

**Pennsylvania Electric Company**  
**PTC Default Rate Calculation<sup>1</sup>**  
**Residential Class: December - February 2013**  
**Rate Effective December 1, 2012 through February 28, 2013**

Line No.	Residential Class	Auction			Weighting	
		Number of Tranches	Clearing Price	Summer 1.06		Winter 0.97
	<b>Fixed Price Tranche Purchases (\$ per MWh)</b>					
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%
10	Total Fixed Price Residential Cost				\$	53.94
						<i>Fixed Portion dollar cost</i>
11	Percentage of Total Load					75%
12	<b>Total Cost Fixed Price Tranche</b>				\$	40.45
	<b>Fixed Price Block &amp; Spot Purchases (\$ per MWh)</b>					
		MWhs	Auction Clearing Price			Load Weighted Clearing Price
13	May 2011 On-Peak Average Price	17,425	\$53.19			3.95
14	May 2011 Off-Peak Average Price	37,500	\$41.22			6.59
15	Oct 2011 On-Peak Average Price	34,175	\$53.50			7.79
16	Oct 2011 Off-Peak Average Price	37,500	\$39.78			6.36
17	48 Month Block Price	108,000	\$54.38			25.03
18	Total	234,600				49.73
19	Total Average Fixed Price Block & Spot		\$			49.73
20	Times Fixed portion of Residential Load					97.74%
21	Total Fixed Price Residential Cost		\$			48.60
						<i>Fixed Portion dollar cost</i>
22	Average Variable Hourly Price Tranche		\$			55.93
23	Times Variable portion of Residential Load					2.26%
24	Total Variable Priced Hourly Residential Cost		\$			1.26
						<i>Variable Portion dollar cost</i>
25	Capacity Adder		\$			7.27
26	AEPS Adder		\$			0.09
27	Ancillary Service Adder		\$			1.86
28	Block & Spot Subtotal		\$			59.09
29	Percentage of Total Load					25%
30	<b>Total Cost - Block and Spot</b>		\$			14.77
31	<b>Price to Compare Weighted Average Price (line 12 + line 30)</b>		\$			55.22
						<i>per MWh</i>
32	PTC Current Cost Component (line 31 / 1000)		\$			0.05522
						<i>per kWh</i>
33	Times Loss Factor					1.0515
34	Subtotal (line 33 x line 33)		\$			0.05807
						<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)		\$			0.06144
						<i>per kWh</i>
38	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)					1.062699
39	<b>PTC Current Residential Class (line 37 x line 38)</b>		\$			0.06530
						<i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)					0.00509
						<i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)					1.062699
42	<b>E Reconciliation Rate x GRT</b>		\$			0.00541
43	<b>PTC Default Residential Class (line 39 + line 42)</b>		\$			0.07071
						<i>per kWh</i>

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, 2012 Through February 28, 2013**

Line No.	Description	Amounts
1	Cumulative Residential Class (Over) / Under Collection as of October 31, 2012	\$ 879,659
2	Projected November 2012 through January 2013 (Over) / Under Collection adjustment	\$ 3,594,872
3	Total Cumulative Residential Class (Over) / Under Collection as of October 31, 2012, including adjustment	\$ 4,474,531
4	Projected Residential Class kilowatt hour sales - September 1, 2012 to November 30, 2012 (Line 9)	\$ 878,489,951 kWhs
5	Residential Class Reconciliation Factor Rate before PA Gross Receipts Tax (Line 3 / Line 4)	\$ 0.00509 per kWh
6	PA Gross Receipt Gross-Up [1/(1-T) with T = 5.9% Pa Gross Receipts Tax]	<u>1.062699</u>
7	<b>Residential Class Reconciliation Factor Rate with PA Gross Receipts Tax (Line 5 X Line 6)</b>	<b><u>\$ 0.00541</u> per kWh</b>
 <b>Projected Residential Class kilowatt hour sales (December 1, 2012 through February 28, 2013)</b>		
8	Dec-12	278,084,934
9	Jan-13	309,652,649
10	Feb-13	<u>290,752,368</u>
11	Total projected Residential class kWh sales	878,489,951

**Pennsylvania Electric Company Default Service Program Reconciliation**

**Residential 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	\$ (4,094,424)	\$ (3,475,964)	\$ (2,345,157)
2	Default Service Plan Revenues With Pa GRT	\$ 17,854,132	\$ 15,763,259	\$ 13,056,742
3	Pa GRT Included in Line 2	\$ 1,053,394	\$ 930,032	\$ 770,348
4	Default Service Plan Revenues Including E Factor Revenues, Excluding Pa GRT	\$ 16,800,738	\$ 14,833,227	\$ 12,286,394
	<u>Expenses</u>			
5	Amortization of Start Up Costs Through 12/31/10 [DSexp1]	\$ 36,254	\$ 36,254	\$ 36,254
6	Current Month cost to provide Default Service [DSexp2] (Line 32)	\$ 15,493,007	\$ 14,321,788	\$ 13,783,306
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]	\$ 1,915,089	\$ 1,625,331	\$ 1,696,520.00
9	Total PA Jurisdictional Expenses for Month	\$ 17,444,350	\$ 15,983,373	\$ 15,516,080
10	Monthly (Over)/Under Collections Recognized for Regulatory and Accounting Reporting Purposes	\$ 643,612	\$ 1,150,146	\$ 3,229,686
11	Cumulative (Over)/Under Collections and Prior Months' Interest Before Current Month Interest Calculation	\$ (3,450,812)	\$ (2,325,817)	\$ 884,528
12	Interest for Current Month	\$ (25,152)	\$ (19,340)	\$ (4,869)
13	Cumulative (Over) / Under Collections at End of Month Including Interest for Regulatory Reporting Purposes (Line 11 + Line 12)	<u>\$ (3,475,964)</u>	<u>\$ (2,345,157)</u>	<u>\$ 879,659</u>