

March 31, 2010

The Honorable Jaclyn Brilling, 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 2009 required under Case 00-M-1556

Dear Secretary Brilling:

Attached please find Pennsylvania Electric Company's Waverly, New York reconciliation of tax expenses charged and deferred for calendar year 2009 as required by Case 00-M-1556 under the Order Implementing Tax Law Changed on a Permanent Basis, issued and effective June 28, 2001.

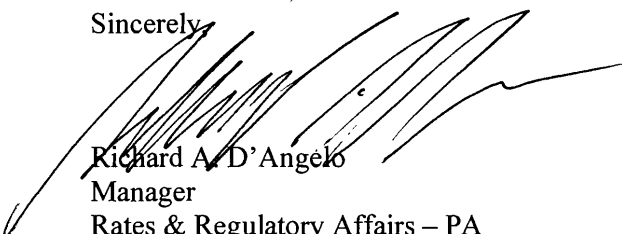
The Reconciliation Filing consists of three (3) schedules. Schedule 1 shows the 2009 Annual Reconciliation of Over/Under Collection of Gross Revenue Taxes and State Income Taxes and the interest calculations on the deferral. Schedule 2 shows the total tax revenue collected for the calendar year 2009. Schedule 3 shows the 2008 State Income Tax Calculation of interest.

Attachment A is a copy of Pennsylvania Electric Company's Waverly, New York 2009 CT-186-P New York State Gross Income Tax Return. Attachment B is a copy of Pennsylvania Electric Company - Waverly, New York 2008 CT-3 New York State Corporation Income Tax Return. Pennsylvania Electric Company - Waverly, New York has filed a Request for Six-Month Extension to File for the 2009 CT-3 New York State Corporation Income Tax Return and it will be filed in late 2010.

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

2010 MAR -7 PM 2:19

**Pennsylvania Electric Company  
Waverly, NY**

**2009 Annual Reconciliation of Over/Under Collection  
of  
Gross Revenue Taxes and State Income Taxes**

| Line No. | Month                                         | Total Revenue Collected<br>(1) | Total Tax Revenue Collected<br>(2)<br><small>Schedule 2, col. (1)</small> | NYS Gross Income Tax Liability<br>(3) | Tax Over/(Under) Collection<br>(4)=(2)+(3) | Cumulative End of Month Balance<br>(5) | Cumulative 2 Month Average Balance<br>(6) | Over/(Under) Balance Subject to Int Calculation net of FIT<br>(7)=(6)*(1-T) | Interest on Deferral<br>(8)=(7)*6.60%/12 | Franchise Tax Liab. & Interest<br>(9) | NYS Cumulative Over/(Under) Collection<br>(10)=(5)+(8)+(9) |
|----------|-----------------------------------------------|--------------------------------|---------------------------------------------------------------------------|---------------------------------------|--------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------|---------------------------------------|------------------------------------------------------------|
|          |                                               |                                |                                                                           |                                       |                                            |                                        |                                           |                                                                             |                                          | 2009 Opening Balance                  | \$ 30,284                                                  |
| 1        | January                                       | \$ 473,334                     | \$ 6,827                                                                  | \$ (2,040)                            | \$ 4,787                                   | \$ 35,071                              | \$ 32,677                                 | \$ 21,240                                                                   | \$ 117                                   | \$ -                                  | \$ 35,187                                                  |
| 2        | February                                      | 469,117                        | 382                                                                       | (2,040)                               | (1,658)                                    | 33,529                                 | 34,358                                    | 22,333                                                                      | 123                                      | -                                     | 33,652                                                     |
| 3        | March                                         | 429,702                        | 281                                                                       | (2,040)                               | (1,759)                                    | 31,893                                 | 32,773                                    | 21,302                                                                      | 117                                      | -                                     | 32,010                                                     |
| 4        | April                                         | 411,680                        | 211                                                                       | (2,040)                               | (1,829)                                    | 30,181                                 | 31,096                                    | 20,212                                                                      | 111                                      | -                                     | 30,292                                                     |
| 5        | May                                           | 396,889                        | 84                                                                        | (2,040)                               | (1,956)                                    | 28,337                                 | 29,315                                    | 19,054                                                                      | 105                                      | -                                     | 28,441                                                     |
| 6        | June                                          | 353,996                        | (1,823)                                                                   | (2,040)                               | (3,863)                                    | 24,578                                 | 26,510                                    | 17,231                                                                      | 95                                       | -                                     | 24,673                                                     |
| 7        | July                                          | 379,811                        | (194)                                                                     | (2,040)                               | (2,234)                                    | 22,439                                 | 23,556                                    | 15,312                                                                      | 84                                       | -                                     | 22,523                                                     |
| 8        | August                                        | 337,963                        | (264)                                                                     | (2,040)                               | (2,304)                                    | 20,219                                 | 21,371                                    | 13,891                                                                      | 76                                       | -                                     | 20,296                                                     |
| 9        | September                                     | 355,820                        | (300)                                                                     | (2,040)                               | (2,340)                                    | 17,956                                 | 19,126                                    | 12,432                                                                      | 68                                       | -                                     | 18,024                                                     |
| 10       | October                                       | 376,031                        | (484)                                                                     | (2,040)                               | (2,524)                                    | 15,500                                 | 16,762                                    | 10,896                                                                      | 60                                       | -                                     | 15,560                                                     |
| 11       | November                                      | 371,223                        | (353)                                                                     | (2,040)                               | (2,394)                                    | 13,167                                 | 14,363                                    | 9,336                                                                       | 51                                       | -                                     | 13,218                                                     |
| 12       | December                                      | 359,286                        | (116)                                                                     | (2,040)                               | (2,156)                                    | 11,062                                 | 12,140                                    | 7,891                                                                       | 43                                       | (29,827)                              | (18,722)                                                   |
| 13       | Total                                         | \$ 4,714,853                   | \$ 4,251                                                                  | \$ (24,481)                           | \$ (20,230)                                |                                        |                                           |                                                                             | \$ 1,051                                 | \$ (29,827)                           |                                                            |
| 14       | 2009 Tax Revenue Collected                    |                                |                                                                           |                                       | \$ 4,251                                   |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 15       | NYS Gross Income Tax Liability                |                                |                                                                           |                                       | (24,481)                                   |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 16       | Interest on Deferral Owed from Company        |                                |                                                                           |                                       | 1,051                                      |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 17       | 2008 NYS Franchise Tax Liab. & Interest       |                                |                                                                           |                                       | (29,827)                                   |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 18       | <b>Total Over (Under) collection for 2009</b> |                                |                                                                           |                                       | <b>\$ (49,006)</b>                         |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 19       | Opening Balance for 2009                      |                                |                                                                           |                                       | 30,284                                     |                                        |                                           |                                                                             |                                          |                                       |                                                            |
| 20       | End of Year Balance                           |                                |                                                                           |                                       | <b>\$ (18,722)</b>                         |                                        |                                           |                                                                             |                                          |                                       |                                                            |

**Pennsylvania Electric Company  
Waverly, NY**

**2009 Revenues from the Report of Electric Sales**

STATE SURCHARGE TAX

TOTAL  
(1)

|    |           |              |        |
|----|-----------|--------------|--------|
| 1  | January   | 6,827        | actual |
| 2  | February  | 382          | actual |
| 3  | March     | 281          | actual |
| 4  | April     | 211          | actual |
| 5  | May       | 84           | actual |
| 6  | June      | (1,823)      | actual |
| 7  | July      | (194)        | actual |
| 8  | August    | (264)        | actual |
| 9  | September | (300)        | actual |
| 10 | October   | (484)        | actual |
| 11 | November  | (353)        | actual |
| 12 | December  | <u>(116)</u> | actual |
| 13 | Total     | \$ 4,251     |        |

**Pennsylvania Electric Company**  
**Waverly, NY**  
**Calculation of Interest to be Applied to '08 SIT Payment**

| <b><u>2008 Activity</u></b>                   | <b><u>January</u></b> | <b><u>February</u></b> | <b><u>March</u></b> | <b><u>April</u></b> | <b><u>May</u></b> | <b><u>June</u></b> | <b><u>July</u></b> | <b><u>August</u></b> | <b><u>September</u></b> | <b><u>October</u></b> | <b><u>November</u></b> | <b><u>December</u></b> | <b><u>2007<br/>Totals</u></b> |
|-----------------------------------------------|-----------------------|------------------------|---------------------|---------------------|-------------------|--------------------|--------------------|----------------------|-------------------------|-----------------------|------------------------|------------------------|-------------------------------|
| Cumulative Balance - BOM                      | 0                     | 2,445                  | 4,898               | 7,357               | 9,824             | 12,299             | 14,781             | 17,270               | 19,766                  | 22,270                | 24,782                 | 27,301                 |                               |
| NYS Corporate Income Tax Payments*            | <u>2,442</u>          | <u>2,442</u>           | <u>2,442</u>        | <u>2,442</u>        | <u>2,442</u>      | <u>2,442</u>       | <u>2,442</u>       | <u>2,442</u>         | <u>2,442</u>            | <u>2,442</u>          | <u>2,442</u>           | <u>2,442</u>           | 29,298                        |
| Cumulative Balance - EOM                      | 2,442                 | 4,887                  | 7,339               | 9,799               | 12,266            | 14,740             | 17,222             | 19,711               | 22,208                  | 24,712                | 27,223                 | 29,742                 |                               |
| Cumulative 2 pt. Aver. Balance                | 1,221                 | 3,666                  | 6,118               | 8,578               | 11,045            | 13,519             | 16,001             | 18,490               | 20,987                  | 23,491                | 26,003                 | 28,522                 |                               |
| Cum. Bal. subject to interest cal. Net of FIT | 793                   | 2,383                  | 3,977               | 5,576               | 7,179             | 8,788              | 10,401             | 12,019               | 13,642                  | 15,269                | 16,902                 | 18,539                 |                               |
| Interest Earned on SIT Payment                | <u>4</u>              | <u>11</u>              | <u>18</u>           | <u>26</u>           | <u>33</u>         | <u>40</u>          | <u>48</u>          | <u>55</u>            | <u>63</u>               | <u>70</u>             | <u>77</u>              | <u>85</u>              | 529                           |
| Cum. Bal. Incl. interest - EOM                | 2,445                 | 4,898                  | 7,357               | 9,824               | 12,299            | 14,781             | 17,270             | 19,766               | 22,270                  | 24,782                | 27,301                 | 29,827                 |                               |
|                                               |                       |                        |                     |                     |                   |                    |                    |                      |                         |                       |                        |                        | 29,827                        |

\* = '08 payment made in 3/08, 6/08 and 9/08

## Attachment A

CT-186-P 2009

[ Staple forms here ]

New York State Department of Taxation and Finance

## Utility Services Tax Return - Gross Income

Final return ☐ Amended return ☒ Tax Law - Article 9, Section 186-a

For calendar year 2009

|                                                                                     |                                                                                     |                                                                                                                                                                                                                                                                                                 |                                                                            |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Employer identification number<br>25-0718085                                        | File number<br>HH 8                                                                 | Business telephone number<br>973-401-8427                                                                                                                                                                                                                                                       | If you claim an overpayment, mark an X in the box <input type="checkbox"/> |
| Legal name of corporation<br>Pennsylvania Electric Company                          |                                                                                     | Trade name/DBA                                                                                                                                                                                                                                                                                  |                                                                            |
| Mailing name (if different from legal name above)<br>c/o Morristown Tax Department  |                                                                                     | State or country of incorporation<br>Pennsylvania                                                                                                                                                                                                                                               | Date received (for Tax Department use only)                                |
| Number and street or PO box<br>300 Madison Ave P.O. Box 1911                        |                                                                                     | Date of incorporation<br>06-11-19                                                                                                                                                                                                                                                               |                                                                            |
| City<br>Morristown                                                                  | State<br>NJ                                                                         | ZIP code<br>07962-1911                                                                                                                                                                                                                                                                          | Foreign corporations: date began business in NYS                           |
| NAICS business code number (from federal return)                                    | If address/phone above is new, mark an X in box <input checked="" type="checkbox"/> | If you need to update your address or phone information for corporation tax, or other tax types, you can do so online. Visit our Web site at <a href="http://www.nystax.gov">www.nystax.gov</a> and look for change my address option. Otherwise, see Business Information in the Instructions. | Audit (for Tax Department use only)                                        |
| Date corporation came under the supervision of the NYS Department of Public Service |                                                                                     |                                                                                                                                                                                                                                                                                                 |                                                                            |

Type of service or commodity you sell (mark an X in all boxes that apply)

Gas • Electricity • ☒

If this is your first return, enter name of prior owner or operator, if any Address of prior owner or operator

If this is your final return, enter name of new owner, if any

Address of new owner

## Metropolitan transportation business tax (MTA surcharge) (mark an X in the appropriate box below)

Do you do business in the Metropolitan Commuter Transportation District? If Yes, you must file Form CT-186-P/M (see Instructions) . Yes ☐ No ☒  
Do not file Form CT-186-P - If you are a telephone or telegraph company or other provider of telecommunication services, even if those services are not your primary business, do not file this form. Instead, file Form CT-186-E, Telecommunications Tax Return and Utility Services Tax Return.

|                                                                                                                                                                        |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| A. Pay amount shown on line 17. Make payable to: New York State Corporation Tax<br>← Attach your payment here. Detach all check stubs. (See Instructions for details.) | A. Payment enclosed<br>3,789.00 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|

## Computation of tax

|                                                                                                                                                                                                                                                               |     |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------|
| 1 Receipts from transportation, transmission, or distribution of gas or electricity . . . . .                                                                                                                                                                 | 1.  | 4,714,853.00 |
| 2 Allowable exclusions from receipts on line 1 (see Instructions) . . . . .                                                                                                                                                                                   | 2.  | 3,490,811.00 |
| 3 Net receipts from transportation, transmission, or distribution of gas or electricity after allowable exclusions (subtract line 2 from line 1; see Instructions) . . . . .                                                                                  | 3.  | 1,224,042.00 |
| 4 Tax on gross income (multiply line 3 receipts by rate; see Instructions) . . . . .                                                                                                                                                                          | 4.  | 24,481.00    |
| 5 Tax credits: Mark an X in the box(es) to indicate the form(s) filed and attach form(s)<br>CT-243 • <input type="checkbox"/> CT-249 • <input type="checkbox"/> CT-631 • <input type="checkbox"/> Other credits (see Instructions) • <input type="checkbox"/> | 5.  |              |
| 6 Tax after credits (subtract line 5 from line 4) . . . . .                                                                                                                                                                                                   | 6.  | 24,481.00    |
| 7 Power for jobs tax credit (see Instructions) . . . . .                                                                                                                                                                                                      | 7.  |              |
| 8 Net tax (subtract line 7 from line 6) . . . . .                                                                                                                                                                                                             | 8.  | 24,481.00    |
| First installment of estimated tax for next period:                                                                                                                                                                                                           |     |              |
| 9 If you filed a request for extension, enter amount from Form CT-5.9, line 2. . . . .                                                                                                                                                                        | 9.  |              |
| 10 If you did not file Form CT-5.9 and line 8 is over \$1,000, see Instructions; otherwise enter 0 . . . . .                                                                                                                                                  | 10. | 6,120.00     |
| 11 Total (add lines 8 and 9 or 10) . . . . .                                                                                                                                                                                                                  | 11. | 30,601.00    |
| 12 Total prepayments (enter amount from line 32) . . . . .                                                                                                                                                                                                    | 12. | 26,812.00    |
| 13 Balance (if line 12 is less than line 11, subtract line 12 from line 11) . . . . .                                                                                                                                                                         | 13. | 3,789.00     |
| 14 Estimated tax penalty (see instructions; mark an X in the box if Form CT-222 is attached) • <input type="checkbox"/>                                                                                                                                       | 14. |              |
| 15 Interest on late payment (see Instructions) . . . . .                                                                                                                                                                                                      | 15. |              |
| 16 Late filing and late payment penalties (see instructions) . . . . .                                                                                                                                                                                        | 16. |              |
| 17 Balance due (add lines 13 through 16 and enter here; enter the payment amount on line A above) . . . . .                                                                                                                                                   | 17. | 3,789.00     |
| 18 Overpayment (if line 11 is less than line 12, subtract line 11 from line 12) . . . . .                                                                                                                                                                     | 18. |              |
| 19 Amount of overpayment to be credited to next period . . . . .                                                                                                                                                                                              | 19. |              |
| 20 Balance of overpayment (subtract line 19 from line 18) . . . . .                                                                                                                                                                                           | 20. |              |

(continued on page 2)

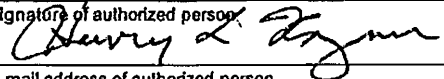
**Computation of tax (continued)**

|    |                                                                                       |     |  |
|----|---------------------------------------------------------------------------------------|-----|--|
| 21 | Amount to be credited to Form CT-186-P/M . . . . .                                    | 21. |  |
| 22 | Amount of overpayment to be refunded (subtract line 21 from line 20). . . . .         | 22. |  |
| 23 | Amount of unused tax credits to be refunded (see instructions) . . . . .              | 23. |  |
| 24 | Refundable tax credits to be credited to next year's tax (see instructions) . . . . . | 24. |  |

| Composition of prepayments claimed on line 12 (see instructions) |                                                                                                                           | Date paid    | Amount    |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------|-----------|
| 25                                                               | Mandatory first installment . . . . .                                                                                     | 25. 2-28-09  | 6,703.00  |
| 26                                                               | Second installment from Form CT-400 . . . . .                                                                             | 26.          |           |
| 27                                                               | Third installment from Form CT-400 . . . . .                                                                              | 27. 9-11-09  | 8,817.00  |
| 28                                                               | Fourth installment from Form CT-400 . . . . .                                                                             | 28. 12-17-09 | 6,703.00  |
| 29                                                               | Payment with extension request, Form CT-5.9, line 5 . . . . .                                                             | 29.          |           |
| 30                                                               | Overpayment credited from prior years . . . . .                                                                           | 30.          | 4,589.00  |
| 31                                                               | Overpayment credited from Form CT-186-P/M <span style="border: 1px solid black; padding: 0 20px;">Period</span> . . . . . | 31.          |           |
| 32                                                               | Total prepayments (add lines 25 through 31; enter here and on line 12). . . . .                                           | 32.          | 26,812.00 |

|                                                                    |                                                                     |                                        |                                         |
|--------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| <b>Third - party designee</b><br><small>(see instructions)</small> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | Designee's name (print)<br>Deidra Rudd | Designee's phone number<br>973-401-8427 |
|                                                                    | Designee's e-mail address<br>DRUDD@FirstEnergyCorp.com              |                                        | PIN 851                                 |

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

|                               |                                                                                                                      |                                               |                 |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------|
| <b>Authorized person</b>      | Signature of authorized person<br> | Official title<br>Vice President & Controller |                 |
|                               | E-mail address of authorized person<br>WagnerH@FirstEnergyCorp.com                                                   |                                               |                 |
| <b>Paid preparer use only</b> | Firm's name (or yours if self-employed)                                                                              |                                               | ID number       |
|                               | Signature of individual preparing this return                                                                        | Address                                       |                 |
|                               | E-mail address of individual preparing this return                                                                   |                                               | Date<br>2/24/10 |

See instructions for where to file.

