

Pennsylvania Electric Company
PTC Default Rate Calculation¹
Residential Class: September - November 2012
Rate Effective September 1, 2012 through November 30, 2012

Line
 No.

Residential Class		Auction				
	Fixed Price Tranche Purchases (\$ per MWh)	Number of Tranches	Clearing Price	Summer 1.06	Winter 0.97	Weighting
1	May 2010 Auction	3	58.43	1	2	525.87
2	Oct 2010 Auction	3	55.74	1	2	501.66
3	Jan 2011 Auction	2	59.74	1	2	358.44
4	Mar 2011 Auction	2	60.27	1	2	361.62
5	Jan 2012 Auction	3	50.62	1	2	455.58
6	Mar 2012 Auction	3	51.76	1	2	465.84
7		16	3	48		2,669.01
8	Total Average Fixed Price Tranche				\$ 55.60	
9	Times Fixed portion of Residential Load				100%	<i>Fixed Portion</i>
10	Total Fixed Price Residential Cost				\$ 55.60	<i>dollar cost</i>
11	Percentage of Total Load				75%	
12	Total Cost Fixed Price Tranche				\$ 41.70	
	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	5.61
14	May 2011 Off-Peak Average Price			12,225	\$41.22	2.97
15	Oct 2011 On-Peak Average Price			5,775	\$53.50	1.82
16	Oct 2011 Off-Peak Average Price			24,500	\$39.78	5.75
17	48 Month Block Price			109,200	\$54.38	35.02
18	Total			169,575		51.17
19	Total Average Fixed Price Block & Spot				\$ 51.17	
20	Times Fixed portion of Residential Load				67.53%	<i>Fixed Portion</i>
21	Total Fixed Price Residential Cost				\$ 34.55	<i>dollar cost</i>
22	Average Variable Hourly Price Tranche				\$ 31.26	
23	Times Variable portion of Residential Load				32.47%	<i>Variable Portion</i>
24	Total Variable Priced Hourly Residential Cost				\$ 10.15	<i>dollar cost</i>
25	Capacity Adder				\$ 9.46	
26	AEPS Adder				\$ 0.09	
27	Ancillary Service Adder				\$ 2.24	
28	Block & Spot Subtotal				\$ 56.49	
29	Percentage of Total Load				25%	
30	Total Cost - Block and Spot				\$ 14.12	
31	Price to Compare Weighted Average Price (line 12 + line 30)				\$ 55.83	<i>per MWh</i>
32	PTC _{Current} Cost Component (line 31 / 1000)				\$ 0.05583	<i>per kWh</i>
33	Times Loss Factor				1.0515	
34	Subtotal (line 33 x line 33)				\$ 0.05870	<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)				\$ 0.06208	<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)				\$ 0.06597	<i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)				(0.00600)	<i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)				1.062699	
42	E Reconciliation Rate x GRT				(0.00637)	
43	PTC_{Default} Residential Class (line 39 + line 42)				\$ 0.05960	<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 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)	\$ 108,762
2	DS _{Exp2} - Current Month Costs to Provide Default Service (page 3, line 6)	\$ 42,819,606
3	DS _{Exp3} - Amortization of January 2011 Residential Undercollection including Interest for 12 months (page 3, line 7)	\$ -
4	DS _{Exp4} - NITS costs incurred (page 3, line 8)	<u>\$ 5,277,036</u>
5	Total PA Jurisdictional Expenses for May 2012-July 2012	\$ 48,205,404
6	PTC Revenues net of GRT for May 2012-July 2012	<u>\$ 46,540,870</u>
7	(Over)/Under Collection of PTC for May 2012-July 2012 (line 5 - line 6)	\$ 1,664,534
8	Interest for Regulatory Purposes	<u>\$ (128,266)</u>
9	Current (Over)/Under Collection (line 7 + line 8)	\$ 1,536,268
10	Prior Period (Over)/Under Cumulative Collection	\$ (5,630,692)
12	Total (Over)/Under Collection (Line 9 + Line 10 + Line 11)	\$ (4,094,424)
14	Projected Residential Class kilowatt hour sales - September 1, 2012 through November 30, 2012 (line 21)	682,759,818 kWhs
15	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 13/ Line 14)	\$ (0.00600) per kWh
16	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
17	Residential Classes Reconciliation Factor Rate with PA Gross Receipts Tax (Line 15 X Line 16)	<u><u>\$ (0.00637) per kWh</u></u>
	Projected Residential Class kilowatt hour sales (September 1 through November 30, 2012)	
18	Sep-12	250,512,106
19	Oct-12	207,409,222
20	Nov-12	<u>224,838,490</u>
21	Total projected Residential class kWh sales	682,759,818

