

March 30, 2012

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RECEIVED
PUBLIC SERVICE OF
CONNECTICUT
EXECUTIVE SECRETARY

The Honorable Jaclyn Brillling, Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Reconciliation of Tax Expenses Charged and Deferred for the year 2011 required under Case 00-M-1556

Dear Secretary Brillling:

Attached please find Pennsylvania Electric Company's Waverly, New York reconciliation of tax expenses charged and deferred for calendar year 2011 as required by Case 00-M-1556 under the Order Implementing Tax Law Changed on a Permanent Basis, issued and effective June 28, 2001.

This Reconciliation Filing consists of three (3) schedules. Schedule 1 shows the 2011 Annual Reconciliation of Over/Under Collection of Gross Revenue Taxes and State Income Taxes and the interest calculations thereof. Schedule 2 shows the total tax revenue collected for the calendar year 2011. Schedule 3 shows the 2010 State Income Tax Calculation of interest.

The Company will not file the 2011 CT-186-P New York State Gross Income Tax Return until June 2012. Therefore, that tax information is not included in this report. The Company will update this report with 2011 tax information from the CT - 186 P and will resubmit this report with a copy of the CT-186-P.

Attachment A is a copy of Pennsylvania Electric Company - Waverly, New York 2010 CT-3 New York State Corporation Income Tax Return. Pennsylvania Electric Company - Waverly, New York has filed a request for an extension to file the 2011 CT-3 New York State Corporation Income Tax Return and it will be filed in late 2012.

If you have any questions or need further clarification, please contact me at 610-921-6498.

Enclosed is an extra copy of this transmittal letter and a stamped, addressed envelope in order that you may indicate receipt of this filing.

Sincerely,


Richard A. D'Angelo
Manager
Rates & Regulatory Affairs - PA

Enclosures

C: Office of Accounting & Finance

**Pennsylvania Electric Company
Waverly, NY**

**2011 Annual Reconciliation of Over/Under Collection
of
Gross Revenue Taxes and State Income Taxes**

Line No.	Month	Total Revenue Collected (1)	Total Tax Revenue Collected (2)	NYS Gross Income Tax Liability (3)	Tax Over/(Under) Collection (4)=(2)+(3)	Cumulative End of Month Balance (5)	Cumulative 2 Month Average Balance (6)	Over/(Under) Balance Subject to Int Calculation net of FIT (7)=(6)*(1-T)	Interest on Deferral (8)=(7)*3.35%/12	Franchise Tax Liab. & Interest (9)	NYS Cumulative Over/(Under) Collection (10)=(5)+(8)+(9)
2011 Opening Balance											\$ 8,796
1	January	\$ 454,757	\$ 1,160	\$ -	\$ 1,160	\$ 9,956	\$ 9,376	\$ 6,094	\$ 18	\$ -	\$ 9,974
2	February	451,617	6,014	-	6,014	15,987	12,980	8,437	25	-	16,012
3	March	451,013	6,102	-	6,102	22,114	19,063	12,391	36	-	22,150
4	April	434,261	5,879	-	5,879	28,028	25,089	16,308	48	-	28,076
5	May	384,868	5,131	-	5,131	33,207	30,641	19,917	58	-	33,265
6	June	363,852	4,780	-	4,780	38,045	35,655	23,176	68	-	38,113
7	July	375,045	4,962	-	4,962	43,075	40,594	26,386	77	-	43,152
8	August	426,000	4,059	-	4,059	47,211	45,182	29,368	86	-	47,297
9	September	393,736	5,294	-	5,294	52,591	49,944	32,463	95	-	52,685
10	October	351,417	3,346	-	3,346	56,031	54,358	35,333	103	-	56,134
11	November	367,445	3,547	-	3,547	59,681	57,908	37,640	110	-	59,791
12	December	419,457	5,663	-	5,663	65,454	62,623	40,705	119	(4,017)	61,556
13	Total	\$ 4,873,468	\$ 55,936	\$ -	\$ 55,936				\$ 841	\$ (4,017)	
14	2011 Tax Revenue Collected				\$ 55,936						
15	NYS Gross Income Tax Liability				-						
16	Interest on Deferral Owed from Company				841						
17	2010 NYS Franchise Tax Liab. & Interest				(4,017)						
18	Total Over (Under) collection for 2011				\$ 52,760						
19	Opening Balance for 2011				8,796						
20	End of Year Balance				\$ 61,556						

The NYS Gross Income Tax Liability on form CT-186-P is scheduled to be filed in June 2012, the Company will supplement this report when the tax report is filed.