## Attachment B

2008 CT-3

| Staple forms here |

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 ☐ 01-01-08 ending ☐ 12-31-08

Employer identification number

File number

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 ☒☐ 25-0718085☐ AA2

(973) 401-8421

Legal name of corporation

Trade name/DBA

Pennsylvania Electric Company

Mailing name (if different from legal name above)

State or country of incorp

Date received (for Tax Dept use only)

c/o Tax Division

PA

Number and street or PO box

Date of Incorporation

300 Madison Avenue

06-11-19

City

State ZIP code

Foreign corporations: date began  
business in NYS

Morristown

NJ 07962-1911

NAICS business code no (from federal return) If address above  
is new, mark anIf your name, employer identification number, address,  
or owner/officer information has changed, you must  
file Form DTF-95. If only your address has changed,  
you may file Form DTF-96. You can get these forms from  
our Web site, by fax, or by phone. See Need help?  
in the instructions.

Audit (for Tax Dept use only)

☐ 221100X In the box ☐

Principal business activity Electric Utility

See Form CT-3/4-1, 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 ☒

A. Pay amount shown on line 93. Make payable to: New York State Corporation Tax

Payment enclosed

Attach your payment here. Detach all check stubs. (See instructions for details.) ☒ A.

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

Form 1120 ☐☒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](http://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.  | 78,458,597.  |
| 2  | Interest on federal, state, municipal, and other obligations not included on line 1 (see instrs)                                          | • 2.  | 2,140,266.   |
| 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. |              |
| 4b | Noninterest deductions directly attributable to subsidiary capital                                                                        | • 4b. |              |
| 5a | Interest deductions indirectly attributable to subsidiary capital                                                                         | • 5a. |              |
| 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.  | 5,185,944.   |
| 7  | Federal depreciation from Form CT-399, if applicable (see instructions)                                                                   | • 7.  | 73,888,405.  |
| 8  | Other additions (see instructions)                                                                                                        |       |              |
|    | • IRC Section 199 deduction:                                                                                                              | • 8.  |              |
| 9  | Add lines 1 through 8                                                                                                                     | • 9.  | 159,673,212. |
| 10 | Income from subsidiary capital (from Form CT-3-ATT, line 26)                                                                              | • 10. |              |
| 11 | Fifty percent of dividends from nonsubsidiary corporations (see instr.)                                                                   | • 11. |              |
| 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. | 22,561,451.  |
| 15 | Other subtractions (attach list; see instructions)                                                                                        | • 15. |              |
| 16 | Total subtractions (add lines 10 through 15)                                                                                              | • 16. | 22,561,451.  |
| 17 | ENI (subtract line 16 from line 9; show loss with a minus (-) sign; enter here and on line 42)                                            | • 17. | 137,111,761. |
| 18 | Investment inc before allocation (from Form CT-3-ATT, ln 22, but not more than ln 17 above)                                               | • 18. | 8,419,917.   |
| 19 | Business income before allocation (subtract line 18 from line 17)                                                                         | • 19. | 128,691,844. |
| 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 0.3205 % from ln 119, 121, or 141)                                                         | • 21. | 412,457.     |
| 22 | Total allocated income (add lines 20 and 21)                                                                                              | • 22. | 412,457.     |
| 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. | 412,457.     |
| 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. | 29,284.      |

## 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                                                 | 2,732,034,120.       | 2,892,581,782. | 2,812,307,951.   |
| 27 Real property and marketable securities included on line 26                      |                      |                |                  |
| 28 Subtract line 27 from line 26                                                    | 2,732,034,120.       | 2,892,581,782. | 2,812,307,951.   |
| 29 Real property and marketable securities at fair market value                     |                      |                |                  |
| 30 Adj total assets (add lns 28 and 29)                                             | 2,732,034,120.       | 2,892,581,782. | 2,812,307,951.   |
| 31 Total liabilities                                                                | 1,659,976,750.       | 1,943,472,906. | 1,801,724,828.   |
| 32 Total capital (subtract line 31, column C, from line 30, column C)               |                      |                | 1,010,583,123.   |
| 33 Subsidiary capital (from Form CT-3-ATT, line 28; if none, enter 0)               |                      |                | 24,074,137.      |
| 34 Business and investment capital (subtract line 33 from line 32)                  |                      |                | 986,508,986.     |
| 35 Investment capital (from Form CT-3-ATT, line 7, column E; if none, enter 0)      |                      |                | 0.               |
| 36 Business capital (subtract line 35 from line 34)                                 |                      |                | 986,508,986.     |
| 37 Allocated investment capital (mult line 35 by % from Form CT-3-ATT, ln 5)        |                      |                |                  |
| 38 Allocated business capital (mult line 36 by 0.3205 % from line 119, 121, or 141) |                      |                | 3,161,761.       |
| 39 Capital base (add lines 37 and 38)                                               |                      |                | 3,161,761.       |
| 40 Capital base tax (see instructions)                                              |                      |                | 4,743.           |
| 41 Issuer's allocation percentage (see instructions)                                | 0.3143 %             |                |                  |

25-0718085

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

|                                                |                                                                                                                  |       |              |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------|--------------|
| 42                                             | ENI from line 17. . . . .                                                                                        | 42.   | 137,111,761. |
| <b>Adjustments (see instructions)</b>          |                                                                                                                  |       |              |
| 43                                             | Depreciation of tangible property placed in service after 1986 (see instructions) . . . . .                      | • 43. | 58,264,459.  |
| 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                                             | Basls adjustments in determining gain or loss from sale or exchange of property . . . . .                        | • 46. | -1,589,545.  |
| 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.   | 193,786,675. |
| <b>Tax preference items (see instructions)</b> |                                                                                                                  |       |              |
| 52                                             | Depletion . . . . .                                                                                              | • 52. | 0.           |
| 53                                             | Appreciated property charitable deduction . . . . .                                                              | • 53. | 0.           |
| 54                                             | Intangible drilling costs . . . . .                                                                              | • 54. | 0.           |
| 55                                             | Add lines 51 through 54 . . . . .                                                                                | 55.   | 193,786,675. |
| 56                                             | New York NOLD from line 13 . . . . .                                                                             | • 56. | 0.           |
| 57                                             | Add lines 55 and 56 . . . . .                                                                                    | • 57. | 193,786,675. |
| 58                                             | Alternative net operating loss deduction (ANOLD) (see instructions). . . . .                                     | • 58. | 0.           |
| 59                                             | MTI (subtract line 58 from line 57) . . . . .                                                                    | • 59. | 193,786,675. |
| 60                                             | Investment income before apportioned NOLD (add line 18 and Form CT-3-ATT, line 21) . . . . .                     | 60.   | 8,419,917.   |
| 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. | 8,419,917.   |
| 63                                             | Apportioned New York ANOLD (see instructions). . . . .                                                           | • 63. | 0.           |
| 64                                             | Alternative investment income before allocation (subtract line 63 from line 62) . . . . .                        | 64.   | 8,419,917.   |
| 65                                             | Alternative business income before allocation (subtract line 64 from line 59) . . . . .                          | • 65. | 185,366,758. |
| 66                                             | Allocated alternative business income (multiply line 65 by 0.3205 % from line 119, 121, or 161) . . . . .        | • 66. | 594,100.     |
| 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.   | 594,100.     |
| 69                                             | Optional depreciation adjustments from line 23 . . . . .                                                         | 69.   | 0.           |
| 70                                             | MTI base (line 68 plus or minus line 69) . . . . .                                                               | • 70. | 594,100.     |
| 71                                             | Tax on MTI base (multiply line 70 by 1.5% (.015)). . . . .                                                       | • 71. | 8,912.       |

(continued)

## Pennsylvania Electric Company

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## Computation of tax

|    |                                                     |               |         |
|----|-----------------------------------------------------|---------------|---------|
| 72 | Tax on ENI base from line 25                        | • 72.         | 29,284. |
| 73 | Tax on capital base from line 40 (see instructions) |               |         |
|    | New small business:                                 |               |         |
|    | First year •                                        | Second year • | • 73.   |
|    |                                                     |               | 4,743.  |

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

|      |                                                                                            |        |            |
|------|--------------------------------------------------------------------------------------------|--------|------------|
| 74 a | New York receipts (see instructions)                                                       | • 74a. | 4,948,696. |
| 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.  | 29,284.    |
| 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.  | 29,298.    |
| 79   | Tax credits (from line 100a; attach appropriate form for each credit claimed)              | • 79.  |            |
| 80   | Balance (subtract line 79 from line 78; if line 79 is more than line 78, enter 0)          | • 80.  | 29,298.    |
| 81   | Amount from line 71 or 74b, whichever is larger                                            | • 81.  | 8,912.     |
| 82   | Tax due (see instructions)                                                                 | ■ 82.  | 29,298.    |

## 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.    | 6,297.  |
| 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.       | 35,595. |
| 85   | Total prepayments from line 106                                                              | • 85.     | 50,208. |
| 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;<br>mark an X in the box if Form CT-222 is attached) | • X • 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 National 9/11 Memorial                                                                                                                                 | ■ 91d. |         |
| 92   | Total (add lines 84, 87, 88, 89, and 91a through 91d)                                                                                                             | 92.    | 35,595. |
| 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.    | 14,613. |
| 95   | Amount of overpayment to be credited to next period                                                                                                               | ■ 95.  | 14,613. |
| 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<br>(see instructions and attach appropriate forms)                                             | ■ 99b. |         |

(continued)

25-0718085

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

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.

## Composition of prepayments on line 85 (see instructions)

|      |                                                                                    | Date paid      | Amount  |
|------|------------------------------------------------------------------------------------|----------------|---------|
| 101  | Mandatory first installment . . . . .                                              | 101. 03-17-08  | 2,792.  |
| 102a | Second installment from Form CT-400 . . . . .                                      | 102a. 06-16-08 | 7,881.  |
| 102b | Third installment from Form CT-400 . . . . .                                       | 102b. 09-15-08 | 11,265. |
| 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 . . . . . Period . . . . .                   | 104.           | 28,270. |
| 105  | Overpayment credited from Form CT-3M/4M . . . . . Period . . . . .                 | 105.           |         |
| 106  | Total prepayments (add lines 101 through 105; enter here and on line 85) . . . . . | 106.           | 50,208. |

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. 63,623,768.
- 111 If the Internal Revenue Service (IRS) has completed an audit of any of your returns within the last five years, list years . . . . . 111. 1996 through 2001

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

|      |                                                                                                                                          | A<br>New York State | B<br>Everywhere |
|------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|
| 112a | Revenue aircraft arrivals and departures . . . . .                                                                                       |                     |                 |
| 112b | Adjustment per Tax Law section 210.3(a)(7)(A) . . . . .                                                                                  | .60                 |                 |
| 112c | Adjusted NYS revenue aircraft arrivals and departures (multiply line 112a, column A, by line 112b) . . . . .                             |                     |                 |
| 113  | New York State percentage (divide line 112c by line 112a, column B) . . . . .                                                            |                     | %               |
| 114a | Revenue tons handled . . . . .                                                                                                           |                     |                 |
| 114b | Adjustment per Tax Law section 210.3(a)(7)(A) . . . . .                                                                                  | .60                 |                 |
| 114c | Adjusted NYS revenue tons handled (multiply line 114a, column A, by line 114b) . . . . .                                                 |                     |                 |
| 115  | New York State percentage (divide line 114c by line 114a, column B) . . . . .                                                            |                     | %               |
| 116a | Originating revenue . . . . .                                                                                                            |                     |                 |
| 116b | Adjustment per Tax Law section 210.3(a)(7)(A) . . . . .                                                                                  | .60                 |                 |
| 116c | Adjusted NYS originating revenue (multiply line 116a, column A, by line 116b) . . . . .                                                  |                     |                 |
| 117  | New York State percentage (divide line 116c by line 116a, column B) . . . . .                                                            |                     | %               |
| 118  | Total (add lines 113, 115, and 117) . . . . .                                                                                            |                     | %               |
| 119  | New York business allocation percentage (divide line 118 by three; use to compute lines 21, 38, and 66, and Form CT-38, line 6). . . . . |                     | %               |

(continued)

## Pennsylvania Electric Company

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

|                                                                                                                                                                             | A              | B          |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------|---|
|                                                                                                                                                                             | New York State | Everywhere |   |
| 120 Revenue miles . . . . .                                                                                                                                                 | • 120.         | •          |   |
| 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) . . . . . |                | • 121.     | % |

## 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 • **X**

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 •

Mark an X in the box if you are an air freight forwarder acting as principal or like indirect air carrier, or a qualified foreign air carrier (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 129 through 136 and enter on line 141 the receipts factor computed on line 136. The receipts factor is the business allocation percentage.

|                                                                                                    | A              | B          |   |
|----------------------------------------------------------------------------------------------------|----------------|------------|---|
|                                                                                                    | New York State | Everywhere |   |
| 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<br>(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. | 4,948,696. |                  |   |
| 130 All sales of tangible personal property . . . . .                                           | • 130. |            | • 1,535,264,827. |   |
| 131 Services performed . . . . .                                                                | • 131. |            | •                |   |
| 132 Rentals of property . . . . .                                                               | • 132. |            | • 8,618,070.     |   |
| 133 Royalties . . . . .                                                                         | • 133. |            | • 18,885.        |   |
| 134 Other business receipts . . . . .                                                           | • 134. |            | • 2,572.         |   |
| 135 Total (add lines 129 through 134) . . . . .                                                 | • 135. | 4,948,696. | • 1,543,904,354. |   |
| 136 New York State receipts factor (divide line 135, column A, by line 135, column B) . . . . . | • 136. |            | 0.3205           | % |
| 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 weighted factors (add lines 128, 136, 137, and 139) . . . . .         | • 140. |  |        | % |
| 141 New York State business allocation percentage (see instructions) . . . . .                 | • 141. |  | 0.3205 | % |

## Pennsylvania Electric Company

**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.

| Average value of property (see instructions)            |                                                                                                                                                                                           | A — New York State | B — Everywhere |                |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|
| 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.         | %              |
| <b>Receipts in the regular course of business from:</b> |                                                                                                                                                                                           |                    |                |                |
| 149                                                     | Sales of tangible personal property allocated to New York State . . . . .                                                                                                                 | 149.               | 4,948,696.     |                |
| 150                                                     | All sales of tangible personal property . . . . .                                                                                                                                         | 150.               |                | 1,535,264,827. |
| 151                                                     | Services performed . . . . .                                                                                                                                                              | 151.               |                | 8,618,070.     |
| 152                                                     | Rentals of property . . . . .                                                                                                                                                             | 152.               |                | 18,885.        |
| 153                                                     | Royalties . . . . .                                                                                                                                                                       | 153.               |                | 2,572.         |
| 154                                                     | Other business receipts . . . . .                                                                                                                                                         | 154.               |                |                |
| 155                                                     | Total (add lines 149 through 154) . . . . .                                                                                                                                               | • 155.             | 4,948,696. •   | 1,543,904,354. |
| 156                                                     | New York State receipts factor (divide line 155, column A, by line 155, column B) . . . . .                                                                                               |                    | • 156.         | 0.3205 %       |
| 157                                                     | New York State additional receipts factor (see instructions) . . . . .                                                                                                                    |                    | 157.           | %              |
| <b>Payroll</b>                                          |                                                                                                                                                                                           |                    |                |                |
| 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.         | 0.3205 %       |
| 162                                                     | Are you claiming small business taxpayer status for lower ENI tax rates? (see Small business taxpayer definition on page 16 of Form CT-3/4-I; mark an X in the appropriate box) . . . . . | 162.               | Yes • No •     | X              |
| 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 • No •     | X              |
| 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 • No •     | X              |

**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 Yes No ☒

designee 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.

