class kWh sales	652,657,397

**Pennsylvania Electric Company Default
Service Program Reconciliation**
Residential Customer Class Deferrals
August 1, 2012 through October 31, 2012

<u>Line No.</u>		<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>
1	Cumulative (Over) Under Collections at Beginning of Month Including Interest	\$ 879,658	\$ 4,634,414	\$ 7,104,267
2	Default Service Plan Revenues With Pa GRT	\$ 13,434,932	\$ 16,573,871	\$ 21,177,366
3	Pa GRT Included in Line 2	\$ 792,661	\$ 977,858	\$ 1,249,465
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 12,642,271	\$ 15,596,013	\$ 19,927,901
	<u>Expenses</u>			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 36,254	\$ 36,254	\$ 36,257
6	Current Month cost to provide Default Service [DSexp2] (Line 32)	\$ 14,743,007	\$ 15,997,837	\$ 18,439,615
7	Amortization of January 2011 Residential 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]	\$ 1,604,015	\$ 2,002,500	\$ 1,654,576
9	Total PA Jurisdictional Expenses for Month	\$ 16,383,276	\$ 18,036,591	\$ 20,130,448
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 3,741,005	\$ 2,440,578	\$ 202,547
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ 4,620,663	\$ 7,074,993	\$ 7,306,814
12	Interest for Current Month	\$ 13,751	\$ 29,274	\$ 36,028
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	\$ 4,634,414	\$ 7,104,267	\$ 7,342,842