**Pennsylvania Electric Company
Waverly, NY**

2011 Revenues from the Report of Electric Sales

STATE SURCHARGE TAX

TOTAL

1	January	\$	1,160
2	February		6,014
3	March		6,102
4	April		5,879
5	May		5,131
6	June		4,780
7	July		4,962
8	August		4,059
9	September		5,294
10	October		3,346
11	November		3,547
12	December		<u>5,663</u>
13	Total	\$	55,936

Pennsylvania Electric Company
Waverly, NY
Calculation of Interest to be Applied to '10 SIT Payment

<u>2010 Activity</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>2010 Totals</u>
Cumulative Balance - BOM	-	331	662	994	1,327	1,660	1,995	2,330	2,665	3,002	3,339	3,678	
NYS Corporate Income Tax Payments	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	<u>330</u>	3,962
Cumulative Balance - EOM	330	661	992	1,324	1,657	1,990	2,325	2,660	2,996	3,332	3,670	4,008	
Cumulative 2 pt. Aver. Balance	165	496	827	1,159	1,492	1,825	2,160	2,495	2,831	3,167	3,505	3,843	
Cum. Bal. subject to interest cal. Net of FIT	107	322	537	753	970	1,186	1,404	1,622	1,840	2,059	2,278	2,498	
Interest Earned on SIT Payment	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	55
Cum. Bal. Incl. interest - EOM	331	662	994	1,327	1,660	1,995	2,330	2,665	3,002	3,339	3,678	4,017	4,017

Staple forms here

2010 CT-3

New York State Department of Taxation and Finance

General Business Corporation Franchise Tax Return

Tax Law - Article 9-A

All filers must enter tax period:

Final return (see instructions)

Amended return

beginning 01-01-10 ending 12-31-10

Employer identification number 25-0718085 File number AA2 Business telephone number If you have any subsidiaries incorporated outside NYS, mark an X in the box If you claim an overpayment, mark an X in the box X

Legal name of corporation Pennsylvania Electric Company Mailing name (if different from legal name above)

Trade name/DBA

c/o Tax Division Number and st or PO box 300 Madison Avenue City Morristown

State or country of incorp Date received (for Tax Dept use only)

PA Date of incorporation 06-11-19 Foreign corporations: date began business in NYS

State ZIP code NJ 07962-1911

NAICS business code number (from federal return) 221100 If address/phone above is new, mark an X in the box If you need to update your address or phone information for corp. tax, or other tax types, you can do so online. Visit our Web site at www.nystax.gov and look for the change my address option. Otherwise see Business information in Form CT-1. Audit (for Tax Dept use only)

Principal business activity Electric Utility

See Form CT-3/4-I, Instructions for Forms CT-4, CT-3, and CT-3-ATT, before completing this return.

Metropolitan transportation business tax (MTA surcharge)

During the tax year did you do business, employ capital, own or lease property, or maintain an office in the Metropolitan Commuter Transportation District (MCTD)? If Yes, you must file Form CT-3M/4M. The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. (mark an X in the appropriate box)

Yes No X

A. Pay amount shown on line 93. Make payable to: New York State Corporation Tax Attach your payment here. Detach all check stubs. (See instructions for details.)