Signature of authorized person

Authorized

person

E-mail address of authorized person

Official title VP & Controller

Date 12/8/09

Paid

preparer

use

only

Firm's name (or yours if self-employed)

ID number

Signature of individual preparing this return

Address

City

State

ZIP code

Date

E-mail address of individual preparing this return

See instructions for where to file.

2008

CT-3-ATT

Staple forms here

New York State Department of Taxation and Finance

# Schedules B, C, and D - Attachment to Form CT-3

General Business Corporation Franchise Tax Return

Name

Pennsylvania Electric Company

Employer identification number (EIN)

25-0718085

Attach to Form CT-3, General Business Corporation Franchise Tax Return.

Schedule B, Part I - Computation of investment capital and investment allocation percentage

Attach separate sheets if necessary, displaying this information formatted as below.

## Section 1 - Corporate and governmental debt instruments

Description of investment (identify each debt instrument and its date of maturity here; for each debt instrument complete cols C through G on the corresponding lines below)

| Item | A - Debt instrument |                                                                       |                                         |                       | B - Maturity date                                       |  |
|------|---------------------|-----------------------------------------------------------------------|-----------------------------------------|-----------------------|---------------------------------------------------------|--|
| A    |                     |                                                                       |                                         |                       |                                                         |  |
| B    |                     |                                                                       |                                         |                       |                                                         |  |
| Item | C                   | D                                                                     | E                                       | F                     | G                                                       |  |
|      | Average value       | Liabilities directly or Indirectly attributable to investment capital | Net average value (column C - column D) | Issuer's allocation % | Value allocated to New York State (column E x column F) |  |

A

B

Amounts from attached list

Totals of Section 1

1.

## Section 2 - Corporate stock, stock rights, stock warrants, and stock options

Description of investment (identify each investment and enter number of shares here; for each investment complete columns C through G on the corresponding lines below)

|      |                |                                                                       |                                         |                       |                                                         |
|------|----------------|-----------------------------------------------------------------------|-----------------------------------------|-----------------------|---------------------------------------------------------|
| Item | A - Investment |                                                                       |                                         | B - Number of shares  |                                                         |
| A    | See Stmt 1     |                                                                       |                                         |                       |                                                         |
| B    |                |                                                                       |                                         |                       |                                                         |
| Item | C              | D                                                                     | E                                       | F                     | G                                                       |
|      | Average value  | Liabilities directly or indirectly attributable to investment capital | Net average value (column C - column D) | Issuer's allocation % | Value allocated to New York State (column E x column F) |

A

B

Amounts from attached list

Totals of Section 2

2.

Totals of Sec 1 (from line 1)

3.

Totals (add lines 2 and 3 in columns C, D, E, and G)

4. • • • • •

5. Investment allocation percentage without the addition of cash (divide line 4, column G, by line 4, column E).

Use to compute Form CT-3, lines 20, 37, and 67; and Form CT-38, line 7. • 5. %

Cash (optional)

6. • • • • •

Investment capital (add lines 4 and 6 in cols C, D, and E). Enter col E total on Form CT-3, line 35

7. • • • • •

## Pennsylvania Electric Company

## Schedule B, Part 2 - Computation of investment income before allocation (see instructions)

|    |                                                                                                                     |       |            |
|----|---------------------------------------------------------------------------------------------------------------------|-------|------------|
| 8  | Interest income from investment capital in Part I, Section I . . . . .                                              | ● 8.  |            |
| 9  | Interest income from bank accounts (if line 5 is zero, enter 0 here) . . . . .                                      | ● 9.  | 6,917,005. |
| 10 | All other interest income from investment capital . . . . .                                                         | ● 10. |            |
| 11 | Dividend income from investment capital . . . . .                                                                   | ● 11. | 1,502,912. |
| 12 | Net capital gain or loss from investment capital . . . . .                                                          | ● 12. |            |
| 13 | Investment income other than interest, dividends, capital gains, or capital losses . . . . .                        | ● 13. |            |
| 14 | Total investment income (add lines 8 through 13) . . . . .                                                          | ● 14. | 8,419,917. |
| 15 | Interest deductions directly attributable to investment capital . . . . .                                           | ● 15. |            |
| 16 | Noninterest deductions directly attributable to investment capital . . . . .                                        | ● 16. |            |
| 17 | Interest deductions indirectly attributable to investment capital . . . . .                                         | ● 17. |            |
| 18 | Noninterest deductions indirectly attributable to investment capital . . . . .                                      | ● 18. |            |
| 19 | Total deductions (add lines 15 through 18) . . . . .                                                                | 19.   |            |
| 20 | Balance (subtract line 19 from line 14) . . . . .                                                                   | ● 20. | 8,419,917. |
| 21 | Apportioned New York net operating loss deduction (NOLD) . . . . .                                                  | ● 21. |            |
| 22 | Investment income before allocation (subtract line 21 from line 20; enter here and on Form CT-3, line 18) . . . . . | ● 22. | 8,419,917. |

## Schedule C, Part 1 - Income attributable to subsidiary capital

|    |                                                                                 |       |
|----|---------------------------------------------------------------------------------|-------|
| 23 | Interest from subsidiary capital (attach list) . . . . .                        | ● 23. |
| 24 | Dividends from subsidiary capital (attach list) . . . . .                       | ● 24. |
| 25 | Capital gains from subsidiary capital (see instructions; attach list) . . . . . | ● 25. |
| 26 | Total (add lines 23 through 25; enter here and on Form CT-3, line 10) . . . . . | ● 26. |

## Schedule C, Part 2 - Computation and allocation of subsidiary capital base and tax

Include all corporations, except a DISC, in which you own more than 50% of the voting stock. Attach separate sheets if necessary, displaying this information formatted as below.

A - Description of subsidiary capital (list the name of each corporation and the EIN here; for each corp complete columns B through G on the corresponding lines below)

| Item | Name                    | EIN           |                                                                       |                                         |                       |                                                         |  |
|------|-------------------------|---------------|-----------------------------------------------------------------------|-----------------------------------------|-----------------------|---------------------------------------------------------|--|
| A    | See Stmt 2              |               |                                                                       |                                         |                       |                                                         |  |
| B    |                         |               |                                                                       |                                         |                       |                                                         |  |
| C    |                         |               |                                                                       |                                         |                       |                                                         |  |
| A    | B                       | C             | D                                                                     | E                                       | F                     | G                                                       |  |
| Item | % of voting stock owned | Average value | Liabilities directly or indirectly attributable to subsidiary capital | Net average value (column C - column D) | Issuer's allocation % | Value allocated to New York State (column E x column F) |  |

A  
B  
C

Amounts from  
attached list. . . . .

27 Totals (add amounts in columns C and D)

● 27. 24,074,137. ●

28 Total net average value of subsidiary capital (add amounts in column E; enter here and on Form CT-3, line 33) . . . . . ● 28. 24,074,137.

|    |                                                                                                                                                   |       |         |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|
| 29 | Subsidiary capital base before deduction (add amounts in column G) . . . . .                                                                      | ● 29. | 15,000. |
| 30 | Value of subsidiary capital included in column G of subsidiaries taxable under Tax Law Article 32; Article 33; or Article 9, section 186. . . . . | ● 30. |         |
| 31 | Subsidiary capital base (subtract line 30 from line 29; enter here and on Form CT-3, line 76)                                                     | ● 31. | 15,000. |
| 32 | Subsidiary capital base tax (multiply line 31 by .0009; enter here, on Form CT-3, line 77, and on Form CT-38, line 25) . . . . .                  | ● 32. | 14.     |

25-0718085

**Pennsylvania Electric Company**

Qualified public utilities: use Schedule D, Part 1 to compute the adjustment for entire net income (ENI). Transferees: use lines 40, 41, and 43 only to compute the adjustment for ENI.

**Schedule D, Part 1 - Adjustments for qualified public utilities and transferees****Other additions**

- 33 Federal depreciation deduction for transition property (see instructions) . . . . . ● 33.
- 34 Federal loss on the sale of transition property (see instructions) . . . . . ● 34.
- 35 New York gain on the sale of transition property (see instructions) . . . . . ● 35.
- 36 Add lines 33, 34, and 35 (enter here and include on Form CT-3, line 8) . . . . . ● 36.

**Other subtractions**

- 37 New York depreciation deduction for transition property (see instructions) . . . . . ● 37.
- 38 New York loss on the sale of transition property (see instructions) . . . . . ● 38.
- 39 Federal gain on the sale of transition property (see instructions) . . . . . ● 39.
- 40 Transition property basis adjustment carryover to gain transactions. . . . . ● 40.
- 41 Transition property basis adjustment carryover to loss transactions. . . . . ● 41.
- 42 New York regulatory asset deduction . . . . . ● 42.
- 43 Add lines 37 through 42 (enter here and include on Form CT-3, line 15). . . . . ● 43.

Qualified power producers or qualified pipeline corporations: use Schedule D, Part 2 if you claim a depreciation deduction on transition property for federal income tax purposes.

**Schedule D, Part 2 - Adjustments for qualified power producers and qualified pipeline corporations****Other additions**

- 44 Federal depreciation deduction for transition property (see instructions; enter here and include on Form CT-3, line 8) . . . . . ● 44.

**Other subtractions**

- 45 New York depreciation deduction for transition property (see instructions; enter here and include on Form CT-3, line 15) . . . . . ● 45.

Staple forms here

New York State Department of Taxation and Finance

2008 CT-399

# Depreciation Adjustment Schedule

Tax Law - Articles 9-A, 32, and 33

|                                       |                                              |
|---------------------------------------|----------------------------------------------|
| Name<br>Pennsylvania Electric Company | Employer identification number<br>25-0718085 |
|---------------------------------------|----------------------------------------------|

## Part 1 - Computation of New York State depreciation modifications when computing entire net income (ENI)

List only depreciable property that requires or is entitled to a depreciation modification when computing ENI (see Form CT-399-I, Instructions for Form CT-399).

### Section A - ACRS/MACRS property (attach separate sheets if necessary, displaying this information formatted as below; see instructions)

A - Description of property (identify each item of property here; for each item of property complete cols B through I on the corresponding lines below)

| Item | See Stat 3 | Property |
|------|------------|----------|
| A    |            |          |
| B    |            |          |
| C    |            |          |
| D    |            |          |
| E    |            |          |
| F    |            |          |
| G    |            |          |
| H    |            |          |
| I    |            |          |
| J    |            |          |
| K    |            |          |
| L    |            |          |
| M    |            |          |
| N    |            |          |
| O    |            |          |
| P    |            |          |
| Q    |            |          |

| A<br>Item                             | B<br>Date placed<br>in service<br>(mm-dd-yy) | C<br>Cost or<br>other<br>basis | D<br>Accumulated federal<br>ACRS/MACRS<br>depreciation | E<br>Federal ACRS/MACRS<br>depreciation<br>deduction | F<br>Method of<br>figuring NYS<br>depreciation | G<br>Life<br>or<br>rate | H<br>Accumulated<br>NYS<br>depreciation | I<br>Allowable<br>NYS<br>depreciation |
|---------------------------------------|----------------------------------------------|--------------------------------|--------------------------------------------------------|------------------------------------------------------|------------------------------------------------|-------------------------|-----------------------------------------|---------------------------------------|
| A                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| B                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| C                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| D                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| E                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| F                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| G                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| H                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| I                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| J                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| K                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| L                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| M                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| N                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| O                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| P                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| Q                                     |                                              |                                |                                                        |                                                      |                                                |                         |                                         |                                       |
| Amounts from<br>attached list, if any |                                              | 613,011,358.                   | 560,043,200.                                           | 13,543,497.                                          |                                                |                         | 205,229,222.                            | 12,527,127.                           |
| 1 Totals of<br>Section A              | 1.                                           | 613,011,358.                   | 560,043,200.                                           | 13,543,497.                                          |                                                |                         | 205,229,222.                            | 12,527,127.                           |

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Pennsylvania Electric Company  
Schedule CT-399 Part I Section A

