

**Pennsylvania Electric Company**  
**PTC Default Rate Calculation<sup>1</sup>**  
**Residential Class: March - May 2012**  
**Rate Effective March 1, 2011 through May 31, 2012**

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	June 2010 Auction	3	58.43	0	3	510.09
2	Oct 2010 Auction	3	55.74	0	3	486.61
3	Jan 2011 Auction	3	58.01	0	3	506.43
4	Jan 2011 Auction	2	59.74	0	3	347.69
5	Mar 2011 Auction	3	57.88	0	3	505.29
6	Mar 2011 Auction	2	60.27	0	3	350.77
7		16	3	48		2,706.88
8	Total Average Fixed Price Tranche				\$ 56.39	
9	Times Fixed portion of Residential Load				100%	<i>Fixed Portion</i>
10	Total Fixed Price Residential Cost				\$ 56.39	<i>dollar cost</i>
11	Percentage of Total Load				75%	
12	<b>Total Cost Fixed Price Tranche</b>				\$ 42.30	
<b>Fixed Price Block &amp; Spot Purchases (\$ per MWh)</b>						
			MWhs	Auction Clearing Price		Load Weighted Clearing Price
13	June 2010 On-Peak Average Price		26,000	\$50.95		6.88
14	June 2010 Off-Peak Average Price		29,200	\$36.58		5.55
15	Oct 2010 On-Peak Average Price		17,200	\$47.25		4.22
16	Oct 2010 Off-Peak Average Price		9,800	\$38.62		1.97
17	48 Month Block Price		110,400	\$54.38		31.17
18	Total		192,600			49.78
19	Total Average Fixed Price Block & Spot			\$ 49.78		
20	Times Fixed portion of Residential Load				72.24%	<i>Fixed Portion</i>
21	Total Fixed Price Residential Cost			\$ 35.96		<i>dollar cost</i>
22	Average Variable Hourly Price Tranche			\$ 40.74		
23	Times Variable portion of Residential Load				28%	<i>Variable Portion</i>
24	Total Variable Priced Hourly Residential Cost			\$ 11.31		<i>dollar cost</i>
25	Capacity Adder			\$ 11.21		
26	AEPS Adder			\$ 0.09		
27	Ancillary Service Adder			\$ 1.11		
28	Block & Spot Subtotal			\$ 59.69		
29	Percentage of Total Load				25%	
30	<b>Total Cost - Block and Spot</b>			\$ 14.92		
31	<b>Price to Compare Weighted Average Price (line 12 + line 30)</b>			\$ 57.22		<i>per MWh</i>
32	PTC Current Cost Component (line 31 / 1000)			\$ 0.05722		<i>per kWh</i>
33	Times Loss Factor			1.0515		
34	Subtotal (line 33 x line 33)			\$ 0.06016		<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)			\$ 0.06354		<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>			\$ 0.06752		<i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)			0.00699		<i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
42	E Reconciliation Rate x GRT			0.00743		
43	<b>PTC Default Residential Class (line 39 + line 42)</b>			\$ 0.07495		<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

Note 3: Line 43 represents the rate that is incorporated into the PTC Default Service Rate Rider. The Rate including STAS is equal to:

0.28% \$ 0.07474 per kWh