Pennsylvania Electric Company PTC Default Rate Calculation¹ Residential Class: December 2011 - February 2012 Rate Effective December 1, 2011 through February 28, 2012

June 2010 Auction 3 58.43 0 3 55 Oct 2010 Auction 3 55.74 0 3 3 44 Jan 2011 Auction 2 59.74 0 3 3 55 Jan 2011 Auction 2 59.74 0 3 3 3 3 Mar 2011 Auction 3 57.88 0 3 3 55 Mar 2011 Auction 3 57.88 0 3 3 3 3 Mar 2011 Auction 3 48 2.77 Total Average Fixed Price Tranche \$ 56.39 100% Fixed Portion of Residential Load 100% Fixed Portion of Residential Cost 5 56.39 Percentage of Total Load 5 56.39 40 40 40 Total Cost Fixed Price Residential Cost 5 56.39 40 40 40 Total Cost Fixed Price Tranche \$ 5 42.30 Fixed Price Block & Spot Purchases (\$per MWh) MWhs Price Price Fixed Price 50,400 \$50.95 June 2010 On-Peak Average Price 50,400 \$50.95 June 2010 On-Peak Average Price 29,400 \$36.58 Oct 2010 Off-Peak Average Price 29	1						
Price Price Tranche Purchases (S per MWh) Tranche Price 1.06 0.97 Weight		Number of		Summer		Winter	
June 2010 Auction	Fixed Price Tranche Purchases (\$ per MWh)		_				Weighting
Dec 2010 Auction							510.
Data Dital Auction							486.
Dan 2011 Auction							506
Mar 2011 Auction 3 578.8 0 3 5 Mar 2011 Auction 2 60.27 0 3 3 3 Mar 2011 Auction 16 3 48 2.77 Total Average Fixed Price Trunche \$ 5.56.39 Load Fixed Price Trunche \$ 5.56.39 Load Fixed Price Trunche \$ 5.56.39 Load Veright Price Price Price Residential Cost \$ 5.50.39 Load Veright Price Price Price Residential Cost \$ 5.50.39 Load Veright Price							347
Mar 2011 Auction							505
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Times Fixed portion of Residential Load 1006 Fixed Portion 1006		16	3	48			2,706.
Percentage of Total Load	Total Average Fixed Price Tranche				\$	56.39	
Percentage of Total Load 75% Total Cost Fixed Price Tranche \$ 42.30 Fixed Price Block & Spot Purchases (\$ ner MWh) MWhe Price Clearing Price Load Weight Clearing Price 50.400 \$50.95 550.95 550.95 550.95 550.95 550.95 550.95 550.95 550.95 757.60	Times Fixed portion of Residential Load					100%	Fixed Portion
Total Cost Fixed Price Tranche					\$	56.39	dollar cost
Fixed Price Block & Spot Purchases (\$ per MWh) Mwise Clearing Price Sol. 400 Sol. 550	Percentage of Total Load					75%	
Fixed Price Block & Spot Purchases (\$ per MWh) Mwise Clearing Price Sol.000 Sol.095 Sol.095 Sol.000 Sol.095 Sol.000 Sol.095 Sol.000 Sol.095 Sol.000 Sol.0000 Sol.000 Sol.000 Sol.000 Sol.000 Sol.000 Sol.000 Sol.000 Sol.000	Total Cost Fixed Price Tranche				\$	42.30	
Price Price Drice Drice Price Drice Dric	Total Cost I act Trice Transit				Ψ		Load Weight
June 2010 On-Peak Average Price 29,400 \$36.58							Clearing
June 2010 Off-Peak Average Price							
Oct 2010 On-Peak Average Price 25,200 \$47,25 Average Price 29,400 \$38,62 48 Month Block Price 109,200 \$54,38 58,23 58,24							10
Dec 1010 Off-Peak Average Price 29,400 \$38.62 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.38 109.200 \$54.34 109.200 \$54.34 109.200 \$54.34 109.200 \$54.34 109.200 \$54.34 109.200 \$54.34 109.200	- Contract of the contract of						4
R Month Block Price 109,200 \$54,38 101							4
Total Average Fixed Price Block & Spot	e e e e e e e e e e e e e e e e e e e						4