Tax Year 2008

| A          |                              | B       | C                   | D          | E                           | G                    | H                                 | I                      |              |
|------------|------------------------------|---------|---------------------|------------|-----------------------------|----------------------|-----------------------------------|------------------------|--------------|
| Tax Book   | Tax Class                    | Vintage | Federal Tax Rate    | Tax Basis  | Accum. Federal Depreciation | Federal Depreciation | Straight Line Based on Book Rates | Accum NYB Depreciation | Depreciation |
| Federal    | BUILDINGS                    | 1981    | ACRS 15 REAL        | 951,427    | 951,427                     | 0                    | P - BUILDINGS - ACRS              | 521,923                | 28,409       |
| Federal    | Buildings 5 yr life          | 1981    | ACRS 6              | 14,527     | 14,527                      | 0                    | P - BUILDINGS - ACRS              | 8,279                  | 433          |
| Federal    | DATA HANDLING EQUIPMENT      | 1981    | ACRS 6              | 3,199      | 3,199                       | 0                    | P - DATA HANDLING-OFF MA ACRS MOD | 3,199                  | 0            |
| Federal    | Distribution                 | 1981    | ACRS 15             | 23,628,587 | 23,628,587                  | 0                    | P - DISTRIBUTION                  | 12,707,371             | 602,790      |
| Federal    | Distribution - 5yr life      | 1981    | ACRS 5              | 93,384     | 93,384                      | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 62,957                 | 1,991        |
| Federal    | DISTRIBUTION EASEMENTS       | 1981    | SL 46               | 294,152    | 169,482                     | 6,395                | SL 46                             | 169,482                | 6,395        |
| Federal    | INITIAL CLEARING DIST LINES  | 1981    | ACRS 5              | 182,458    | 182,458                     | 0                    | BOOK 45 YR                        | 105,123                | 3,957        |
| Federal    | INITIAL CLEARING TRANS LINES | 1981    | ACRS 6              | 192,459    | 192,459                     | 0                    | BOOK 84 YR                        | 60,728                 | 2,292        |
| Federal    | LAND IMPROVEMENTS            | 1981    | ACRS 15 REAL        | 135,644    | 135,644                     | 0                    | P - LAND IMPROVEMENTS             | 78,594                 | 5,363        |
| Federal    | LAND BV                      | 1981    | Zero                | 125,802    | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal    | Meters                       | 1981    | ACRS 15             | 610,893    | 610,893                     | 0                    | P - DISTRIBUTION                  | (197,691)              | 10,637       |
| Federal    | Mobile Maint Tools           | 1981    | DOB/SYD REG 10 YR   | 31,164     | 31,164                      | 0                    | BOOK 10 YR                        | 31,164                 | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1981    | ACRS 6              | 2,129      | 2,129                       | 0                    | SL 0317                           | 1,162                  | 65           |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1981    | ACRS 5              | 338        | 338                         | 0                    | P - OFFICE FURNITURE ACRS MOD     | 338                    | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1981    | ACRS 6              | 1,275      | 1,275                       | 0                    | P - OFFICE FURNITURE ACRS MOD     | 1,275                  | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1981    | ACRS 6              | 35,921     | 35,921                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 35,921                 | 0            |
| Federal    | Three Mile Island #2         | 1981    | ACRS 10             | 287,318    | 287,318                     | 0                    | P - TM-2 MSC PW PL EOP ACCT 325   | 234,504                | 8,849        |
| Federal    | Three Mile Island #2         | 1981    | ACRS 10             | 562,146    | 562,146                     | 0                    | P - TM-2 RECOVERY MODIFICATIONS   | 433,499                | 16,558       |
| Federal    | Three Mile Island #2         | 1981    | ACRS 10             | 209,654    | 209,654                     | 0                    | P - TM-2 STRUCTS & IMP ACCT 321   | 161,597                | 6,098        |
| Federal    | Trans R/W & Easements        | 1981    | SL 84               | 238,634    | 75,267                      | 2,639                | SL 84                             | 75,267                 | 2,639        |
| Federal    | Transformers                 | 1981    | ACRS 15             | 2,833,724  | 2,833,724                   | 0                    | P - DISTRIBUTION                  | 1,341,794              | 60,349       |
| Federal    | Transmission                 | 1981    | ACRS 15             | 6,781,954  | 6,781,954                   | 0                    | P - TRANSMISSION                  | 3,470,120              | 50,431       |
| 1981 Total |                              |         |                     | 37,127,609 | 36,713,840                  | 9,233                |                                   | 19,297,707             | 747,266      |
| Federal    | BUILDINGS                    | 1982    | ACRS 15 REAL        | 141,947    | 141,947                     | 0                    | P - BUILDINGS - ACRS              | (125,765)              | 2,836        |
| Federal    | Buildings 5 yr life          | 1982    | ACRS 6              | 377,755    | 377,755                     | 0                    | P - BUILDINGS - ACRS              | 27,319                 | 11,262       |
| Federal    | Distribution                 | 1982    | ACRS 15             | 19,623,426 | 19,623,426                  | 0                    | P - DISTRIBUTION                  | 9,230,762              | 417,294      |
| Federal    | Distribution - 5yr life      | 1982    | ACRS 5              | 147,287    | 147,287                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 76,087                 | 3,139        |
| Federal    | DISTRIBUTION EASEMENTS       | 1982    | SL 46               | 242,701    | 134,539                     | 5,278                | SL 46                             | 134,539                | 5,278        |
| Federal    | HEAVY TRUCKS                 | 1982    | ACRS 6              | 11,043     | 11,043                      | 0                    | P - HEAVY TRUCKS (TAX)            | 11,043                 | 0            |
| Federal    | INITIAL CLEARING DIST LINES  | 1982    | ACRS 5              | 198,017    | 198,017                     | 0                    | BOOK 46 YR                        | 109,778                | 4,305        |
| Federal    | INITIAL CLEARING TRANS LINES | 1982    | ACRS 5              | 8,903      | 8,903                       | 0                    | BOOK 84 YR                        | 2,703                  | 106          |
| Federal    | LAND IMPROVEMENTS            | 1982    | ACRS 15 REAL        | 184,518    | 184,518                     | 0                    | P - LAND IMPROVEMENTS             | 105,324                | 7,269        |
| Federal    | Meters                       | 1982    | ACRS 15             | 178,828    | 178,828                     | 0                    | P - DISTRIBUTION                  | (741,235)              | 3,746        |
| Federal    | Mobile Maint Tools           | 1982    | DOB/SYD REG 10 YR   | 3,769      | 3,769                       | 0                    | BOOK 10 YR                        | 3,769                  | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1982    | ACRS 5              | 6,997      | 6,997                       | 0                    | SL 0317                           | 4,376                  | 209          |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1982    | ACRS 5              | 598,076    | 598,076                     | 0                    | P - OFFICE FURNITURE              | 598,076                | 0            |
| Federal    | Three Mile Island #2         | 1982    | ACRS 10             | 246        | 246                         | 0                    | P - TM-2 ACCESS EL EOP ACCT 324   | 181                    | 7            |
| Federal    | Three Mile Island #2         | 1982    | ACRS 10             | 134,225    | 134,225                     | 0                    | P - TM-2 RCTOR PLT EOP ACCT 322   | 110,211                | 4,322        |
| Federal    | Three Mile Island #2         | 1982    | ACRS 10             | 72,908     | 72,908                      | 0                    | P - TM-2 MSC PW PL EOP ACCT 325   | 57,268                 | 2,246        |
| Federal    | Three Mile Island #2         | 1982    | ACRS 10             | 671,225    | 671,225                     | 0                    | P - TM-2 STRUCTS & IMP ACCT 321   | 423,882                | 16,823       |
| Federal    | Trans R/W & Easements        | 1982    | SL 84               | 31,316     | 9,509                       | 373                  | SL 84                             | 9,509                  | 373          |
| Federal    | Transformers                 | 1982    | ACRS 15             | 3,341,500  | 3,341,500                   | 0                    | P - DISTRIBUTION                  | 1,413,348              | 71,291       |
| Federal    | Transmission                 | 1982    | ACRS 15             | 9,091,379  | 9,091,379                   | 0                    | P - TRANSMISSION                  | 1,510,290              | 41,220       |
| 1982 Total |                              |         |                     | 28,965,865 | 28,835,894                  | 5,849                |                                   | 12,560,418             | 591,265      |
| Federal    | BUILDINGS                    | 1983    | ACRS 15 REAL        | 641,266    | 641,266                     | 0                    | P - BUILDINGS - ACRS              | 299,010                | 19,091       |
| Federal    | Buildings 5 yr life          | 1983    | ACRS 6              | 783,328    | 783,328                     | 0                    | P - BUILDINGS - ACRS              | 401,811                | 23,353       |
| Federal    | Customer Advance Dist        | 1983    | ACRS 15             | 9,749      | 9,749                       | 0                    | P - DIST - CUSTOMER ADVANCE 1992  | 6,065                  | 208          |
| Federal    | Customer Advance Dist        | 1983    | ACRS 15             | 67,762     | 67,762                      | 0                    | P - DIST - CUSTOMER ADVANCE 1981  | 42,072                 | 1,445        |
| Federal    | Customer Advance Trans&Dist  | 1983    | ADR DOB/SYD 19.5 YR | 37,445     | 37,445                      | 0                    | BOOK 25.5 YR                      | 35,959                 | 1,468        |
| Federal    | Customer Advance Trans&Dist  | 1983    | ADR SYD 17.5 YR     | 8,289      | 8,289                       | 0                    | BOOK 23.6 YR                      | 8,289                  | 0            |
| Federal    | Customer Advance Trans&Dist  | 1983    | ADR DOB/SYD 20.5 YR | 63,525     | 63,525                      | 0                    | BOOK 26.5 YR                      | 58,725                 | 2,397        |
| Federal    | Customer Advance Trans&Dist  | 1983    | ADR DOB/SYD 21.5 YR | 190,345    | 190,345                     | 0                    | BOOK 27.5 YR                      | 169,899                | 6,923        |
| Federal    | DATA HANDLING EQUIPMENT      | 1983    | ACRS 6              | 31,632     | 31,632                      | 0                    | P - DATA HANDLING-OFF MA ACRS MOD | 31,632                 | 0            |
| Federal    | Distribution                 | 1983    | ACRS 15             | 18,625,272 | 18,625,272                  | 0                    | P - DISTRIBUTION                  | 8,139,937              | 395,184      |
| Federal    | Distribution - 5yr life      | 1983    | ACRS 5              | 158,084    | 158,084                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 76,127                 | 3,369        |
| Federal    | DISTRIBUTION EASEMENTS       | 1983    | SL 46               | 271,207    | 144,450                     | 6,896                | SL 46                             | 144,450                | 5,896        |
| Federal    | General R/W                  | 1983    | SL 8                | 80         | 80                          | 0                    | SL 8                              | 80                     | 0            |
| Federal    | INITIAL CLEARING DIST LINES  | 1983    | ACRS 5              | 359,301    | 359,301                     | 0                    | BOOK 46 YR                        | 196,693                | 8,029        |
| Federal    | INITIAL CLEARING TRANS LINES | 1983    | ACRS 5              | 6,293      | 6,293                       | 0                    | BOOK 84 YR                        | 2,422                  | 99           |
| Federal    | LAND IMPROVEMENTS            | 1983    | ACRS 15 REAL        | 38,938     | 38,938                      | 0                    | P - LAND IMPROVEMENTS             | (7,577)                | 1,455        |
| Federal    | LAND BV                      | 1983    | Zero                | 58,405     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal    | Meters                       | 1983    | ACRS 15             | 686,157    | 686,157                     | 0                    | P - DISTRIBUTION                  | (399,471)              | 18,854       |
| Federal    | Mobile Maint Tools           | 1983    | DOB/SYD REG 10 YR   | 103,810    | 103,810                     | 0                    | BOOK 10 YR                        | 103,810                | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1983    | ACRS 5              | 4,061      | 4,061                       | 0                    | SL 0317                           | 2,257                  | 120          |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1983    | ACRS 5              | 2,110      | 2,110                       | 0                    | P - OFFICE FURNITURE ACRS MOD     | 2,110                  | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1983    | ACRS 6              | 24,499     | 24,499                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 24,499                 | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1983    | ACRS 5              | 24,499     | 24,499                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 24,499                 | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1983    | ACRS 5              | 196,470    | 196,470                     | 0                    | P - OFFICE FURNITURE              | 196,470                | 0            |
| Federal    | Three Mile Island #2         | 1983    | ACRS 10             | 30,234     | 30,234                      | 0                    | P - TM-2 MSC PW PL EOP ACCT 325   | 22,393                 | 933          |
| Federal    | Three Mile Island #2         | 1983    | ACRS 10             | 2,716      | 2,716                       | 0                    | P - TM-2 STRUCTS & IMP ACCT 321   | 1,856                  | 79           |
| Federal    | Trans R/W & Easements        | 1983    | SL 84               | 2,205      | 640                         | 25                   | SL 84                             | 640                    | 26           |
| Federal    | Transformers                 | 1983    | ACRS 15             | 3,472,080  | 3,472,080                   | 0                    | P - DISTRIBUTION                  | 1,421,590              | 74,011       |
| Federal    | Transmission                 | 1983    | ACRS 15             | 4,321,676  | 4,321,676                   | 0                    | P - TRANSMISSION                  | 1,885,685              | 57,590       |
| 1983 Total |                              |         |                     | 30,431,768 | 30,245,071                  | 5,922                |                                   | 12,691,162             | 621,489      |
| Federal    | BUILDINGS                    | 1984    | ACRS 10 JUN         | 155,878    | 155,878                     | 0                    | P - BUILDINGS - ACRS              | 12,954                 | 4,203        |
| Federal    | Buildings 5 yr life          | 1984    | ACRS 6              | 271,470    | 271,470                     | 0                    | P - BUILDINGS - ACRS              | 134,923                | 8,093        |
| Federal    | Customer Advance Dist        | 1984    | ACRS 15             | 35,990     | 35,990                      | 0                    | P - DIST - CUSTOMER ADVANCE 1983  | 21,928                 | 789          |
| Federal    | Customer Advance Dist        | 1984    | ACRS 15             | 63,723     | 63,723                      | 0                    | P - DIST - CUSTOMER ADVANCE 1981  | 37,775                 | 1,359        |
| Federal    | Customer Advance Dist        | 1984    | ACRS 15             | 28,257     | 28,257                      | 0                    | P - DIST - CUSTOMER ADVANCE 1992  | 18,751                 | 603          |
| Federal    | Customer Advance Trans&Dist  | 1984    | ADR SYD 18.5 YR     | 839        | 839                         | 0                    | BOOK 22.6 YR                      | 839                    | 0            |
| Federal    | Customer Advance Trans&Dist  | 1984    | ADR DOB/SYD 20.5 YR | 25,265     | 25,265                      | 0                    | BOOK 26.6 YR                      | 22,399                 | 653          |
| Federal    | Customer Advance Trans&Dist  | 1984    | ADR DOB/SYD 19.5 YR | 20,905     | 20,905                      | 0                    | BOOK 25.6 YR                      | 19,256                 | 620          |
| Federal    | Customer Advance Trans&Dist  | 1984    | ADR DOB/SYD 18.5 YR | 6,718      | 6,718                       | 0                    | BOOK 24.5 YR                      | 6,440                  | 274          |
| Federal    | Distribution                 | 1984    | ACRS 15             | 19,440,430 | 19,440,430                  | 0                    | P - DISTRIBUTION                  | 8,303,417              | 419,042      |
| Federal    | Distribution - 5yr life      | 1984    | ACRS 5              | 245,173    | 245,173                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 159,075                | 5,224        |
| Federal    | DISTRIBUTION EASEMENTS       | 1984    | SL 46               | 312,713    | 159,754                     | 6,798                | SL 46                             | 159,754                | 6,798        |
| Federal    | INITIAL CLEARING DIST LINES  | 1984    | ACRS 5              | 185,685    | 185,685                     | 0                    | BOOK 45 YR                        | 94,955                 | 4,041        |
| Federal    | INITIAL CLEARING TRANS LINES | 1984    | ACRS 5              | 7,244      | 7,244                       | 0                    | BOOK 84 YR                        | 2,024                  | 86           |
| Federal    | LAND IMPROVEMENTS            | 1984    | ACRS 10 JUN         | 7,426      | 7,426                       | 0                    | P - LAND IMPROVEMENTS             | (28,023)               | 293          |
| Federal    | LAND BV                      | 1984    | Zero                | 41,165     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal    | Meters                       | 1984    | ACRS 15             | 777,419    | 777,419                     | 0                    | P - DISTRIBUTION                  | (674,303)              | 16,466       |
| Federal    | Mobile Maint Tools           | 1984    | DOB/SYD REG 10 YR   | 111,144    | 111,144                     | 0                    | BOOK 10 YR                        | 111,144                | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT | 1984    | ACRS 6              | 7,870      | 7,870                       | 0                    | SL 0317                           | 5,145                  | 0            |
| Federal    | Three Mile Island #2         | 1984    | ACRS 10             | 11,194     | 11,194                      | 0                    | P - TM-2 STRUCTS & IMP ACCT 321   | 7,658                  | 326          |
| Federal    | Three Mile Island #2         | 1984    | ACRS 10             | 71,877     | 71,877                      | 0                    | P - TM-2 MSC PW PL EOP ACCT 325   | 51,884                 | 2,208        |
| Federal    | Three Mile Island #2         | 1984    | ACRS 10             | 4,648      | 4,648                       | 0                    | P - TM-2 RCTOR PLT EOP ACCT 322   | 3,667                  | 156          |
| Federal    | Trans R/W & Easements        | 1984    | SL 84               | 3,630      | 1,076                       | 46                   | SL 84                             | 1,076                  | 48           |
| Federal    | Transformers                 | 1984    | ACRS 15             | 4,563,414  | 4,563,414                   | 0                    | P - DISTRIBUTION                  | 1,879,084              | 97,271       |
| Federal    | Transmission                 | 1984    | ACRS 15             | 2,160,658  | 2,160,658                   | 0                    | P - TRANSMISSION                  | 948,551                | 28,409       |
| 1984 Total |                              |         |                     | 28,562,082 | 28,355,185                  | 6,844                |                                   | 11,405,838             | 591,879      |