Payment enclosed

B. Federal return filed (you must mark an x in one): Attach a complete copy of your federal return.

Form 1120 X Form 1120-H Form 1120-REIT or Form 1120-RIC Consolidated basis Form 1120S Other:

C. If you included a qualified subchapter S subsidiary (QSSS) in this return, mark an x in the box and attach Form CT-60-QSSS

D. Have you underreported your tax due on past returns? To correct this without penalty, visit us at www.nystax.gov.

E. Did the entity have an interest in real property located in New York State during the last 3 years? (mark an x in the appropriate box) Yes No

F. Has there been a transfer or acquisition of controlling interest in the entity during the last 3 years? (mark an x in the appropriate box) Yes No

(continued)

Pennsylvania Electric Company

Computation of entire net income (ENI) base (see instructions)

1	Federal taxable income (FTI) before net operating loss (NOL) and special deductions	● 1.	-160,415,825.
2	Interest on federal, state, municipal, and other obligations not included on line 1 (see instrs)	● 2.	1,175,271.
3	Interest paid to a corp stockholder owning more than 50% of issued and outstanding stock	● 3.	
4a	Interest deductions directly attributable to subsidiary capital	● 4a.	128,570.
4b	Noninterest deductions directly attributable to subsidiary capital	● 4b.	
5a	Interest deductions indirectly attributable to subsidiary capital	● 5a.	See Stmt 1
5b	Noninterest deductions indirectly attributable to subsidiary capital	● 5b.	
6	New York State and other state and local taxes deducted on your federal return (see instrs)	● 6.	-1,533,637.
7	Federal depreciation from Form CT-399, if applicable (see instructions)	● 7.	88,116,212.
8	Other additions (see instructions)	● 8.	
	● IRC section 199 deduction:	● 8.	
9	Add lines 1 through 8	● 9.	-72,529,409.
10	Income from subsidiary capital (from Form CT-3-ATT, line 26)	● 10.	
11	Fifty percent of dividends from nonsubsidiary corporations (see instr.)	● 11.	330,802.
12	Foreign dividends gross-up not included on lines 10 and 11	● 12.	
13	New York net operating loss deduction (NOLD) (attach federal and New York State computations)	● 13.	
14	Allowable New York State depr from Form CT-399, if applic (see instr.)	● 14.	39,411,094.
15	Other subtractions (attach list; see instructions)	● 15.	
16	Total subtractions (add lines 10 through 15)	● 16.	39,741,896.
17	ENI (subtract line 16 from line 9; show loss with a minus (-) sign; enter here and on line 42)	● 17.	-112,271,305.
18	Investment inc before allocation (from Form CT-3-ATT, ln 22, but not more than ln 17 above)	● 18.	
19	Business income before allocation (subtract line 18 from line 17)	● 19.	-112,271,305.
20	Allocated investment income (multiply line 18 by ● 0.0000 % from Form CT-3-ATT, ln 5)	● 20.	
21	Allocated business income (multiply line 19 by ● 0.2968 % from ln 119, 121, or 141)	● 21.	-333,221.
22	Total allocated income (add lines 20 and 21)	● 22.	-333,221.
23	Optional depreciation adjustments (attach Form CT-324; enter here and on line 69)	● 23.	
24	ENI base (line 22 plus or minus line 23)	● 24.	-333,221.
25	ENI base tax (multiply line 24 by the appropriate rate from the Tax rates schedule on page 6 of Form CT-3/4-I; enter here and on line 72)	● 25.	

Computation of capital base (enter whole dollars for lines 26 through 31; see instructions)

		A Beginning of year	B End of year	C Average value
26	Total assets from federal return	● 26. 2,899,000,572.	● 3,062,668,615.	● 2,980,834,594.
27	Real property and marketable securities included on line 26	27.		
28	Subtract line 27 from line 26	28. 2,899,000,572.	3,062,668,615.	2,980,834,594.
29	Real property and marketable securities at fair market value	29.		
30	Adj total assets (add lns 28 and 29)	30. 2,899,000,572.	3,062,668,615.	2,980,834,594.
31	Total liabilities	31. 1,967,614,720.	2,163,130,465.	2,065,372,593.
32	Total capital (subtract line 31, column C, from line 30, column C)			● 32. 915,462,001.
33	Subsidiary capital (from Form CT-3-ATT, line 28; if none, enter 0)			● 33. 28,641,947.
34	Business and investment capital (subtract line 33 from line 32)			● 34. 886,820,054.
35	Investment capital (from Form CT-3-ATT, line 7, column E; if none, enter 0)			● 35. 0.
36	Business capital (subtract line 35 from line 34)			● 36. 886,820,054.
37	Allocated investment capital (mult line 35 by ● % from Form CT-3-ATT, ln 5)			● 37.
38	Allocated business capital (mult line 36 by ● 0.2968 % from line 119, 121, or 141)			● 38. 2,632,082.
39	Capital base (add lines 37 and 38)			● 39. 2,632,082.
40	Capital base tax (see instructions)			● 40. 3,948.
41	Issuer's allocation percentage (see instructions)	● 41. 0.2892	%	

