

**Pennsylvania Electric Company**  
**PTC Default Rate Calculation'**  
**Residential Class: December 2011 - February 2012**  
**Rate Effective December 1, 2011 through February 28, 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		50,400	\$50.95		10.54
14	June 2010 Off-Peak Average Price		29,400	\$36.58		4.41
15	Oct 2010 On-Peak Average Price		25,200	\$47.25		4.89
16	Oct 2010 Off-Peak Average Price		29,400	\$38.62		4.66
17	48 Month Block Price		109,200	\$54.38		24.38
18	Total		243,600			48.88
19	Total Average Fixed Price Block & Spot			\$		48.88
20	Times Fixed portion of Residential Load					70.85% <i>Fixed Portion</i>
21	Total Fixed Price Residential Cost			\$		34.63 <i>dollar cost</i>
22	Average Variable Hourly Price Tranche			\$		49.47
23	Times Variable portion of Residential Load					29% <i>Variable Portion</i>
24	Total Variable Priced Hourly Residential Cost			\$		14.42 <i>dollar cost</i>
25	Capacity Adder			\$		8.80
26	AEPS Adder			\$		0.09
27	Ancillary Service Adder			\$		0.89
28	Block & Spot Subtotal			\$		58.84
29	Percentage of Total Load					25%
30	<b>Total Cost - Block and Spot</b>			\$		14.71
31	<b>Price to Compare Weighted Average Price (line 12 + line 30)</b>			\$		57.00 <i>per MWh</i>
32	PTC <sub>Current</sub> Cost Component (line 31 / 1000)			\$		0.05700 <i>per kWh</i>
33	Times Loss Factor					1.0515
34	Subtotal (line 33 x line 33)			\$		0.05994 <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)			\$		0.06332 <i>per kWh</i>
38	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)					1.062699
39	<b>PTC <sub>Current</sub> Residential Class (line 37 x line 38)</b>			\$		0.06729 <i>per kWh</i>
40	E Reconciliation Rate (page 2, line 16)					0.01391 <i>per kWh</i>
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)					1.062699
42	E Reconciliation Rate x GRT					0.01479
43	<b>PTC <sub>Default</sub> Residential Class (line 39 + line 42)</b>			\$		0.08207 <i>per kWh</i>