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|         | Tax Book                        | Tax Class  | Vintage             | Federal Tax Rate | Tax Basis  | Accum. Federal Depreciation | Federal Depreciation | Straight Line Based on Book Rates | Accum NYS Depreciation | Depreciation |
| Federal | BUILDINGS                       | 1985       | ACRS 19 JUL         |                  | 2,187      | 2,167                       | 0                    | P - BUILDINGS - ACRS              | (12,876)               | 0            |
| Federal | Cust Advance Dist               | 1985       | ACRS 15             |                  | 48,576     | 48,576                      |                      | P - DIST - CUSTOMER ADVANCE 1981  | 27,506                 | 1,038        |
| Federal | Cust Advance Dist               | 1985       | ACRS 15             |                  | 48,973     | 48,973                      |                      | P - DIST - CUSTOMER ADVANCE 1983  | 27,728                 | 1,044        |
| Federal | Cust Advance Dist               | 1985       | ACRS 15             |                  | 12,475     | 12,475                      |                      | P - DIST - CUSTOMER ADVANCE 1984  | 7,055                  | 266          |
| Federal | Cust Advance Dist               | 1985       | ACRS 15             |                  | 9,339      | 9,339                       |                      | P - DIST - CUSTOMER ADVANCE 1982  | 5,268                  | 199          |
| Federal | Cust Advance Trans&Dist         | 1985       | ADR DOB/SYD 18.5 YR |                  | 43,100     | 43,100                      |                      | BOOK 24.5 YR                      | 39,024                 | 1,650        |
| Federal | Cust Advance Trans&Dist         | 1985       | ADR DOB/SYD 18.5 YR |                  | 12,201     | 12,201                      |                      | BOOK 24.5 YR                      | 11,204                 | 493          |
| Federal | Cust Advance Trans&Dist         | 1985       | ADR DOB/SYD 17.5 YR |                  | 8,117      | 8,117                       |                      | BOOK 23.5 YR                      | 7,768                  | 345          |
| Federal | Cust Advance Trans&Dist         | 1985       | ADR SYD 15.5 YR     |                  | 400        | 400                         |                      | BOOK 21.5 YR                      | 400                    | 0            |
| Federal | Distribution                    | 1985       | ACRS 15             |                  | 19,976,548 | 19,976,548                  |                      | P - DISTRIBUTION                  | 8,452,261              | 424,425      |
| Federal | Distribution - 5yr life         | 1985       | ACRS 5              |                  | 276,089    | 276,089                     |                      | P - DISTRIBUTION ACRS MODIFIED    | 195,978                | 5,884        |
| Federal | DISTRIBUTION EASEMENTS          | 1985       | SL 45               |                  | 299,110    | 146,300                     | 6,503                | SL 45                             | 149,300                | 6,503        |
| Federal | INITIAL CLEARING DIST LINES     | 1985       | ACRS 5              |                  | 308,002    | 308,002                     |                      | BOOK 48 YR                        | 150,660                | 6,696        |
| Federal | INITIAL CLEARING TRANS LINES    | 1985       | ACRS 5              |                  | 59,433     | 59,433                      |                      | BOOK 84 YR                        | 15,928                 | 708          |
| Federal | LAND IMPROVEMENTS               | 1985       | ACRS 19 JUL         |                  | 145,234    | 145,234                     |                      | P - LAND IMPROVEMENTS             | 88,910                 | 5,761        |
| Federal | LAND BV                         | 1985       | Zero                |                  | 72,126     | 0                           | 0                    | Zero                              | (22,975)               | 0            |
| Federal | Meters                          | 1985       | ACRS 15             |                  | 424,845    | 424,845                     |                      | P - DISTRIBUTION                  | (958,911)              | 8,920        |
| Federal | Mobile Maint Tools              | 1985       | DOB/SYD REG 10 YR   |                  | 14,514     | 14,514                      |                      | BOOK 10 YR                        | 14,514                 | 0            |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1985       | ACRS 5              |                  | 10,826     | 10,826                      |                      | SL .0317                          | 8,971                  | 331          |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1985       | ACRS 5              |                  | 114,076    | 114,076                     |                      | P - OFFICE FURNITURE ACRS MOD     | 114,076                | 0            |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1985       | ACRS 5              |                  | 35,134     | 35,134                      |                      | P - OFFICE FURNITURE              | 8,704                  | 1,407        |
| Federal | PINEY RETAINED                  | 1985       | ACRS 15             |                  | 33,670     | 33,670                      |                      | P - PINEY STATION                 | 15,874                 | 815          |
| Federal | REAL PROPERTY                   | 1985       | ACRS 18 JUN         |                  | 377,828    | 377,828                     |                      | SL .025                           | 185,849                | 9,448        |
| Federal | Three Mile Island #2            | 1985       | ACRS 10             |                  | 165,627    | 165,627                     |                      | P - TM-2 STRCTRS & IMP ACCT 321   | 108,446                | 4,820        |
| Federal | Three Mile Island #2            | 1985       | ACRS 10             |                  | 168,941    | 168,941                     |                      | P - TM-2 MSC PW PL EQP ACCT 325   | 117,073                | 5,203        |
| Federal | Trans RAW & Easements           | 1985       | SL 84               |                  | 41,604     | 11,201                      | 497                  | SL 84                             | 11,201                 | 497          |
| Federal | Transformers                    | 1985       | ACRS 15             |                  | 6,701,703  | 6,701,703                   |                      | P - DISTRIBUTION                  | 2,444,772              | 142,851      |
| Federal | Transmission                    | 1985       | ACRS 15             |                  | 3,571,119  | 3,571,119                   |                      | P - TRANSMISSION                  | 1,445,765              | 47,617       |
|         |                                 | 1985 Total |                     |                  | 32,982,992 | 32,727,443                  | 7,000                |                                   | 12,656,304             | 676,982      |
| Federal | Cust Advance Dist               | 1986       | ACRS 15             |                  | 3,974      | 3,974                       |                      | P - DIST - CUSTOMER ADVANCE 1982  | 2,142                  | 85           |
| Federal | Cust Advance Dist               | 1986       | ACRS 15             |                  | 31,823     | 31,823                      |                      | P - DIST - CUSTOMER ADVANCE 1985  | 17,752                 | 878          |
| Federal | Cust Advance Dist               | 1986       | ACRS 15             |                  | 44,077     | 44,077                      |                      | P - DIST - CUSTOMER ADVANCE 1983  | 23,758                 | 940          |
| Federal | Cust Advance Dist               | 1986       | ACRS 15             |                  | 16,638     | 16,638                      |                      | P - DIST - CUSTOMER ADVANCE 1984  | 8,968                  | 355          |
| Federal | Cust Advance Dist               | 1986       | ACRS 15             |                  | 66,196     | 66,196                      |                      | P - DIST - CUSTOMER ADVANCE 1981  | 35,580                 | 1,412        |
| Federal | Cust Advance Trans&Dist         | 1986       | ADR DOB/SYD 17.5 YR |                  | 5,606      | 5,606                       |                      | BOOK 23.5 YR                      | 5,312                  | 247          |
| Federal | Cust Advance Trans&Dist         | 1986       | ADR DOB/SYD 18.5 YR |                  | 30,174     | 30,174                      |                      | BOOK 24.5 YR                      | 26,461                 | 1,231        |
| Federal | Cust Advance Trans&Dist         | 1986       | ADR SYD 14.5 YR     |                  | 1,674      | 1,674                       |                      | BOOK 20.5 YR                      | 1,674                  | 0            |
| Federal | Distribution                    | 1986       | ACRS 15             |                  | 30,458,455 | 30,458,455                  |                      | P - DISTRIBUTION                  | 12,654,542             | 647,980      |
| Federal | Distribution - 5yr life         | 1986       | ACRS 5              |                  | 1,297,289  | 1,297,289                   |                      | P - DISTRIBUTION ACRS MODIFIED    | 963,722                | 27,643       |
| Federal | DISTRIBUTION EASEMENTS          | 1986       | SL 45               |                  | 295,705    | 138,207                     | 6,429                | SL 45                             | 138,207                | 6,429        |
| Federal | Hybrid-Dist-Capital Pensions    | 1986       | SL 45               |                  | 0          | 0                           |                      | BOOK 23.5 YR                      | 382,872                | 17,809       |
| Federal | INITIAL CLEARING DIST LINES     | 1986       | ACRS 5              |                  | 335,747    | 335,747                     |                      | BOOK 48 YR                        | 158,930                | 7,299        |
| Federal | INITIAL CLEARING TRANS LINES    | 1986       | ACRS 5              |                  | 7,458      | 7,458                       |                      | BOOK 84 YR                        | 1,911                  | 69           |
| Federal | LAND BV                         | 1986       | Zero                |                  | 32,751     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal | Meters                          | 1986       | ACRS 15             |                  | 1,284,449  | 1,284,449                   |                      | P - DISTRIBUTION                  | (195,177)              | 26,873       |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1986       | ACRS 5              |                  | 11,982     | 11,982                      |                      | SL .0317                          | 8,583                  | 307          |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1986       | ACRS 5              |                  | 380,879    | 380,879                     |                      | P - OFFICE FURNITURE              | 380,879                | 0            |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1986       | ACRS 5              |                  | 210,873    | 210,873                     |                      | P - OFFICE FURNITURE ACRS MOD     | 210,873                | 0            |
| Federal | Three Mile Island #2            | 1986       | ACRS 10             |                  | 43,097     | 43,097                      |                      | P - TM-2 MSC PW PL EQP ACCT 325   | 28,636                 | 1,327        |
| Federal | Three Mile Island #2            | 1986       | ACRS 10             |                  | 146,654    | 146,654                     |                      | P - TM-2 STRCTRS & IMP ACCT 321   | 91,758                 | 4,266        |
| Federal | Trans RAW & Easements           | 1986       | SL 84               |                  | 26,628     | 8,816                       | 317                  | SL 84                             | 8,816                  | 317          |
| Federal | Transformers                    | 1986       | ACRS 15             |                  | 7,567,615  | 7,567,615                   |                      | P - DISTRIBUTION                  | 2,657,055              | 161,345      |
| Federal | Transmission                    | 1986       | ACRS 15             |                  | 4,775,262  | 4,775,262                   |                      | P - TRANSMISSION                  | 1,664,039              | 63,673       |
|         |                                 | 1986 Total |                     |                  | 47,075,406 | 46,865,345                  | 8,748                |                                   | 19,673,111             | 870,369      |
| Federal | BUILDINGS                       | 1987       | ACRS 19 JUL         |                  | 8,973,523  | 8,973,523                   |                      | P - BUILDINGS - ACRS              | 3,567,346              | 267,363      |
| Federal | BUILDINGS                       | 1987       | MACRS 31.5 YR       |                  | 230,649    | 150,112                     | 7,323                | P - BUILDINGS - SL ACRS MOD       | (70,620)               | 6,876        |
| Federal | BUILDINGS                       | 1987       | MACRS 15            |                  | 4,923      | 4,923                       |                      | P - BUILDINGS - SL ACRS MOD       | (54,250)               | 147          |
| Federal | Buildings 7 yr life             | 1987       | MACRS 7             |                  | 83,326     | 83,326                      |                      | P - BUILDINGS - SL ACRS MOD       | 38,450                 | 2,484        |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 1,095      | 1,095                       |                      | P - DIST - CUSTOMER ADVANCE 1986  | 651                    | 23           |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 14,711     | 14,711                      |                      | P - DIST - CUSTOMER ADVANCE 1984  | 7,529                  | 314          |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 15,601     | 15,601                      |                      | P - DIST - CUSTOMER ADVANCE 1985  | 7,884                  | 333          |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 13,219     | 13,219                      |                      | P - DIST - CUSTOMER ADVANCE 1982  | 6,766                  | 262          |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 5,838      | 5,838                       |                      | P - DIST - CUSTOMER ADVANCE 1981  | 2,987                  | 124          |
| Federal | Cust Advance Dist               | 1987       | ACRS 15             |                  | 9,683      | 9,683                       |                      | P - DIST - CUSTOMER ADVANCE 1983  | 4,954                  | 206          |
| Federal | Cust Advance Trans&Dist         | 1987       | ADR DOB/SYD 17.5 YR |                  | 16,653     | 16,653                      |                      | BOOK 23.5 YR                      | 14,529                 | 709          |
| Federal | Cust Advance Trans&Dist         | 1987       | ADR DOB/SYD 16.5 YR |                  | 10,605     | 10,605                      |                      | BOOK 22.5 YR                      | 9,843                  | 480          |
| Federal | Cust Advance Trans&Dist         | 1987       | ADR DOB/SYD 15.5 YR |                  | 1,230      | 1,230                       |                      | BOOK 21.5 YR                      | 1,172                  | 57           |
| Federal | Distribution                    | 1987       | MACRS 20            |                  | 25,121,274 | 25,121,274                  |                      | P - DISTRIBUTION ACRS MODIFIED    | 10,026,219             | 534,213      |
| Federal | Distribution                    | 1987       | ACRS 15             |                  | 3,151,707  | 3,151,707                   |                      | P - DISTRIBUTION                  | 1,257,378              | 67,022       |
| Federal | Distribution - 7yr life         | 1987       | MACRS 7             |                  | 692,633    | 692,633                     |                      | P - DISTRIBUTION ACRS MODIFIED    | 511,063                | 19,023       |
| Federal | DISTRIBUTION EASEMENTS          | 1987       | SL 45               |                  | 374,001    | 168,671                     | 8,131                | SL 45                             | 168,671                | 8,131        |
| Federal | Hybrid-Dist-CIAC                | 1987       | MACRS 20            |                  | 545,584    | 545,584                     |                      | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC  | 1987       | MACRS 20            |                  | 1,450,776  | 1,450,776                   |                      | P - DISTRIBUTION-CAPITALIZED INT  | 442,690                | 18,502       |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1987       | MACRS 20            |                  | 128,789    | 128,789                     |                      | P - TRANSMISSION-CAPITALIZED INT  | 8,751                  | 314          |
| Federal | INITIAL CLEARING DIST LINES     | 1987       | MACRS 7             |                  | 621,748    | 621,748                     |                      | BOOK 48 YR                        | 277,083                | 13,517       |
| Federal | INITIAL CLEARING TRANS LINES    | 1987       | MACRS 7             |                  | 60,809     | 60,809                      |                      | BOOK 84 YR                        | 14,845                 | 724          |
| Federal | LAND IMPROVEMENTS               | 1987       | MACRS 15            |                  | 46,871     | 46,871                      |                      | P - LAND IMPROVEMENTS ACRS MOD    | 24,725                 | 1,848        |
| Federal | LAND IMPROVEMENTS               | 1987       | ACRS 19 JUL         |                  | (4,454)    | (4,454)                     |                      | P - LAND IMPROVEMENTS             | (4,454)                | 0            |
| Federal | LAND Non Utility                | 1987       | Zero                |                  | 9,033      | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal | LAND BV                         | 1987       | Zero                |                  | 84,241     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal | Meters                          | 1987       | MACRS 20            |                  | 1,870,655  | 1,870,655                   |                      | P - DISTRIBUTION ACRS MODIFIED    | (114,659)              | 38,743       |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1987       | MACRS 5 gross/DB 2  |                  | 3,444      | 3,444                       |                      | SL .0317                          | 1,424                  | 104          |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1987       | MACRS 7             |                  | 175,842    | 175,842                     |                      | P - OFFICE FURNITURE ACRS MOD     | 175,842                | 0            |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1987       | MACRS 7             |                  | 21,901     | 21,901                      |                      | P - OFFICE FURNITURE ACRS MOD     | (24,071)               | 653          |
| Federal | OFFICE FURNITURE & EQUIPMENT    | 1987       | ACRS 5              |                  | 48         | 48                          |                      | P - OFFICE FURNITURE              | (48)                   | 2            |
| Federal | Three Mile Island #2            | 1987       | ACRS 10             |                  | 553,913    | 553,913                     |                      | P - TM-2 MSC PW PL EQP ACCT 325   | 349,744                | 17,061       |
| Federal | Three Mile Island #2            | 1987       | MACRS 15            |                  | 39,170     | 39,170                      |                      | P - TM-2 REG MOD ACRS MODIFIED    | 23,368                 | 1,140        |
| Federal | Three Mile Island #2            | 1987       | MACRS 15            |                  | 670,958    | 670,958                     |                      | P - TM-2 M INVENTORY              | 426,416                | 20,801       |
| Federal | Trans RAW & Easements           | 1987       | SL 84               |                  | 32,363     | 7,896                       | 385                  | SL 84                             | 7,896                  | 385          |
| Federal | Transformers                    | 1987       | MACRS 20            |                  | 5,630,591  | 5,630,591                   |                      | P - DISTRIBUTION ACRS MODIFIED    | 1,987,139              | 124,301      |
| Federal | Transmission                    | 1987       | MACRS 20            |                  | 3,239,207  | 3,239,207                   |                      | P - TRANSMISSION ACRS MODIFIED    | 1,073,513              | 43,192       |
| Federal | Transmission                    | 1987       | ACRS 15             |                  | 497,190    | 497,190                     |                      | P - TRANSMISSION                  | 152,768                | 6,630        |
|         |                                 | 1987 Total |                     |                  | 54,659,926 | 54,394,268                  | 15,839               |                                   | 20,404,233             | 1,195,902    |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 15,933     | 15,933                      |                      | P - DIST - CUSTOMER ADVANCE 1984  | 7,723                  | 340          |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 4,345      | 4,345                       |                      | P - DIST - CUSTOMER ADVANCE 1986  | 2,108                  | 93           |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 27,521     | 27,521                      |                      | P - DIST - CUSTOMER ADVANCE 1985  | 13,341                 | 587          |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 11,553     | 11,553                      |                      | P - DIST - CUSTOMER ADVANCE 1982  | 5,618                  | 247          |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 31,867     | 31,867                      |                      | P - DIST - CUSTOMER ADVANCE 1983  | 15,447                 | 690          |
| Federal | Cust Advance Dist               | 1988       | ACRS 15             |                  | 5,794      | 5,794                       |                      | P - DIST - CUSTOMER ADVANCE 1981  | 2,807                  | 124          |
| Federal | Cust Advance Trans&Dist         | 1988       | ADR DOB/SYD 14.5 YR |                  | 2,897      | 2,897                       |                      | BOOK 20.5 YR                      | 2,754                  | 141          |