Pennsylvania Electric Company
Computation of minimum taxable income (MTI) base

42	ENI from line 17	42.	-112,271,305.
Adjustments (see instructions)			
43	Depreciation of tangible property placed in service after 1986 (see instructions)	● 43.	10,954,225.
44	Amortization of mining exploration and development costs paid or incurred after 1986	● 44.	0.
45	Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only)	● 45.	0.
46	Basis adjustments in determining gain or loss from sale or exchange of property	● 46.	-1,124,593.
47	Long term contracts entered into after February 28, 1986	● 47.	0.
48	Installment sales of certain property	● 48.	0.
49	Merchant marine capital construction funds	● 49.	0.
50	Passive activity loss (closely held and personal service corporations only)	● 50.	0.
51	Add lines 42 through 50	51.	-102,441,673.
Tax preference items (see instructions)			
52	Depletion	● 52.	0.
53	Appreciated property charitable deduction	● 53.	0.
54	Intangible drilling costs	● 54.	0.
55	Add lines 51 through 54	55.	-102,441,673.
56	New York NOLD from line 13	● 56.	0.
57	Add lines 55 and 56	● 57.	-102,441,673.
58	Alternative net operating loss deduction (ANOLD) (see instructions)	● 58.	0.
59	MTI (subtract line 58 from line 57)	● 59.	-102,441,673.
60	Investment income before apportioned NOLD (add line 18 and Form CT-3-ATT, line 21)	60.	0.
61	Investment income not included in ENI but included in MTI	● 61.	0.
62	Investment income before apportioned ANOLD (add lines 60 and 61)	● 62.	0.
63	Apportioned New York ANOLD (see instructions)	● 63.	0.
64	Alternative investment income before allocation (subtract line 63 from line 62)	64.	0.
65	Alternative business income before allocation (subtract line 64 from line 59)	● 65.	-102,441,673.
66	Allocated alternative business income (multiply line 65 by 0.2968 % from line 119, 121, or 161)	● 66.	-304,047.
67	Allocated alternative investment income (multiply line 64 by % from Form CT-3-ATT, ln 5)	● 67.	0.
68	Allocated MTI (add lines 66 and 67)	68.	-304,047.
69	Optional depreciation adjustments from line 23	69.	0.
70	MTI base (line 68 plus or minus line 69)	● 70.	-304,047.
71	Tax on MTI base (multiply line 70 by 1.5% (.015))	● 71.	0.

(continued)

**Pennsylvania Electric Company
Computation of tax**

25-0718085

72	Tax on ENI base from line 25	•	72.	
73	Tax on capital base from line 40 (see instructions)			
	New small business:			
	First year	•		
	Second year	•	73.	3,948.

You must enter an amount on line 74a, below; if none, enter 0.

74 a	New York receipts (see instructions)	•	74a.	4,655,338.
74 b	Fixed dollar minimum tax (see instructions)	•	74b.	1,500.
75	Amount from line 71, 72, 73, or 74b, whichever is largest (see instructions for exception)	•	75.	3,948.
76	Subsidiary capital base from Form CT-3-ATT, line 31	•	76.	15,000.
77	Subsidiary capital base tax from Form CT-3-ATT, line 32	•	77.	14.
78	Tax due before credits (add lines 75 and 77)	•	78.	3,962.
79	Tax credits (see instructions)	•	79.	
80	Balance (subtract line 79 from line 78; if line 79 is more than line 78, enter 0)	•	80.	3,962.
81	Amount from line 71 or 74b, whichever is larger	•	81.	1,500.
82	Tax due (see instructions)	■	82.	3,962.