**Pennsylvania Electric Company Default Service
Program Reconciliation
Residential 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	\$ -	\$ (3,210,368)	\$ (4,240,828)	\$ (8,387,482)	\$ (9,931,236)	\$ (8,204,983)	\$ 1,766,857	\$ 2,754,611	\$ 1,764,423	\$ 7,051,859	\$ 7,525,161	\$ 7,651,346	\$ 5,929,163	\$ 1,918,218	\$ (3,784,342)	\$ (5,630,692)	\$ (7,069,940)	\$ (7,370,556)
2	Default Service Plan Revenues With Pa GRT	\$ 32,793,683	\$ 30,477,887	\$ 28,899,036	\$ 23,872,408	\$ 22,964,392	\$ 23,740,576	\$ 26,659,202	\$ 24,589,988	\$ 20,100,677	\$ 21,258,127	\$ 25,877,142	\$ 30,592,661	\$ 29,401,891	\$ 24,337,013	\$ 18,440,778	\$ 16,706,956	\$ 16,150,622	\$ 16,601,370
3	Pa GRT Included in Line 2	\$ 1,934,827	\$ 1,799,195	\$ 1,705,043	\$ 1,408,472	\$ 1,354,899	\$ 1,400,694	\$ 1,572,893	\$ 1,450,809	\$ 1,185,940	\$ 1,254,230	\$ 1,526,751	\$ 1,804,967	\$ 1,734,712	\$ 1,435,884	\$ 1,088,006	\$ 985,710	\$ 952,887	\$ 979,481
4	Default Service Plan Revenues Including E Facto Revenues, Excluding Pa GRT	\$ 30,858,856	\$ 28,679,692	\$ 27,193,993	\$ 22,463,936	\$ 21,609,493	\$ 22,339,882	\$ 25,086,309	\$ 23,139,179	\$ 18,914,737	\$ 20,003,897	\$ 24,350,391	\$ 28,787,694	\$ 27,667,179	\$ 22,901,129	\$ 17,352,772	\$ 15,721,246	\$ 15,197,735	\$ 15,621,889
Expenses																			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254	\$ 36,254
6	Current Month cost to provide Default Service [DSexp2] (Line 32)	\$ 26,626,897	\$ 24,404,797	\$ 19,800,373	\$ 17,737,171	\$ 20,003,929	\$ 29,090,545	\$ 22,782,482	\$ 18,929,627	\$ 21,043,140	\$ 17,300,266	\$ 21,251,573	\$ 22,367,285	\$ 19,501,800	\$ 15,450,349	\$ 13,846,661	\$ 12,461,748	\$ 12,979,426	\$ 17,378,432
7	Amortization of January 2011 Residential Undercollection and Interest starting 3/1/2011 over 12 months [DSexp3]	\$ -	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,021	\$ 2,077,016	\$ -	\$ -	\$ -	\$ -	\$ -
8	Cumulative costs for month of Network Integrator Transmission Service (NITS) cost incurred by the Company [DSexp4]	\$ 996,003	\$ 1,155,916	\$ 1,175,648	\$ 1,130,599	\$ 1,278,798	\$ 1,129,292	\$ 1,167,031	\$ 1,094,820	\$ 1,023,773	\$ 1,027,306	\$ 1,073,881	\$ 2,551,084	\$ 2,021,594	\$ 1,718,166	\$ 1,654,787	\$ 1,826,193	\$ 1,929,416	\$ 1,521,427.00
9	Total PA Jurisdictional Expenses for Month	\$ 27,659,154	\$ 27,673,988	\$ 23,089,296	\$ 20,981,045	\$ 23,396,002	\$ 32,333,112	\$ 26,062,788	\$ 22,137,722	\$ 24,180,188	\$ 20,440,847	\$ 24,438,729	\$ 27,031,644	\$ 23,636,664	\$ 17,204,769	\$ 15,537,702	\$ 14,324,195	\$ 14,945,096	\$ 18,936,113
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ (3,199,702)	\$ (1,005,704)	\$ (4,104,697)	\$ (1,482,891)	\$ 1,786,509	\$ 9,993,230	\$ 976,479	\$ (1,001,457)	\$ 5,265,451	\$ 436,950	\$ 88,338	\$ (1,756,050)	\$ (4,030,515)	\$ (5,696,360)	\$ (1,815,070)	\$ (1,397,051)	\$ (252,639)	\$ 3,314,224
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (3,199,702)	\$ (4,216,072)	\$ (8,345,525)	\$ (9,870,373)	\$ (8,144,727)	\$ 1,798,247	\$ 2,743,336	\$ 1,753,154	\$ 7,029,873	\$ 7,488,809	\$ 7,613,499	\$ 5,895,296	\$ 1,898,648	\$ (3,778,142)	\$ (5,599,412)	\$ (7,027,743)	\$ (7,322,579)	\$ (4,056,332)
12	Interest for Current Month	\$ (10,666)	\$ (24,756)	\$ (41,957)	\$ (60,863)	\$ (60,256)	\$ (21,390)	\$ 11,275	\$ 11,269	\$ 21,986	\$ 36,352	\$ 37,847	\$ 33,867	\$ 19,570	\$ (6,200)	\$ (31,280)	\$ (42,197)	\$ (47,977)	\$ (38,092)
13	Cumulative (Over) / Under Collections at End o Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	\$ (3,210,368)	\$ (4,240,828)	\$ (8,387,482)	\$ (9,931,236)	\$ (8,204,983)	\$ 1,766,857	\$ 2,754,611	\$ 1,764,423	\$ 7,051,859	\$ 7,525,161	\$ 7,651,346	\$ 5,929,163	\$ 1,918,218	\$ (3,784,342)	\$ (5,630,692)	\$ (7,069,940)	\$ (7,370,556)	\$ (4,094,424)