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| Tax Book   | Tax Class                       | Vintage | Federal Tax Rate    | Tax Basis  | Accum. Federal Depreciation | Federal Depreciation | Straight Line Based on Book Rates | Accum NYS Depreciation | Depreciation |
| Federal    | Cust Advance Trans&Dist         | 1958    | ADR DOB/SYD 16.5 YR | 31,867     | 31,667                      | 0                    | BOOK 22.5 YR                      | 27,618                 | 1,416        |
| Federal    | Cust Advance Trans&Dist         | 1958    | ADR DOB/SYD 15.5 YR | 11,588     | 11,688                      | 0                    | BOOK 21.5 YR                      | 10,510                 | 539          |
| Federal    | Distribution                    | 1958    | ACRS 15             | 2,265,638  | 2,285,638                   | 0                    | P - DISTRIBUTION                  | 918,505                | 48,649       |
| Federal    | Distribution                    | 1958    | MACRS 20            | 31,263,652 | 30,566,449                  | 696,121              | P - DISTRIBUTION ACRS MODIFIED    | 11,717,049             | 665,438      |
| Federal    | Distribution - 5yr life         | 1958    | MACRS 5             | 650        | 650                         | 0                    | P - DISTRIBUTION                  | 426                    | 20           |
| Federal    | Distribution - 7yr life         | 1958    | MACRS 7             | 353,555    | 353,855                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 253,818                | 7,756        |
| Federal    | DISTRIBUTION EASEMENTS          | 1958    | SL 46               | 625,946    | 265,351                     | 13,608               | SL 46                             | 265,351                | 13,608       |
| Federal    | Hybrid-Dist-CIAC                | 1958    | MACRS 20            | 329,285    | 321,941                     | 7,345                | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal    | Hybrid-Dist-Capital Pensions    | 1958    | SL 46               | 0          | 0                           | 0                    | BOOK 23.5 YR                      | 37,113                 | 1,906        |
| Federal    | Hybrid-Dist-Net Avoid Cost/AFC  | 1958    | MACRS 20            | 1,795,931  | 1,755,659                   | 40,062               | P - DISTRIBUTION-CAPITALIZED INT  | 637,047                | 23,703       |
| Federal    | Hybrid-Trans-Net Avoid Cost/AFC | 1958    | MACRS 20            | 123,761    | 121,000                     | 2,761                | P - TRANSMISSION-CAPITALIZED INT  | 12,979                 | 502          |
| Federal    | INITIAL CLEARING DIST LINES     | 1958    | MACRS 7             | 681,817    | 681,817                     | 0                    | BOOK 46 YR                        | 289,037                | 14,823       |
| Federal    | INITIAL CLEARING TRANS LINES    | 1958    | MACRS 7             | 72,702     | 72,702                      | 0                    | BOOK 84 YR                        | 18,686                 | 866          |
| Federal    | LAND IMPROVEMENTS               | 1958    | MACRS 15            | 203,190    | 203,190                     | 0                    | P - LAND IMPROVEMENTS ACRS MOD    | 110,857                | 8,004        |
| Federal    | LAND IMPROVEMENTS               | 1958    | ACRS 19 JUL         | 277,620    | 277,620                     | 0                    | P - LAND IMPROVEMENTS             | 151,645                | 10,944       |
| Federal    | LAND BV                         | 1958    | Zero                | 44,875     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal    | Meters                          | 1958    | MACRS 20            | 1,478,333  | 1,445,355                   | 32,456               | P - DISTRIBUTION ACRS MODIFIED    | 168,592                | 31,026       |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1958    | MACRS 7 Gross DB 2  | 13,226     | 13,225                      | 0                    | SL .0317                          | (499)                  | 407          |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1958    | ACRS 6              | 28,971     | 28,971                      | 0                    | P - OFFICE FURNITURE              | 28,971                 | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1958    | MACRS 7             | 312,228    | 312,228                     | 0                    | P - OFFICE FURNITURE ACRS MOD     | 312,228                | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1958    | MACRS 7             | 34,771     | 34,771                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 34,771                 | 0            |
| Federal    | REAL PROPERTY                   | 1958    | MACRS 31.5 JUN      | 414        | 258                         | 13                   | SL .025                           | 414                    | 0            |
| Federal    | Steam Heat                      | 1958    | MACRS 20            | 128,850    | 125,976                     | 2,874                | P - STEAM HEAT ACRS MODIFIED      | 66,680                 | 3,376        |
| Federal    | Three Mile Island #2            | 1958    | MACRS 15            | 4,801      | 4,801                       | 0                    | P - TM#2 REG MOD ACRS MODIFIED    | 2,727                  | 140          |
| Federal    | Trans R/W & Easements           | 1958    | SL 84               | 10,290     | 2,382                       | 123                  | SL 84                             | 2,382                  | 123          |
| Federal    | Transformers                    | 1958    | MACRS 20            | 7,761,232  | 7,558,100                   | 173,099              | P - DISTRIBUTION ACRS MODIFIED    | 2,718,917              | 165,488      |
| Federal    | Transmission                    | 1958    | MACRS 20            | 3,084,640  | 3,015,630                   | 63,607               | P - TRANSMISSION ACRS MODIFIED    | 1,014,336              | 41,129       |
| Federal    | Transmission                    | 1958    | ACRS 15             | 501,672    | 501,672                     | 0                    | P - TRANSMISSION                  | 164,426                | 6,668        |
| 1958 Total |                                 |         |                     | 51,572,159 | 50,133,458                  | 1,037,269            |                                   | 18,912,492             | 1,048,737    |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 6,300      | 6,300                       | 0                    | P - DIST - CUSTOMER ADVANCE 1981  | 2,692                  | 134          |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 4,740      | 4,740                       | 0                    | P - DIST - CUSTOMER ADVANCE 1984  | 2,178                  | 101          |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 4,078      | 4,078                       | 0                    | P - DIST - CUSTOMER ADVANCE 1982  | 1,873                  | 87           |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 29,541     | 29,541                      | 0                    | P - DIST - CUSTOMER ADVANCE 1986  | 13,662                 | 630          |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 7,821      | 7,821                       | 0                    | P - DIST - CUSTOMER ADVANCE 1985  | 3,591                  | 167          |
| Federal    | Cust Advance Dist               | 1989    | ACRS 15             | 10,356     | 10,356                      | 0                    | P - DIST - CUSTOMER ADVANCE 1983  | 4,769                  | 221          |
| Federal    | Cust Advance Trans&Dist         | 1989    | ADR DOB/SYD 14.5 YR | 3,293      | 3,293                       | 0                    | BOOK 20.5 YR                      | 2,974                  | 161          |
| Federal    | Cust Advance Trans&Dist         | 1989    | ADR DOB/SYD 15.5 YR | 10,031     | 10,031                      | 0                    | BOOK 21.5 YR                      | 8,633                  | 457          |
| Federal    | DATA HANDLING EQUIPMENT         | 1989    | MACRS 5             | 21,851     | 21,851                      | 0                    | P - DATA HANDLING-OFF MA ACRS MOD | 21,851                 | 0            |
| Federal    | Distribution                    | 1989    | MACRS 20            | 32,451,411 | 30,279,677                  | 1,427,934            | P - DISTRIBUTION ACRS MODIFIED    | 12,448,730             | 682,484      |
| Federal    | Distribution                    | 1989    | ACRS 15             | 918,645    | 918,645                     | 0                    | P - DISTRIBUTION                  | 349,248                | 19,320       |
| Federal    | Distribution - 5yr life         | 1989    | MACRS 5             | 602        | 602                         | 0                    | P - DISTRIBUTION                  | 253                    | 13           |
| Federal    | Distribution - 7yr life         | 1989    | MACRS 7             | 475,434    | 475,434                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 357,373                | 10,133       |
| Federal    | DISTRIBUTION EASEMENTS          | 1989    | SL 46               | 394,068    | 158,486                     | 6,667                | SL 46                             | 158,486                | 8,567        |
| Federal    | Hybrid-Dist-CIAC                | 1989    | MACRS 20            | 656,684    | 799,353                     | 38,221               | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal    | Hybrid-Dist-Capital Pensions    | 1989    | SL 46               | 0          | 0                           | 0                    | BOOK 23.5 YR                      | 13,232                 | 718          |
| Federal    | Hybrid-Dist-Net Avoid Cost/AFC  | 1989    | MACRS 20            | 1,740,895  | 1,624,390                   | 77,670               | P - DISTRIBUTION-CAPITALIZED INT  | 495,899                | 23,114       |
| Federal    | Hybrid-Trans-Net Avoid Cost/AFC | 1989    | MACRS 20            | 127,879    | 119,315                     | 5,705                | P - TRANSMISSION-CAPITALIZED INT  | 16,660                 | 694          |
| Federal    | INITIAL CLEARING DIST LINES     | 1989    | MACRS 7             | 342,742    | 342,742                     | 0                    | BOOK 46 YR                        | 137,845                | 7,451        |
| Federal    | INITIAL CLEARING TRANS LINES    | 1989    | DOB/SYD REG 84 YR   | 1,412      | 651                         | 26                   | BOOK 84 YR                        | 312                    | 17           |
| Federal    | Meters                          | 1989    | MACRS 20            | 1,455,106  | 1,385,719                   | 65,607               | P - DISTRIBUTION ACRS MODIFIED    | 69,676                 | 31,357       |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1989    | MACRS 7             | 7,290      | 7,290                       | 0                    | G - OFFICE FURN EQUIP MACRS       | 7,290                  | (0)          |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1989    | MACRS 7             | 20,135     | 20,135                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 20,135                 | 0            |
| Federal    | REAL PROPERTY                   | 1989    | MACRS 31.5 JUN      | 19,284     | 11,452                      | 612                  | SL .025                           | 3,298                  | 482          |
| Federal    | Steam Heat                      | 1989    | MACRS 20            | 7,929      | 7,399                       | 354                  | P - STEAM HEAT ACRS MODIFIED      | 3,638                  | 268          |
| Federal    | Trans R/W & Easements           | 1989    | SL 84               | 18,007     | 3,953                       | 214                  | SL 84                             | 3,953                  | 214          |
| Federal    | Transformers                    | 1989    | MACRS 20            | 9,029,220  | 8,424,950                   | 402,770              | P - DISTRIBUTION ACRS MODIFIED    | 2,903,103              | 192,505      |
| Federal    | Transmission                    | 1989    | MACRS 20            | 3,462,992  | 3,249,900                   | 155,395              | P - TRANSMISSION ACRS MODIFIED    | 918,632                | 46,442       |
| Federal    | Transmission                    | 1989    | ACRS 15             | 106,188    | 106,188                     | 0                    | P - TRANSMISSION                  | 27,945                 | 1,416        |
| Federal    | Transmission TM#2               | 1989    | MACRS 20            | 781        | 729                         | 35                   | P - TRANSMISSION TM#2 ACRS MOD    | 446                    | 24           |
| 1989 Total |                                 |         |                     | 51,584,738 | 48,034,970                  | 2,183,111            |                                   | 17,998,065             | 1,027,127    |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 10,401     | 10,401                      | 0                    | P - DIST - CUSTOMER ADVANCE 1985  | 4,522                  | 222          |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 4,823      | 4,823                       | 0                    | P - DIST - CUSTOMER ADVANCE 1992  | 2,098                  | 103          |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 3,883      | 3,883                       | 0                    | P - DIST - CUSTOMER ADVANCE 1986  | 1,687                  | 83           |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 5,792      | 5,792                       | 0                    | P - DIST - CUSTOMER ADVANCE 1984  | 2,617                  | 124          |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 8,339      | 8,339                       | 0                    | P - DIST - CUSTOMER ADVANCE 1981  | 3,628                  | 178          |
| Federal    | Cust Advance Dist               | 1990    | ACRS 15             | 6,720      | 6,720                       | 0                    | P - DIST - CUSTOMER ADVANCE 1983  | 2,920                  | 143          |
| Federal    | Cust Advance Trans&Dist         | 1990    | ADR DOB/SYD 13.5 YR | 76,454     | 35,704                      | 0                    | BOOK 19.5 YR                      | 35,704                 | 0            |
| Federal    | Cust Advance Trans&Dist         | 1990    | ADR DOB/SYD 14.5 YR | 4,676      | 2,137                       | 0                    | BOOK 20.5 YR                      | 2,137                  | 0            |
| Federal    | Distribution                    | 1990    | ACRS 15             | 10,858,795 | 10,858,795                  | 0                    | P - DISTRIBUTION                  | (1,425,976)            | 231,676      |
| Federal    | Distribution                    | 1990    | MACRS 20            | 22,192,874 | 19,717,631                  | 997,502              | P - DISTRIBUTION ACRS MODIFIED    | (3,335,214)            | 471,981      |
| Federal    | Distribution - 7yr life         | 1990    | MACRS 7             | 296,132    | 296,132                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 296,132                | 0            |
| Federal    | DISTRIBUTION EASEMENTS          | 1990    | SL 46               | 592,058    | 210,029                     | 12,002               | SL 46                             | 210,029                | 12,002       |
| Federal    | Hybrid-Dist-CIAC                | 1990    | MACRS 20            | 442,168    | 392,665                     | 19,728               | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal    | Hybrid-Dist-Capital Pensions    | 1990    | SL 46               | 0          | 0                           | 0                    | BOOK 23.5 YR                      | 10,447                 | 600          |
| Federal    | Hybrid-Dist-Net Avoid Cost/AFC  | 1990    | MACRS 20            | 1,604,876  | 1,692,410                   | 84,856               | P - DISTRIBUTION-CAPITALIZED INT  | 673,598                | 33,165       |
| Federal    | Hybrid-Trans-Net Avoid Cost/AFC | 1990    | MACRS 20            | 228,745    | 203,232                     | 10,205               | P - TRANSMISSION-CAPITALIZED INT  | 33,563                 | 1,520        |
| Federal    | INITIAL CLEARING DIST LINES     | 1990    | MACRS 7             | 516,768    | 516,768                     | 0                    | BOOK 46 YR                        | 196,614                | 11,235       |
| Federal    | INITIAL CLEARING TRANS LINES    | 1990    | MACRS 7             | 1,904      | 1,904                       | 0                    | BOOK 84 YR                        | 358                    | 23           |
| Federal    | LAND IMPROVEMENTS               | 1990    | MACRS 15            | 134,663    | 134,663                     | 0                    | P - LAND IMPROVEMENTS ACRS MOD    | 24,024                 | 6,313        |
| Federal    | LAND BV                         | 1990    | Zero                | 24,636     | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal    | Meters                          | 1990    | MACRS 20            | 1,417,181  | 1,259,112                   | 62,675               | P - DISTRIBUTION ACRS MODIFIED    | 49,610                 | 28,956       |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1990    | MACRS 7             | 16,741     | 16,741                      | 0                    | G - OFFICE FURN EQUIP MACRS       | 16,741                 | 0            |
| Federal    | OFFICE FURNITURE & EQUIPMENT    | 1990    | MACRS 7             | 1,254,428  | 1,254,428                   | 0                    | P - OFFICE FURNITURE ACRS MOD     | 1,254,428              | 0            |
| Federal    | Trans R/W & Easements           | 1990    | SL 84               | 416        | 85                          | 5                    | SL 84                             | 85                     | 5            |
| Federal    | Transformers                    | 1990    | MACRS 20            | 6,831,875  | 6,158,709                   | 309,173              | P - DISTRIBUTION ACRS MODIFIED    | 1,769,054              | 147,771      |
| Federal    | Transmission                    | 1990    | MACRS 20            | 5,645,883  | 5,016,167                   | 251,892              | P - TRANSMISSION ACRS MODIFIED    | 1,638,936              | 75,282       |
| Federal    | Transmission                    | 1990    | ACRS 15             | 945        | 945                         | 0                    | P - TRANSMISSION                  | 219                    | 13           |
| 1990 Total |                                 |         |                     | 52,572,268 | 47,838,545                  | 1,738,169            |                                   | 1,488,221              | 1,021,293    |
| Federal    | Cust Advance Dist               | 1991    | ACRS 15             | 6,270      | 6,270                       | 0                    | P - DIST - CUSTOMER ADVANCE 1982  | 2,571                  | 134          |
| Federal    | Cust Advance Dist               | 1991    | ACRS 15             | 7,607      | 7,607                       | 0                    | P - DIST - CUSTOMER ADVANCE 1991  | 3,120                  | 162          |
| Federal    | Cust Advance Dist               | 1991    | ACRS 15             | 2,793      | 2,793                       | 0                    | P - DIST - CUSTOMER ADVANCE 1983  | 1,145                  | 60           |
| Federal    | Cust Advance Dist               | 1991    | ACRS 15             | 5,626      | 5,626                       | 0                    | P - DIST - CUSTOMER ADVANCE 1984  | 2,308                  | 120          |
| Federal    | Cust Advance Dist               | 1991    | ACRS 15             | 5,845      | 5,845                       | 0                    | P - DIST - CUSTOMER ADVANCE 1985  | 2,359                  | 125          |
| Federal    | Cust Advance Trans&Dist         | 1991    | ADR DOB/SYD 12.5 YR | 355        | 355                         | 0                    | BOOK 18.5 YR                      | 316                    | 19           |
| Federal    | Distribution                    | 1991    | MACRS 20            | 45,039,991 | 38,850,658                  | 2,049,660            | P - DISTRIBUTION ACRS MODIFIED    | 15,048,925             | 979,617      |
| Federal    | Distribution - 7yr life         | 1991    | MACRS 7             | 158,654    | 158,654                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 154,558                | 2,096        |
| Federal    | DISTRIBUTION EASEMENTS          | 1991    | SL 46               | 640        | 195                         | 12                   | SL 46                             | 195                    | 12           |
| Federal    | Hybrid-Dist-CIAC                | 1991    | MACRS 20            | 923,053    | 778,314                     | 41,183               | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal    | Hybrid-Dist-Capital Pensions    | 1991    | SL 46               | 0          | 0                           | 0                    | BOOK 23.5 YR                      | 164,610                | 11,199       |
| Federal    | Hybrid-Dist-Net Avoid Cost/AFC  | 1991    | MACRS 20            | 2,143,265  | 1,808,602                   | 95,626               | P - DISTRIBUTION-CAPITALIZED INT  | 474,637                | 24,778       |

Pennsylvania Electric Company  
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Tax Year 2008