Total Average Fixed Price Block & Spot \$ 48.88 70.85% Fixed Portion Times Fixed portion of Residential Load 70.85% Fixed Portion Total Fixed Price Residential Cost \$ 34.63 dollar cost Average Variable Hourly Price Tranche Times Variable portion of Residential Load 29% Variable Port Total Variable Portion of Residential Load 29% variable Port Variable Port Total Variable Price Hourly Residential Cost \$ 14.42 dollar cost Capacity Adder \$ 8.80 Sept Substance \$ 0.09 Sept Sept Sept Sept Sept Sept Sept Sept						\$54.38	24
Times Fixed portion of Residential Load 70.85% (Fixed Portion Fixed Price Residential Cost) Fixed Portion of Residential Cost \$ 34.63 (ollar cost) Average Variable Hourly Price Tranche \$ 49.47 (available Price Tranche) 29% (variable Port Trotal Variable Port Trotal Variable Price Hourly Residential Load 29% (variable Port Trotal Variable Price Hourly Residential Cost) \$ 14.42 (ollar cost) 4 0llar cost Capacity Adder \$ 0.09 \$ 0.89 4 0.89 <td>Total</td> <td></td> <td></td> <td>243,600</td> <td></td> <td></td> <td>4</td>	Total			243,600			4
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Total Fixed Price Residential Cost \$ 34.63 dollar cost							Fixed Portion
Times Variable portion of Residential Load 29% Variable Port Total Variable Priced Hourly Residential Cost \$ 14.42 dollar cost Capacity Adder AEPS Adder AEPS Adder ABDIA Ancillary Service Adder \$ 0.09 ancillary Service Adder \$ 0.09 ancillary Service Adder Block & Spot Subtotal \$ 58.84 \$ 58.84 Percentage of Total Load 25% \$ 14.71 Price to Compare Weighted Average Price (line 12 + line 30) \$ 14.71 \$ 14.71 PTC Current Cost Component (line 31 / 1000) \$ 0.05700 per MWh per MWh Times Loss Factor 1.0515 \$ 0.05700 per kWh Subtotal (line 33 x line 33) \$ 0.00021 per kWh Admin Costs including estimated interest @ 6% \$ 0.00021 per kWh NITS charge \$ 0.00316 per kWh Subtotal (line 34 + line 35 + line 36) \$ 0.06332 per kWh Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) \$ 0.06229 per kWh PTC Current Residential Class (line 37 x line 38) \$ 0.00319 per kWh E Reconciliation Rate (page 2, line 16) 0.01391 per kWh	•				\$		
Times Variable portion of Residential Load 29% variable Port Total Variable Priced Hourly Residential Cost Variable Port Adder S. 8.80 \$ 14.42 dollar cost Capacity Adder AEPS Adder AEPS Adder ABDIA Ancillary Service Adder S. 0.09 \$ 0.09 \$ 0.09 \$ 0.09 \$ 0.09 \$ 0.09 \$ 0.00	A W. 'lla II a la D.' a Tarada				¢.	40.47	
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Block & Spot Subtotal S 58.84 Percentage of Total Load 25%	AEPS Adder				\$	0.09	
Percentage of Total Load 25% Total Cost - Block and Spot \$ 14.71 Price to Compare Weighted Average Price (line 12 + line 30) \$ 57.00 per MWh PTC Current Cost Component (line 31 / 1000) \$ 0.05700 per kWh Times Loss Factor 1.0515 Subtotal (line 33 x line 33) \$ 0.05994 per kWh Admin Costs including estimated interest @ 6% \$ 0.00021 per kWh NITS charge \$ 0.00316 per kWh Subtotal (line 34 + line 35 + line 36) \$ 0.06332 per kWh Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) 1.062699 PTC Current Residential Class (line 37 x line 38) \$ 0.06729 per kWh E Reconciliation Rate (page 2, line 16) 0.01391 per kWh Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) 1.062699	Ancillary Service Adder				\$	0.89	
Total Cost - Block and Spot	Block & Spot Subtotal				\$	58.84	
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Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax) 1.062699							
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	2 Reconstitution Rule A ORT					0.01779	