First installment of estimated tax for next period:

83 a	If you filed a request for extension, enter amount from Form CT-5, line 2	•	83a.	375.
83 b	If you did not file Form CT-5 and line 82 is over \$1,000, see instructions	■	83b.	
84	Add line 82 and line 83a or 83b		84.	4,337.
85	Total prepayments from line 106	•	85.	32,788.
86	Balance (subtract line 85 from line 84; if line 85 is more than line 84, enter 0)		86.	0.
87	Estimated tax penalty (see instructions; mark an X in the box if Form CT-222 is attached)	•	87.	0.
	88 Interest on late payment (see instructions)	•	88.	
	89 Late filing and late payment penalties (see instructions)	•	89.	
	90 Balance (add lines 86 through 89)		90.	

Voluntary gifts/contributions (see instructions):

91 a	Amount for Return a Gift to Wildlife	■	91a.	
91 b	Amount for Breast Cancer Research and Education Fund	■	91b.	
91 c	Amount for Prostate Cancer Research, Detection, and Education Fund	■	91c.	
91 d	Amount for 9/11 Memorial	■	91d.	
91 e	Amount for Volunteer Firefighting & EMS Recruitment Fund	■	91e.	
92	Total (add lines 84, 87, 88, 89, and 91a through 91e)		92.	4,337.
93	Balance due (If line 85 is less than line 92, subtract line 85 from line 92 and enter here. This is the amount due; enter the payment amount on line A on page 1)	■	93.	
94	Overpayment (If line 85 is more than line 92, subtract line 92 from line 85. This is your overpayment; enter here and see instructions)		94.	28,451.
95	Amount of overpayment to be credited to next period	■	95.	28,451.
96	Balance of overpayment (subtract line 95 from line 94)	•	96.	
97	Amount of overpayment to be credited to Form CT-3M/4M	•	97.	
98	Refund of overpayment (subtract line 97 from line 96)	■	98.	
99 a	Refund of unused tax credits (see instructions and attach appropriate forms)	■	99a.	
99 b	Tax credits to be credited as an overpayment to next year's return (see instructions and attach appropriate forms)	■	99b.	0.

(continued)

Pennsylvania Electric Company

Summary of credits claimed on In 79 against current year's franchise tax (see instrs for lines 79, 99a, 99b, 100a, and 100b)

Form CT-38, line 28 ●	Form CT-246 ●	Form CT-611 ●
Form CT-40 ●	Form CT-248 ●	Form CT-611.1 ●
Form CT-41 ●	Form CT-249 ●	Form CT-612 ●
Form CT-43 ●	Form CT-250 ●	Form CT-613 ●
Form CT-44 ●	Form CT-259 ●	Form CT-631 ●
Form CT-46 ●	Form CT-601 ●	Servicing mortgages credit ●
Form CT-47 ●	Form CT-601.1 ●	Form DTF-619 ●
Form CT-238 ●	Form CT-602 ●	Form DTF-621 ●
Form CT-239 ●	Form CT-603 ●	Form DTF-622 ●
Form CT-241 ●	Form CT-604 ●	Form DTF-624 ●
Form CT-242 ●	Form CT-605 ●	Form DTF-630 ●
Form CT-243 ●	Form CT-606 ●	Other credits ●

If you claimed the QEZE tax reduction credit and you had a 100% zone allocation factor, mark an X in the box ●

100a Total tax credits claimed above (enter here and on In 79; attach form or stmt for each tax credit claimed) ● 100a.
 100b Total tax credits above that are refund eligible (see instructions) ● 100b. 0.

Composition of prepayments on line 85 (see instructions)

		Date paid	Amount
101	Mandatory first installment	101. 03-15-10	375.
102a	Second installment from Form CT-400	102a.	
102b	Third installment from Form CT-400	102b.	
102c	Fourth installment from Form CT-400	102c.	
103	Payment with extension request from Form CT-5, line 5	103.	
104	Overpayment credited from prior years	104. Period	32,413.
105	Overpayment credited from Form CT-3M/4M	105. Period	
106	Total prepayments (add lines 101 through 105; enter here and on line 85)	106.	32,788.