| A           |                                 | B       | C                 | D           | E                           | G                    | H                                 | I                      |              |
|-------------|---------------------------------|---------|-------------------|-------------|-----------------------------|----------------------|-----------------------------------|------------------------|--------------|
| Tax Book    | Tax Class                       | Vintage | Federal Tax Rate  | Tax Basis   | Accum. Federal Depreciation | Federal Depreciation | Straight Line Based on Book Rates | Accum NYS Depreciation | Depreciation |
| Federal     | Hybrid-Trans-Net Avoid Cost/AFC | 1991    | MACRS 20          | 139,709     | 117,893                     | 6,233                | P - TRANSMISSION-CAPITALIZED INT  | 22,271                 | 1,069        |
| Federal     | INITIAL CLEARING DIST LINES     | 1991    | MACRS 7           | 410,317     | 410,317                     | 0                    | BOOK 45 YR                        | 147,183                | 8,820        |
| Federal     | INITIAL CLEARING TRANS LINES    | 1991    | DOB/SYD REG 84 YR | 4,660       | 1,780                       | 62                   | BOOK 84 YR                        | 922                    | 55           |
| Federal     | LAND IMPROVEMENTS               | 1991    | MACRS 15          | 91,630      | 91,630                      | 0                    | P - LAND IMPROVEMENTS ACRS MOD    | 43,663                 | 3,610        |
| Federal     | LAND BV                         | 1991    | Zero              | 8,031       | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal     | Meters                          | 1991    | MACRS 20          | 1,288,045   | 1,070,034                   | 55,144               | P - DISTRIBUTION ACRS MODIFIED    | (147,172)              | 26,533       |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1991    | MACRS 7           | 13,647      | 13,647                      | 0                    | G - OFFICE FURN EQUIP MACRS       | 13,647                 | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1991    | MACRS 7 150%      | 124,043     | 124,043                     | 0                    | P - OFFICE FURNITURE ACRS MOD     | 124,043                | 0            |
| Federal     | Trans R/W & Easements           | 1991    | SL 84             | 3,389       | 664                         | 40                   | SL 84                             | 664                    | 40           |
| Federal     | Transformers                    | 1991    | MACRS 20          | 5,284,072   | 4,458,942                   | 235,728              | P - DISTRIBUTION ACRS MODIFIED    | 1,293,228              | 112,664      |
| Federal     | Transmission                    | 1991    | MACRS 20          | 3,637,761   | 3,260,671                   | 172,463              | P - TRANSMISSION ACRS MODIFIED    | 1,051,124              | 51,542       |
| 1991 Total  |                                 |         |                   | 60,528,342  | 51,194,221                  | 2,657,171            |                                   | 18,423,189             | 1,223,078    |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 356         | 356                         | 0                    | P - DIST - CUSTOMER ADVANCE 1991  | 138                    | 8            |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 6,349       | 8,349                       | 0                    | P - DIST - CUSTOMER ADVANCE 1992  | 2,451                  | 135          |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 11,091      | 11,091                      | 0                    | P - DIST - CUSTOMER ADVANCE 1994  | 4,272                  | 237          |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 5,597       | 5,597                       | 0                    | P - DIST - CUSTOMER ADVANCE 1995  | 2,155                  | 119          |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 6,256       | 6,256                       | 0                    | P - DIST - CUSTOMER ADVANCE 1993  | 2,410                  | 133          |
| Federal     | Cust Advance Dist               | 1992    | ACRS 15           | 889         | 889                         | 0                    | P - DIST - CUSTOMER ADVANCE 1996  | 341                    | 19           |
| Federal     | Distribution                    | 1992    | MACRS 20          | 48,398,186  | 38,661,332                  | 2,154,978            | P - DISTRIBUTION ACRS MODIFIED    | 15,516,897             | 1,029,887    |
| Federal     | Distribution - 7yr life         | 1992    | MACRS 7           | 132,709     | 132,709                     | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 111,275                | 2,828        |
| Federal     | DISTRIBUTION EASEMENTS          | 1992    | SL 45             | 742,433     | 250,189                     | 18,140               | SL 45                             | 250,189                | 16,140       |
| Federal     | HEAVY TRUCKS                    | 1992    | MACRS 5 150%      | 7,153       | 7,153                       | 0                    | P - HEAVY TRUCKS (TAX)            | 7,153                  | 0            |
| Federal     | Hybrid-Dist-ClAC                | 1992    | MACRS 20          | 937,024     | 740,618                     | 41,845               | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal     | Hybrid-Dist-Net Avoid Cost/AFC  | 1992    | MACRS 20          | 1,026,063   | 620,061                     | 45,718               | P - DISTRIBUTION-CAPITALIZED INT  | 241,189                | 13,405       |
| Federal     | Hybrid-Trans-Net Avoid Cost/AFC | 1992    | MACRS 20          | 33,782      | 26,963                      | 1,504                | P - TRANSMISSION-CAPITALIZED INT  | 40,711                 | 2,107        |
| Federal     | INITIAL CLEARING DIST LINES     | 1992    | MACRS 7           | 304,667     | 304,667                     | 0                    | BOOK 45 YR                        | 102,629                | 8,621        |
| Federal     | INITIAL CLEARING TRANS LINES    | 1992    | MACRS 7           | 231         | 231                         | 0                    | BOOK 84 YR                        | 53                     | 3            |
| Federal     | LAND Non Utility                | 1992    | Zero              | 1,020       | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal     | LAND BV                         | 1992    | Zero              | 250         | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal     | Meters                          | 1992    | MACRS 20          | 1,915,707   | 1,531,023                   | 84,546               | P - DISTRIBUTION ACRS MODIFIED    | 276,837                | 40,409       |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1992    | MACRS 7           | 13,067      | 13,067                      | 0                    | G - OFFICE FURN EQUIP MACRS       | 13,067                 | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1992    | MACRS 7 150%      | 71,212      | 71,212                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | 71,212                 | 0            |
| Federal     | Three Mile Island #2            | 1992    | MACRS 15          | 995,055     | 925,056                     | 0                    | P - TMI#2 INVENTORY               | 478,606                | 30,878       |
| Federal     | TRAILERS                        | 1992    | MACRS 5 150%      | 1,058       | 1,058                       | 0                    | P - TRAILERS - ACRS MODIFIED      | (15,450)               | 82           |
| Federal     | Trans R/W & Easements           | 1992    | SL 84             | 8,447       | 1,550                       | 101                  | SL 84                             | 1,550                  | 101          |
| Federal     | Transformers                    | 1992    | MACRS 20          | 7,325,111   | 5,854,456                   | 328,753              | P - DISTRIBUTION ACRS MODIFIED    | 2,159,528              | 156,174      |
| Federal     | Transmission                    | 1992    | MACRS 20          | 2,017,274   | 1,612,268                   | 60,000               | P - TRANSMISSION ACRS MODIFIED    | 511,671                | 26,898       |
| 1992 Total  |                                 |         |                   | 61,962,828  | 51,084,190                  | 2,761,648            |                                   | 19,778,684             | 1,328,256    |
| Federal     | BUILDINGS                       | 1993    | MACRS 39 YR NET   | 2,317,196   | 822,390                     | 38,064               | P - BUILDINGS - SL ACRS MOD       | 697,671                | 68,579       |
| Federal     | Buildings 7 yr life             | 1993    | MACRS 7           | 10,672      | 10,672                      | 0                    | P - BUILDINGS - SL ACRS MOD       | 3,656                  | 316          |
| Federal     | Cust Advance Dist               | 1993    | ACRS 15           | 9,259       | 9,259                       | 0                    | P - DIST - CUSTOMER ADVANCE 1995  | 3,356                  | 198          |
| Federal     | Cust Advance Dist               | 1993    | ACRS 15           | 827         | 827                         | 0                    | P - DIST - CUSTOMER ADVANCE 1994  | 299                    | 18           |
| Federal     | Cust Advance Dist               | 1993    | ACRS 15           | 857         | 857                         | 0                    | P - DIST - CUSTOMER ADVANCE 1996  | 309                    | 18           |
| Federal     | Cust Advance Dist               | 1993    | ACRS 15           | 1,028       | 1,028                       | 0                    | P - DIST - CUSTOMER ADVANCE 1993  | 371                    | 22           |
| Federal     | Cust Advance Dist               | 1993    | ACRS 15           | 4,000       | 4,000                       | 0                    | P - DIST - CUSTOMER ADVANCE 1981  | 1,444                  | 65           |
| Federal     | DATA HANDLING EQUIPMENT         | 1993    | MACRS 5           | 203,649     | 203,649                     | 0                    | P - DATA HANDLING-OFF MA ACRS MOD | 203,649                | 0            |
| Federal     | Distribution                    | 1993    | MACRS 20          | 52,927,422  | 39,819,625                  | 2,353,287            | P - DISTRIBUTION ACRS MODIFIED    | 14,890,949             | 1,124,745    |
| Federal     | Distribution - 7yr life         | 1993    | MACRS 7           | 68,158      | 91,158                      | 0                    | P - DISTRIBUTION ACRS MODIFIED    | 59,557                 | 2,090        |
| Federal     | DISTRIBUTION EASEMENTS          | 1993    | SL 45             | 1,356,805   | 427,690                     | 29,497               | SL 45                             | 427,690                | 29,497       |
| Federal     | Hybrid-Dist-ClAC                | 1993    | MACRS 20          | 763,768     | 591,442                     | 34,958               | P - CONTR IN AID OF CONST-MACRS   | 0                      | 0            |
| Federal     | Hybrid-Dist-Net Avoid Cost/AFC  | 1993    | MACRS 20          | 1,788,359   | 1,349,522                   | 78,789               | P - DISTRIBUTION-CAPITALIZED INT  | 300,222                | 17,660       |
| Federal     | Hybrid-Trans-Net Avoid Cost/AFC | 1993    | MACRS 20          | 114,737     | 85,562                      | 5,119                | P - TRANSMISSION-CAPITALIZED INT  | 12,797                 | 717          |
| Federal     | LAND BV                         | 1993    | Zero              | 4,716       | 0                           | 0                    | Zero                              | 0                      | 0            |
| Federal     | Meters                          | 1993    | MACRS 20          | 1,167,426   | 880,958                     | 51,189               | P - DISTRIBUTION ACRS MODIFIED    | (222,429)              | 24,464       |
| Federal     | Mobile Maint Tools              | 1993    | DOB/SYD REG 10 YR | 26,674      | 26,674                      | 0                    | BOOK 10 YR                        | 26,674                 | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1993    | MACRS 7           | 133,056     | 133,056                     | 0                    | G - OFFICE FURN EQUIP MACRS       | 133,056                | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1993    | MACRS 7           | 165,668     | 165,668                     | 0                    | P - OFFICE FURNITURE ACRS MOD     | 165,668                | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1993    | MACRS 7           | 8,942       | 8,942                       | 0                    | P - OFFICE FURNITURE ACRS MOD     | 8,942                  | 0            |
| Federal     | OFFICE FURNITURE & EQUIPMENT    | 1993    | MACRS 7 150%      | 82,597      | 82,597                      | 0                    | P - OFFICE FURNITURE ACRS MOD     | (7,149)                | 3,345        |
| Federal     | TRAILERS                        | 1993    | MACRS 5 150%      | 22,344      | 22,344                      | 0                    | P - TRAILERS - ACRS MODIFIED      | 14,628                 | 1,092        |
| Federal     | Trans R/W & Easements           | 1993    | SL 84             | 24,818      | 4,283                       | 285                  | SL 84                             | 4,283                  | 285          |
| Federal     | Transformers                    | 1993    | MACRS 20          | 7,225,690   | 5,452,540                   | 322,327              | P - DISTRIBUTION ACRS MODIFIED    | 1,777,404              | 154,055      |
| Federal     | Transmission                    | 1993    | MACRS 20          | 4,356,352   | 3,287,369                   | 194,362              | P - TRANSMISSION ACRS MODIFIED    | 1,004,736              | 58,088       |
| 1993 Total  |                                 |         |                   | 72,835,354  | 53,610,769                  | 3,108,655            |                                   | 19,337,760             | 1,485,488    |
| Grand Total |                                 |         |                   | 613,011,358 | 560,043,200                 | 13,543,497           |                                   | 205,229,222            | 12,827,127   |

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Pennsylvania Electric Company

25-0718085

**Section B - 30%/50% federal special depreciation property** (attach separate sheets if necessary, displaying this information formatted as below; see instructions)**A - Description of property** (identify each item of property here; for each item of property complete cols B through I on the corresponding lines below)

| Item                                                      | See Stmt 4                              | Property                  |                                        |                                      |                                           |                    |                                    |                                  |
|-----------------------------------------------------------|-----------------------------------------|---------------------------|----------------------------------------|--------------------------------------|-------------------------------------------|--------------------|------------------------------------|----------------------------------|
| A                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| B                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| C                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| D                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| E                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| F                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| G                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| H                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| I                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| J                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| K                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| L                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| M                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| A                                                         | B                                       | C                         | D                                      | E                                    | F                                         | G                  | H                                  | I                                |
| Item                                                      | Date placed<br>in service<br>(mm-dd-yy) | Cost or<br>other<br>basis | Accumulated<br>federal<br>depreciation | Federal<br>depreciation<br>deduction | Method of<br>figuring NYS<br>depreciation | Life<br>or<br>rate | Accumulated<br>NYS<br>depreciation | Allowable<br>NYS<br>depreciation |
| A                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| B                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| C                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| D                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| E                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| F                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| G                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| H                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| I                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| J                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| K                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| L                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| M                                                         |                                         |                           |                                        |                                      |                                           |                    |                                    |                                  |
| Amounts from<br>attached list, if any                     |                                         | 215,071,040.              | 84,982,602.                            | 60,288,367.                          |                                           |                    | 35,802,302.                        | 9,812,818.                       |
| 2 Totals of<br>Section B                                  | 2.                                      | 215,071,040.              | 84,982,602.                            | 60,288,367.                          |                                           |                    | 35,802,302.                        | 9,812,818.                       |
| 3 Add lines 1<br>and 2 in<br>columns C,<br>D, E, H, and I | 3.                                      | 828,082,398.              | 645,025,802.                           | 73,831,864.                          |                                           |                    | 241,031,524.                       | 22,339,945.                      |

If you have not disposed of any ACRS/MACRS property placed in service in tax years beginning before 1994, and you have not disposed of qualified property for which you claimed the 30%/50% federal special depreciation (in a tax year beginning after December 31, 2002, for property placed in service on or after June 1, 2003), enter the total of column E as an addback to federal taxable income (FTI) and the total of column I as a deduction from FTI on the appropriate lines of your corporation franchise tax return (see instructions).

If you have disposed of any property listed on this form in a prior year, complete Parts 2 and 3.

If you file Form CT-3, CT-3-A, or CT-4, use Part 4 to determine your depreciation adjustment used to compute your minimum taxable income base.

Pennsylvania Electric Company  
Schedule CT-399 Part I Section B

Tax Year 2008

| A        |                              | B        | C                      |             | D                           | E                    | F & G         |                        | H                       | I            |
|----------|------------------------------|----------|------------------------|-------------|-----------------------------|----------------------|---------------|------------------------|-------------------------|--------------|
| Tax Book | Tax Class                    | Vintage  | Federal Tax Rate       | Tax Basis   | Accum. Federal Depreciation | Federal Depreciation | Tax Book      | Federal Tax Rate       | Accum. NYS Depreciation | Depreciation |
| Federal  | AUTOS                        | 2008 50% | MACRS 5                | 297,341     | 0                           | 178,405              | Non-JCA State | MACRS 5                | 0                       | 59,468       |
| Federal  | BUILDINGS                    | 2004 30% | MACRS 39 YR NET        |             | 1,628                       | 35                   |               |                        |                         |              |
| Federal  | DATA PROCESSING EQUIPMENT    | 2008 50% | MACRS 5                | 922         | 0                           | 553                  | Non-JCA State | MACRS 5                | 0                       | 184          |
| Federal  | DATA PROCESSING EQUIPMENT    | 2003 50% | MACRS 5 gross/ DB 2    | 776         | 2,946                       | 55                   | Non-JCA State | MACRS 5 gross/ DB 2    | 2,859                   | 110          |
| Federal  | DATA PROCESSING EQUIPMENT    | 2004 50% | MACRS 5 gross/ DB 2    | 95,208      | 89,425                      | 5,581                | Non-JCA State | MACRS 5 gross/ DB 2    | 80,988                  | 11,122       |
| Federal  | DATA PROCESSING EQUIPMENT    | 2003 30% | MACRS 5 gross/ DB 2    | 57,435      | 305,404                     | 5,686                | Non-JCA State | MACRS 5 gross/ DB 2    | 211,677                 | 8,123        |
| Federal  | DATA PROCESSING EQUIPMENT    | 2003 30% | MACRS 5                | (906)       | (4,820)                     | (90)                 | Non-JCA State | MACRS 5                | (3,341)                 | (128)        |
| Federal  | DATA PROCESSING EQUIPMENT    | 2004 30% | MACRS 5                | 1,040,413   | 1,368,103                   | 85,077               | Non-JCA State | MACRS 5                | 884,800                 | 121,539      |
| Federal  | DATA PROCESSING EQUIPMENT    | 2004 30% | MACRS 5 gross/ DB 2    | 965         | 0                           | 78                   | Non-JCA State | MACRS 5 gross/ DB 2    | 0                       | 111          |
| Federal  | DATA PROCESSING EQUIPMENT    | 2004 50% | MACRS 5 gross/ DB 2    | 860         | 0                           | 50                   | Non-JCA State | MACRS 5 gross/ DB 2    | 0                       | 99           |
| Federal  | DATA PROCESSING EQUIPMENT    | 2008 50% | MACRS 5 gross/ DB 2    | 715,047     | 0                           | 429,028              | Non-JCA State | MACRS 5 gross/ DB 2    | 0                       | 143,009      |
| Federal  | Distribution                 | 2008 50% | MACRS 20               | 58,888,906  | 0                           | 30,538,245           | Non-JCA State | MACRS 20               | 0                       | 2,207,584    |
| Federal  | Distribution                 | 2003 30% | MACRS 20               | 3,731,906   | 3,388,892                   | 138,158              | Non-JCA State | MACRS 20               | 1,103,876               | 187,389      |
| Federal  | Distribution                 | 2003 50% | MACRS 20               | 20,697,371  | 13,424,995                  | 547,310              | Non-JCA State | MACRS 20               | 6,122,159               | 1,094,620    |
| Federal  | Distribution                 | 2004 30% | MACRS 20               | 28,125,010  | 22,708,772                  | 1,046,313            | Non-JCA State | MACRS 20               | 6,241,449               | 1,494,733    |
| Federal  | Distribution                 | 2004 50% | MACRS 20               | 14,945,666  | 9,279,497                   | 427,555              | Non-JCA State | MACRS 20               | 3,570,625               | 855,111      |
| Federal  | Hybrid-Dist-CIAC             | 2008 50% | MACRS 20               | 9,016,570   | 0                           | 4,677,346            | Non-JCA State | MACRS 20               | 0                       | 338,121      |
| Federal  | Hybrid-Dist-CIAC             | 2003 50% | MACRS 20               | 1,860,283   | 1,204,868                   | 49,156               | Non-JCA State | MACRS 20               | 549,452                 | 98,312       |
| Federal  | Hybrid-Dist-CIAC             | 2003 30% | MACRS 20               | 428,622     | 388,654                     | 15,856               | Non-JCA State | MACRS 20               | 126,598                 | 22,652       |
| Federal  | Hybrid-Dist-CIAC             | 2004 30% | MACRS 20               | 4,110,574   | 3,562,875                   | 164,395              | Non-JCA State | MACRS 20               | 979,247                 | 234,850      |
| Federal  | Hybrid-Dist-CIAC             | 2004 50% | MACRS 20               | 3,095,660   | 1,916,564                   | 88,432               | Non-JCA State | MACRS 20               | 737,468                 | 176,864      |
| Federal  | INITIAL CLEARING DIST LINES  | 2008 50% | MACRS 20               | 16,375,055  | 0                           | 8,494,560            | Non-JCA State | MACRS 20               | 0                       | 614,065      |
| Federal  | INITIAL CLEARING TRANS LINES | 2008 50% | MACRS 20               | (323,238)   | 0                           | (12,121)             | Non-JCA State | MACRS 20               | 0                       | (12,121)     |
| Federal  | LAND IMPROVEMENTS            | 2004 50% | MACRS 15               | 133,102     | 87,012                      | 4,608                | Non-JCA State | MACRS 15               | 40,922                  | 9,218        |
| Federal  | Meters                       | 2008 50% | MACRS 20 gross/ DB 1.5 | 2,375,606   | 0                           | 1,232,345            | Non-JCA State | MACRS 20 gross/ DB 1.5 | 0                       | 89,085       |
| Federal  | Meters                       | 2004 30% | MACRS 20 gross/ DB 1.5 | 658,575     | 489,479                     | 26,337               | Non-JCA State | MACRS 20               | 156,889                 | 37,626       |
| Federal  | Meters                       | 2003 30% | MACRS 20               | 262,568     | 263,561                     | 10,233               | Non-JCA State | MACRS 20               | 85,851                  | 14,619       |
| Federal  | Meters                       | 2003 50% | MACRS 20               | 789         | 568                         | 22                   | Non-JCA State | MACRS 20               | 258                     | 44           |
| Federal  | Meters                       | 2004 50% | MACRS 20 gross/ DB 1.5 | 701,287     | 434,177                     | 20,032               | Non-JCA State | MACRS 20 gross/ DB 1.5 | 167,068                 | 40,065       |
| Federal  | OFFICE FURNITURE & EQUIPMENT | 2008 50% | MACRS 7                | (360,918)   | 0                           | (206,239)            | Non-JCA State | MACRS 7 Gross DB 2     | 0                       | (51,561)     |
| Federal  | OFFICE FURNITURE & EQUIPMENT | 2004 50% | MACRS 7 Gross DB 2     | 5,112       | 4,322                       | 228                  | Non-JCA State | MACRS 7 Gross DB 2     | 3,522                   | 457          |
| Federal  | OFFICE FURNITURE & EQUIPMENT | 2004 30% | MACRS 7                | 285,150     | 337,513                     | 17,831               | Non-JCA State | MACRS 7                | 196,458                 | 25,474       |
| Federal  | OFFICE FURNITURE & EQUIPMENT | 2003 50% | MACRS 7                | 106,745     | 94,837                      | 4,763                | Non-JCA State | MACRS 7                | 82,928                  | 9,527        |
| Federal  | SOFTWARE                     | 2008 50% | SL 3                   | 611,494     | 0                           | 356,706              | Non-JCA State | SL 3 JAN               | 0                       | 185,335      |
| Federal  | SOFTWARE                     | 2004 50% | SL 3 JUN               | 188,455     | 188,455                     | 0                    | Non-JCA State | SL 3 JAN               | 188,455                 | 0            |
| Federal  | SOFTWARE                     | 2003 30% | SL 3 AUG               | 840,564     | 1,176,790                   | 0                    | Non-JCA State | SL 3 JAN               | 840,564                 | 0            |
| Federal  | SOFTWARE                     | 2004 30% | SL 3 JUL               | 413,790     | 579,306                     | 0                    | Non-JCA State | SL 3 JAN               | 413,790                 | 0            |
| Federal  | SOFTWARE                     | 2003 30% | SL 3 JUN               | 8,647,258   | 12,106,161                  | 0                    | Non-JCA State | SL 3 JUN               | 8,647,258               | 0            |
| Federal  | SOFTWARE                     | 2004 30% | SL 3 JUL               | 7,610       | 0                           | 0                    | Non-JCA State | SL 3 JUL               | 0                       | 0            |
| Federal  | SOFTWARE                     | 2004 50% | SL 3 JUN               | 6,852       | 0                           | 0                    | Non-JCA State | SL 3 JUN               | 0                       | 0            |
| Federal  | SOFTWARE                     | 2008 50% | SL 3 MAY               | 12,245      | 0                           | 7,398                | Non-JCA State | SL 3 MAY               | 0                       | 2,551        |
| Federal  | Transformers                 | 2008 50% | MACRS 20 gross/ DB 1.5 | 18,179,345  | 0                           | 9,430,535            | Non-JCA State | MACRS 20 gross/ DB 1.5 | 0                       | 681,725      |
| Federal  | Transformers                 | 2003 50% | MACRS 20               | 882,623     | 571,657                     | 23,322               | Non-JCA State | MACRS 20               | 260,691                 | 46,645       |
| Federal  | Transformers                 | 2003 30% | MACRS 20               | 1,110,037   | 1,006,528                   | 41,064               | Non-JCA State | MACRS 20               | 327,860                 | 58,663       |
| Federal  | Transformers                 | 2004 30% | MACRS 20 gross/ DB 1.5 | 524,765     | 454,846                     | 20,986               | Non-JCA State | MACRS 20               | 125,012                 | 29,981       |
| Federal  | Transformers                 | 2004 50% | MACRS 20 gross/ DB 1.5 | 3,558,998   | 2,209,821                   | 101,782              | Non-JCA State | MACRS 20 gross/ DB 1.5 | 850,327                 | 203,584      |
| Federal  | Transmission                 | 2008 50% | MACRS 20               | 3,835,184   | 0                           | 1,989,502            | Non-JCA State | MACRS 20               | 0                       | 143,819      |
| Federal  | Transmission                 | 2003 30% | MACRS 20               | 1,752,416   | 1,569,006                   | 64,828               | Non-JCA State | MACRS 20               | 517,593                 | 92,612       |
| Federal  | Transmission                 | 2003 50% | MACRS 20               | 1,708,864   | 1,106,796                   | 45,155               | Non-JCA State | MACRS 20               | 504,729                 | 90,310       |
| Federal  | Transmission                 | 2004 50% | MACRS 20               | 7,428,445   | 4,599,194                   | 212,208              | Non-JCA State | MACRS 20               | 1,769,708               | 424,416      |
| Federal  | TRANSMISSION & DISTRIBUTION  | 2003 30% | MACRS 20 gross/ DB 1.5 | 49,376      | 44,772                      | 1,827                | Non-JCA State | MACRS 20 gross/ DB 1.5 | 14,584                  | 2,610        |
| Federal  | TRANSMISSION & DISTRIBUTION  | 2008 50% | MACRS 20 gross/ DB 1.5 | 6,261       | 0                           | 3,248                | Non-JCA State | MACRS 20 gross/ DB 1.5 | 0                       | 235          |
|          |                              |          |                        | 215,071,040 | 84,982,602                  | 60,286,367           |               |                        |                         |              |
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Pennsylvania Electric Company

