

Pennsylvania Electric Company
PTC Default Rate Calculation¹
Residential Class: September - November 2011
Rate Effective September 1, 2011 through November 30, 2011

Line No.	Residential Class	Auction			Weighting	
		Number of Tranches	Clearing Price	Summer 1.06		Winter 0.97
Fixed Price Tranche Purchases (\$ per MWh)						
1	June 2010 Auction	3	58.43	1	2	525.87
2	Oct 2010 Auction	3	55.74	1	2	501.66
3	Jan 2011 Auction	3	58.01	1	2	522.09
4	Jan 2011 Auction	2	59.74	1	2	358.44
5	Mar 2011 Auction	3	57.88	1	2	520.92
6	Mar 2011 Auction	2	60.27	1	2	361.62
7		16		3	48	2,790.60
8	Total Average Fixed Price Tranche				\$ 58.14	
9	Times Fixed portion of Residential Load				100%	Fixed Portion
10	Total Fixed Price Residential Cost				\$ 58.14	dollar cost
11	Percentage of Total Load				75%	
12	Total Cost Fixed Price Tranche				\$ 43.60	
Fixed Price Block & Spot Purchases (\$ per MWh)						
		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				76%	Fixed Portion
21	Total Fixed Price Residential Cost		\$ 37.38			dollar cost
22	Average Variable Hourly Price Tranche		\$ 51.19			
23	Times Variable portion of Residential Load				24%	Variable Portion
24	Total Variable Priced Hourly Residential Cost		\$ 12.13			dollar cost
25	Capacity Adder		\$ 11.84			
26	AEPS Adder		\$ 0.12			
27	Ancillary Service Adder		\$ 1.19			
28	Block & Spot Subtotal		\$ 62.66			
29	Percentage of Total Load				25%	
30	Total Cost - Block and Spot		\$ 15.67			
31	Price to Compare Weighted Average Price (line 12 + line 30)		\$ 59.27			per MWh
32	PTC _{Current} Cost Component (line 31 / 1000)		\$ 0.05927			per kWh
33	Times Loss Factor		1.0515			
34	Subtotal (line 33 x line 33)		\$ 0.06232			per kWh
35	Admin Costs including estimated interest @ 6%		\$ 0.00021			per kWh
36	NITS charge		\$ 0.00316			per kWh
37	Subtotal (line 34 + line 35 + line 36)		\$ 0.06570			per kWh
38	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)		1.062699			
39	PTC_{Current} Residential Class (line 37 x line 38)		\$ 0.06982			per kWh
40	E Reconciliation Rate (page 2, line 16)		0.00604			per kWh
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)		1.062699			
42	E Reconciliation Rate x GRT		0.00642			
43	PTC_{Default} Residential Class (line 39 + line 42)		\$ 0.07623			per kWh