107 If you are a member of an affiliated federal group, enter primary corporation name and EIN:
 Name ● FIRSTENERGY CORP. ● EIN 34-1843785

If you are more than 50% owned by another corporation, enter parent corporation name and EIN:
 Name ● FIRSTENERGY CORP. ● EIN 34-1843785

Pennsylvania Electric Company
Interest paid to shareholders

108 Did this corporation make any payments treated as interest in the computation of ENI to shareholders owning directly or indirectly, individually or in the aggregate, more than 50% of the corporation's issued and outstanding capital stock? (mark an X in the appropriate box) If Yes, complete the following and line 109 (attach additional sheets if necessary) 108. Yes No X

Shareholder's name SSN or EIN

Interest paid to shareholder Total indebtedness to shareholder described above Total interest paid

109 Is there written evidence of the indebtedness? (mark an x in the appropriate box) 109. Yes No

110 Interest deducted in computing FTI on line 1 of this form 110. 69,760,225.

111 If the Internal Revenue Service (IRS) has completed an audit of any of your returns within the last five years, list years 111. 2001 through 2007

Schedule A, Part I - Computation of business allocation percentage for aviation corporations

Table with columns A (New York State) and B (Everywhere). Rows include 112a Revenue aircraft arrivals and departures, 112b Adjustment per Tax Law, Article 9-A, section 210.3(a)(7)(A), 112c Adjusted NYS revenue aircraft arrivals and departures, 113 New York State percentage, 114a Revenue tons handled, 114b Adjustment per Tax Law section 210.3(a)(7)(A), 114c Adjusted NYS revenue tons handled, 115 New York State percentage, 116a Originating revenue, 116b Adjustment per Tax Law section 210.3(a)(7)(A), 116c Adjusted NYS originating revenue, 117 New York State percentage, 118 Total, 119 New York business allocation percentage.

Schedule A, Part 2 - Computation of business allocation percentage for trucking and railroad corporations

Table with columns A (New York State) and B (Everywhere). Rows include 120 Revenue miles, 121 New York State business allocation percentage (divide line 120, column A, by line 120, column B; use to compute lines 21, 38, and 66, and Form CT-38, line 6)

Pennsylvania Electric Company

Schedule A, Part 3 - Computation of business allocation percentage (see instructions)

Did you make an election to use fair market value in your property factor? (mark an **x** in the appropriate box) Yes No

If this is your first tax year, are you making the election to use fair market value in your property factor? (mark an **x** in the appropriate box) Yes No

Are you principally engaged in the activity of an air freight forwarder acting as principal or like indirect air carrier, or are you a qualified foreign air carrier? (mark an **x** in the appropriate box) Yes No

If No, complete only lines 129 through 136 and enter on line 141 the receipts factor computed on line 136. The receipts factor is the business allocation percentage.

	A New York State	B Everywhere
Average value of property (see instructions)		
122 Real estate owned	● 122.	●
123 Real estate rented	● 123.	●
124 Inventories owned	● 124.	●
125 Tangible personal property owned	● 125.	●
126 Tangible personal property rented	● 126.	●
127 Total (add lines 122 through 126)	● 127.	●
128 New York State property factor (divide line 127, column A, by line 127, column B)		● 128. %
Receipts in the regular course of business from:		
129 Sales of tangible personal property allocated to New York State	● 129. 4,655,338.	
130 All sales of tangible personal property	130.	● 1,556,331,726.
131 Services performed	● 131.	●
132 Rentals of property	● 132.	● 7,099,624.
133 Royalties	● 133.	●
134 Other business receipts	● 134.	● 4,853,021.
135 Total (add lines 129 through 134)	● 135. 4,655,338.	● 1,568,284,371.
136 New York State receipts factor (divide line 135, column A, by line 135, column B)		● 136. 0.2968 %
137 New York State additional receipts factor (see instructions)		● 137. %
Payroll		
138 Wages and other compensation of employees, except general executive officers	● 138.	●
139 New York State payroll factor (divide line 138, column A, by line 138, column B)		● 139. %
140 Total New York State factors (add lines 128, 136, 137, and 139)		140. %
141 New York State business allocation percentage (see instructions)		● 141. 0.2968 %

Schedule A, Part 4 - Computation of alternative business allocation percentage for MTI base (see instructions)

If you are not an air freight forwarder acting as principal or like indirect air carrier, or a qualified foreign air carrier, complete only lines 149 through 156 and enter on line 161 the receipts factor computed on line 156. The receipts factor is the alternative business allocation percentage.

