

**Pennsylvania Electric Company
 PTC Default Rate Calculation'
 Residential Class: June - August 2012
 Rate Effective June 1, 2012 through August 31, 2012**

Line No.	Residential Class	Auction				Weighting
		Number of Tranches	Clearing Price	Summer 1.06	Winter 0.97	
	Fixed Price Tranche Purchases (\$ per MWh)					
1	May 2010 Auction	3	58.43	3	0	557.42
2	Oct 2010 Auction	3	55.74	3	0	531.76
3	Jan 2011 Auction	2	59.74	3	0	379.95
4	Mar 2011 Auction	2	60.27	3	0	383.32
5	Jan 2012 Auction	3	50.62	3	0	482.91
6	Mar 2012 Auction	3	51.76	3	0	493.79
7		16		3	48	2,829.15
8	Total Average Fixed Price Tranche				\$ 58.94	
9	Times Fixed portion of Residential Load				100%	Fixed Portion
10	Total Fixed Price Residential Cost				\$ 58.94	dollar cost
11	Percentage of Total Load				75%	
12	Total Cost Fixed Price Tranche				\$ 44.21	
	Fixed Price Block & Spot Purchases (\$ per MWh)		MWhs	Auction Clearing Price	Load Weighted Clearing Price	
13	May 2011 On-Peak Average Price		26,400	\$53.19	6.69	
14	May 2011 Off-Peak Average Price		28,800	\$41.22	5.65	
15	Oct 2011 On-Peak Average Price		44,400	\$53.50	11.31	
16	Oct 2011 Off-Peak Average Price		-	\$39.78	-	
17	48 Month Block Price		110,400	\$54.38	28.59	
18	Total		210,000		52.24	
19	Total Average Fixed Price Block & Spot			\$ 52.24		
20	Times Fixed portion of Residential Load				77.17%	Fixed Portion
21	Total Fixed Price Residential Cost			\$ 40.31		dollar cost
22	Average Variable Hourly Price Tranche			\$ 36.21		
23	Times Variable portion of Residential Load				22.83%	Variable Portion
24	Total Variable Priced Hourly Residential Cost			\$ 8.27		dollar cost
25	Capacity Adder			\$ 8.61		
26	AEPS Adder			\$ 0.09		
27	Ancillary Service Adder			\$ 2.02		
28	Block & Spot Subtotal			\$ 59.30		
29	Percentage of Total Load				25%	
30	Total Cost - Block and Spot			\$ 14.83		
31	Price to Compare Weighted Average Price (line 12 + line 30)			\$ 59.03		per MWh
32	PTC _{Current} Cost Component (line 31 / 1000)			\$ 0.05903		per kWh
33	Times Loss Factor			1.0515		
34	Subtotal (line 33 x line 33)			\$ 0.06207		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)			\$ 0.06545		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)			\$ 0.06955		per kWh
40	E Reconciliation Rate (page 2, line 16)			(0.00596)		per kWh
41	Multiplied by [1/(1-T)] (5.9% Gross Receipts Tax)			1.062699		
42	E Reconciliation Rate x GRT			(0.00634)		
43	PTC_{Default} Residential Class (line 39 + line 42)			\$ 0.06321		per kWh