25-0718085

**Part 2 - Disposition adjustments** (attach separate sheets if necessary, displaying this information formatted as below: see instructions)

- For each item of property listed below, determine the difference between the total federal depreciation deduction, including a 30%/50% federal special depreciation deduction, and the total New York State depreciation used in the computation of federal and New York State taxable income in prior and current years.
- If the federal depreciation deduction is larger than the New York State depreciation deduction, subtract column D from column C and enter the result in column E.
- If the New York State depreciation deduction is larger than the federal depreciation deduction, subtract column C from column D and enter the result in column F.

**A - Description of property** (Identify each item of property here; for each item of property complete cols B through F on the corresponding lines below)

| A Description of property including each item of property here. For each item of property complete sets B through F on the corresponding lines below. |                                              |                                                       |                                                    |                                                                    |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Item                                                                                                                                                  | See Stat 5                                   | Property                                              |                                                    |                                                                    |                                                                    |
| A                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| B                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| C                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| D                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| E                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| F                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| G                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| H                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| A<br>Item                                                                                                                                             | B<br>Date placed<br>in service<br>(mm-dd-yy) | C<br>Total federal<br>depreciation deduction<br>taken | D<br>Total New York State<br>depreciation<br>taken | E<br>Adjustment<br>(if C is larger than D,<br>column C - column D) | F<br>Adjustment<br>(if D is larger than C,<br>column D - column C) |
| A                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| B                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| C                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| D                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| E                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| F                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| G                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |
| H                                                                                                                                                     |                                              |                                                       |                                                    |                                                                    |                                                                    |

|                                             |            |            |          |         |
|---------------------------------------------|------------|------------|----------|---------|
| Amounts from attached list, if any. . . . . | 1,665,167. | 1,500,202. | 221,506. | 56,541. |
|---------------------------------------------|------------|------------|----------|---------|

4 Total excess federal depreciation deductions over New York State depreciation deductions (add column E amounts) . . . . .

4. 221,506.

5 Total excess New York State depreciation deductions over federal depreciation deductions (add column F amounts) . . . . .

5. 56,541.

**Part 3 - Summary of adjustments to ENI**

|                                                   | A<br>Federal    | B<br>New York State |
|---------------------------------------------------|-----------------|---------------------|
| 6 Enter amount from line 3, column E . . . . .    | 6. 73,831,864.  |                     |
| 7 Enter amount from line 3, column I. . . . .     | 7.              | 22,339,945.         |
| 8 Enter amount from line 4 . . . . .              | 8.              | 221,506.            |
| 9 Enter amount from line 5 . . . . .              | 9. 56,541.      |                     |
| 10 Add amounts in column A and column B . . . . . | 10. 73,888,405. | 22,561,451.         |

If you file Form:

Enter the amount from line 10, column A, on:

Enter the amount from line 10, column B, on:

|                          |                   |         |
|--------------------------|-------------------|---------|
| CT-3 or CT-3-A . . . . . | line 7 . . . . .  | line 14 |
| CT-4 . . . . .           | line 5 . . . . .  | line 8  |
| CT-32 . . . . .          | line 28 . . . . . | line 39 |
| CT-32-A . . . . .        | line 30 . . . . . | line 39 |
| CT-33 . . . . .          | line 70 . . . . . | line 78 |
| CT-33-A . . . . .        | line 73 . . . . . | line 82 |

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Pennsylvania Electric Company

25-0718085

**Part 4 - Minimum taxable income base depreciation adjustments - Article 9-A only**

Only list below the properties entered in Part 1, Section A, that were placed in service after 1986. Do not include qualified property for which a 30%/50% fed special depreciation deduction was claimed in Part 1, Section B. Attach separate sheets if necessary, displaying this information formatted as below.

A - Description of property (Identify each item of property here; for each item of property complete cols B through E on the corresponding lines below)

| Item | See Stat 6 | Property |
|------|------------|----------|
| A    |            |          |
| B    |            |          |
| C    |            |          |
| D    |            |          |
| E    |            |          |
| F    |            |          |
| G    |            |          |
| H    |            |          |
| I    |            |          |
| J    |            |          |
| K    |            |          |
| L    |            |          |
| M    |            |          |
| N    |            |          |
| O    |            |          |

| A<br>Item | B<br>Date placed<br>in service<br>(mm-dd-yy) | C<br>Cost or<br>other<br>basis | D<br>Federal<br>depreciation<br>deduction | E<br>Alternative<br>depreciation<br>system |
|-----------|----------------------------------------------|--------------------------------|-------------------------------------------|--------------------------------------------|
| A         |                                              |                                |                                           |                                            |
| B         |                                              |                                |                                           |                                            |
| C         |                                              |                                |                                           |                                            |
| D         |                                              |                                |                                           |                                            |
| E         |                                              |                                |                                           |                                            |
| F         |                                              |                                |                                           |                                            |
| G         |                                              |                                |                                           |                                            |
| H         |                                              |                                |                                           |                                            |
| I         |                                              |                                |                                           |                                            |
| J         |                                              |                                |                                           |                                            |
| K         |                                              |                                |                                           |                                            |
| L         |                                              |                                |                                           |                                            |
| M         |                                              |                                |                                           |                                            |
| N         |                                              |                                |                                           |                                            |
| O         |                                              |                                |                                           |                                            |

|                                                                                                            |     |             |             |
|------------------------------------------------------------------------------------------------------------|-----|-------------|-------------|
| Amounts from attached list, if any . . . . .                                                               |     | 13,502,102. | 11,007,715. |
| 11 Total columns D and E . . . . .                                                                         | 11. | 13,502,102. | 11,007,715. |
| 12 If column D total is more than column E total, enter the excess. . .                                    | 12. | 2,494,387.  |             |
| 13 If column E total is more than column D total, enter the excess. . .                                    | 13. |             |             |
| 14 Enter amount from federal Form 4626, line 2a, depreciation of post-1986 property (see instructions) . . | 14. |             | 60,758,846. |
| 15 If there is an excess on line 12, subtract line 12 from line 14 . . . . .                               | 15. |             | 58,264,459. |
| 16 If there is an excess on line 13, add lines 13 and 14. . . . .                                          | 16. |             |             |

Enter amount from line 15 or line 16 on Form CT-4, line 22; or Form CT-3 or CT-3-A, line 43.

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Attach this form and a copy of federal Form 4562 or 4562-FY to your New York State corporation franchise tax return.



**Pennsylvania Electric Company**

Tax Year 2008

EIN 25-0718085

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Continuation of Statement Form CT-399, Page 1, Part I, Section A, ACBS/MACRS property

| Row ID | Description of Property | Date placed in service | Cost Basis  | Accum Fed Depreciation | ACRS/MACRS Fed Deduct | NYS Depr Method |
|--------|-------------------------|------------------------|-------------|------------------------|-----------------------|-----------------|
| Total  |                         |                        | 613,011,358 | 560,043,200            | 13,543,497            |                 |

| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr |
|--------|--------------|----------------------|--------------------|
| Total  |              | 205,229,222          | 12,527,127         |

**Statement: 4**

**Form CT-399, Page 2, Part I, Section B, 30%/50% Federal special depreciation property**

| Row ID | Description of Property | Date placed in service | Cost Basis  | Accum Fed Depreciation | Fed Special Depr Deduct | NYS Depr Method |
|--------|-------------------------|------------------------|-------------|------------------------|-------------------------|-----------------|
| 1      | SEE ATTACHED SCHEDULE   |                        | 215,071,040 | 84,982,602             | 60,288,367              | MACRS           |
| 2      |                         |                        |             |                        |                         |                 |

| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr |
|--------|--------------|----------------------|--------------------|
| 1      |              | 35,802,302           | 9,812,818          |
| 2      |              |                      |                    |
| Total  |              |                      |                    |

| Row ID | Description of Property | Date placed in service | Cost Basis  | Accum Fed Depreciation | Fed Special Depr Deduct | NYS Depr Method |
|--------|-------------------------|------------------------|-------------|------------------------|-------------------------|-----------------|
| Total  |                         |                        | 215,071,040 | 84,982,602             | 60,288,367              |                 |

| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr |
|--------|--------------|----------------------|--------------------|
| Total  |              | 35,802,302           | 9,812,818          |

**Statement: 5**

**Form CT-399, Page 3, Part II, Disposition adjustments**

| Row ID | Description of Property | Date placed in service | Total Fed Deduction taken | Total NY Deduction taken | Adjustment |
|--------|-------------------------|------------------------|---------------------------|--------------------------|------------|
| 1      | Available on Audit      |                        | 1,504,509                 | 1,283,003                | 221,506    |
| 2      |                         |                        | 160,658                   | 217,199                  |            |

| Row ID | Adjustment |
|--------|------------|
| 1      |            |
| 2      | 56,541     |

| Row ID | Description of Property | Date placed in service | Total Fed Deduction taken | Total NY Deduction taken | Adjustment |
|--------|-------------------------|------------------------|---------------------------|--------------------------|------------|
| Total  |                         |                        | 1,665,167                 | 1,500,202                | 221,506    |

| Row ID | Adjustment |
|--------|------------|
| Total  | 56,541     |

**Statement: 6**

**Form CT-399, Page 4, Part IV, Minimum taxable income base depreciation adjustments**

| Row ID | Description of Property | Date placed in service | Cost | Federal Deprec Deduct | Alternative Deprec Deduct |
|--------|-------------------------|------------------------|------|-----------------------|---------------------------|
| 1      | Available on Audit      |                        |      | 13,502,102            | 11,007,715                |
| Total  |                         |                        |      | 13,502,102            | 11,007,715                |

PENNSYLVANIA ELECTRIC COMPANY

Attachment A

YEAR ENDED 12/31/2008

FED ID# 25-0718085

CT-3 General Business Corporation Franchise Tax Return

page 2 line 2 and line 6

**ADDITIONS:**

|                |                                               |                  |
|----------------|-----------------------------------------------|------------------|
| Line 2, page 2 | PA PUC Nuclear Decommissioning Trust Interest | 1,116,408.00     |
|                | FERC Decommissioning Trust Interest           | 204.00           |
|                | FERC Decommissioning Trust Interest           | 1,023,654.00     |
|                | Total                                         | <u>2,140,266</u> |

|                |                                |                     |
|----------------|--------------------------------|---------------------|
| Line 6, page 2 | NY Franchise tax               | 64,639.00           |
|                | PA State Taxes based on Income | 5,124,562.00        |
|                | MD CNI                         | (3,257.00)          |
|                | Total                          | <u>5,185,944.00</u> |

**SUBTRACTIONS**

|                 |                                |                   |
|-----------------|--------------------------------|-------------------|
| Line 14, Page 2 | Federal Depreciation Allowance | 22,561,451        |
|                 | Total                          | <u>22,561,451</u> |

**PENNSYLVANIA ELECTRIC COMPANY**  
**EIN # 25-0718085**  
**New York General Business Corporation**  
**Franchise Tax**  
**Year Ended December 31, 2008**

CT-3ATT schedule C part I, and schedule D part I

| <u>Stocks of PA Corporations:</u>  | <u>Shares<br/>of<br/>Principal<br/>Amount</u> | <u>Days<br/>Held</u> | <u>FEIN</u> | <u>Average<br/>Value</u> | <u>Net<br/>Average<br/>Value</u> |
|------------------------------------|-----------------------------------------------|----------------------|-------------|--------------------------|----------------------------------|
| Waterford Development Company      | 50 Common                                     | Full Year            | 14-1904967  | 5,000                    | 5,000                            |
| Waverly Electric Light & Power Co. | 30 Common                                     | Full Year            | 24-0866254  | 15,000                   | 15,000                           |
| Penelec Preferred Capital II       | 100 Common                                    | Full Year            |             | 0                        | 0                                |
| Penelec Funding LLC                |                                               |                      |             | 24,054,137               | 24,054,137                       |
|                                    |                                               |                      |             |                          | <u>24,074,137</u>                |