	A — New York State	B — Everywhere
Average value of property (see instructions)		
142 Real estate owned	142.	
143 Real estate rented	143.	
144 Inventories owned	144.	
145 Tangible personal property owned	145.	
146 Tangible personal property rented	146.	
147 Total (add lines 142 through 146)	● 147.	●
148 New York State property factor (divide line 147, column A, by line 147, column B)		● 148. %

Receipts in the regular course of business from:

149	Sales of tangible personal property allocated to New York State	149.	4,655,338.		
150	All sales of tangible personal property	150.		1,556,331,726.	
151	Services performed	151.			
152	Rentals of property	152.		7,099,624.	
153	Royalties	153.			
154	Other business receipts	154.		4,853,021.	
155	Total (add lines 149 through 154)	155.	4,655,338.	1,568,284,371.	
156	New York State receipts factor (divide line 155, column A, by line 155, column B)			156.	0.2968 %
157	New York State additional receipts factor (see instructions)			157.	%

Payroll

158	Wages and other compensation of employees, except general executive officers	158.			
159	New York State payroll factor (divide line 158, column A, by line 158, column B)			159.	%
160	Total New York State factors (add lines 148, 156, 157, and 159)			160.	%
161	Alternative business allocation percentage (see instructions)			161.	0.2968 %
162	Are you claiming small business taxpayer status for lower ENI tax rates? (see Small business taxpayer definition on page 15 of Form CT-3/4-I; mark an x in the appropriate box)	162.		Yes <input type="radio"/>	No <input type="radio"/>
163	If you marked Yes on line 162, enter total capital contributions (see worksheet in instructions)	163.			
164	Are you claiming qualified NY manufacturer status for lower capital base tax limitation? (see instructions; mark an x in the appropriate box)	164.		Yes <input type="radio"/>	No <input checked="" type="radio"/>
165	Are you claiming qualified New York manufacturer status for lower ENI tax rates? (see instructions; mark an x in the appropriate box)	165.		Yes <input type="radio"/>	No <input checked="" type="radio"/>

Amended return information

If filing an amended return, mark an x in the box for any items that apply and attach documentation.

Final federal determination	<input type="radio"/>	If marked, enter date of determination:	<input type="radio"/>
Net operating loss (NOL) carryback	<input type="radio"/>	Capital loss carryback	<input type="radio"/>
Federal return filed	Form 1139 <input type="radio"/>	Form 1120X	<input type="radio"/>

Net operating loss (NOL) information

New York State NOL carryover total available for use this tax year from all prior tax years	<input type="radio"/>
Federal NOL carryover total available for use this tax year from all prior tax years	<input type="radio"/>
New York State NOL carryforward total for future tax years	<input type="radio"/>
Federal NOL carryforward total for future tax years	<input type="radio"/>

Corporations organized outside New York State: Complete the following for capital stock issued and outstanding.

Number of par shares	Value	Number of no-par shares	Value
	\$		\$

Third-party designee	Yes <input type="radio"/>	No <input checked="" type="radio"/>	Designee's name (print)	Designee's phone number
(see instructions)	Designee's e-mail address			PIN

Certification: I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.

Authorized person: Signature of authorized person *Harvey J. ...* Official title **VP & CONTROLLER**

E-mail address of authorized person _____ Date **12/13/11**

Paid preparer use only: Firm's name (or yours if self-employed) _____ Firm's EIN _____ Preparer's PTIN or SSN _____

Signature of individual preparing this return _____ Address _____ City _____ State _____ ZIP code _____

(see instr.) E-mail address of individual preparing this return _____ Preparer's NYTPRIN _____ Date _____

See instructions for where to file.

Pennsylvania Electric Company

Tax Year 2010

EIN 25-0718085
12/13/2011 10:35:45 AM

Statement: 1

Form CT-3, Page 2, Deductions directly attributable to subsidiary capital

Row ID	Description	Interest Direct	Non-Interest Direct
1		128,570	
Total		128,570	

Statement: 2

Form CT-3, Page 2, Taxes Addback

Row ID	Description	Jurisdiction	Jurisdiction Type	Tax/License Type	Amount
1					(1,533,637)
Total					(1,533,637)