

March 31, 2011

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

Re: Reconciliation of Tax Expenses Charged and Deferred for the year 2010 required under Case 00-M-1556

Dear Secretary Brillling:

Attached please find Pennsylvania Electric Company's Waverly, New York reconciliation of tax expenses charged and deferred for calendar year 2010 as required by Case 00-M-1556 under the Order Implementing Tax Law Changed on a Permanent Basis, issued and effective June 28, 2001.

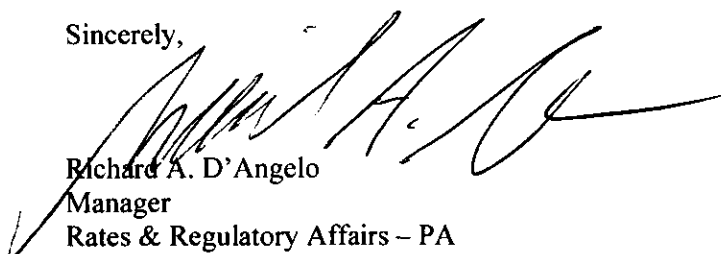
The Reconciliation Filing consists of three (3) schedules. Schedule 1 shows the 2010 Annual Reconciliation of Over/Under Collection of Gross Revenue Taxes and State Income Taxes and the interest calculations on the deferral. Schedule 2 shows the total tax revenue collected for the calendar year 2010. Schedule 3 shows the 2009 State Income Tax Calculation of interest.

Attachment A is a copy of Pennsylvania Electric Company's Waverly, New York 2010 CT-186-P New York State Gross Income Tax Return. Attachment B is a copy of Pennsylvania Electric Company - Waverly, New York 2009 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 2010 CT-3 New York State Corporation Income Tax Return and it will be filed in late 2011.

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

2011 MAR 31 10:57

**Pennsylvania Electric Company
Waverly, NY**

**2010 Annual Reconciliation of Over/Under Collection
of
Gross Revenue Taxes and State Income Taxes**

| Line No. | Month | Total Revenue Collected (1) | Total Tax Revenue Collected (2) <small>Schedule 2, col. (1)</small> | NYS Gross Income Tax Liability (3) | Tax Over/(Under) Collection (4)=(2)+(3) | Cumulative End of Month Balance (5) | Cumulative 2 Month Average Balance (6) | Over/(Under) Balance Subject to Int Calculation net of FIT (7)=(6)*(1-T) | Interest on Deferral (8)=(7)*6.60%/12 | Franchise Tax Liab. & Interest (9) | NYS Cumulative Over/(Under) Collection (10)=(5)+(8)+(9) |
|----------|---|--------------------------------|---|---------------------------------------|--|--|---|---|--|---------------------------------------|--|
| | | | | | | | | | | 2010 Opening Balance | \$ 30,284 |
| 1 | January | \$ 451,579 | \$ 35 | \$ 1,907 | \$ 1,942 | \$ 32,226 | \$ 31,255 | \$ 20,316 | \$ 112 | \$ - | \$ 32,337 |
| 2 | February | 427,609 | 846 | 1,907 | 2,753 | 35,090 | 33,714 | 21,914 | 121 | - | 35,210 |
| 3 | March | 426,173 | 634 | 1,907 | 2,541 | 37,751 | 36,481 | 23,713 | 130 | - | 37,882 |
| 4 | April | 364,685 | 453 | 1,907 | 2,360 | 40,241 | 39,062 | 25,390 | 140 | - | 40,381 |
| 5 | May | 354,953 | 405 | 1,907 | 2,312 | 42,693 | 41,537 | 26,999 | 148 | - | 42,842 |
| 6 | June | 359,546 | 378 | 1,907 | 2,284 | 45,126 | 43,984 | 28,589 | 157 | - | 45,283 |
| 7 | July | 376,215 | (269) | 1,907 | 1,638 | 46,921 | 46,102 | 29,966 | 165 | - | 47,086 |
| 8 | August | 399,062 | 497 | 1,907 | 2,404 | 49,480 | 48,288 | 31,387 | 173 | - | 49,662 |
| 9 | September | 387,494 | 463 | 1,907 | 2,369 | 52,032 | 50,847 | 33,051 | 182 | - | 52,213 |
| 10 | October | 369,563 | 352 | 1,907 | 2,259 | 54,472 | 53,343 | 34,673 | 191 | - | 54,663 |
| 11 | November | 352,628 | 473 | 1,907 | 2,380 | 57,043 | 55,853 | 36,304 | 200 | - | 57,242 |
| 12 | December | 385,830 | 587 | 1,907 | 2,494 | 59,736 | 58,489 | 38,018 | 209 | (4,499) | 55,447 |
| 13 | Total | \$ 4,655,338 | \$ 4,856 | \$ 22,879 | \$ 27,735 | | | | \$ 1,927 | \$ (4,499) | |
| 14 | 2010 Tax Revenue Collected | | | | \$ 4,856 | | | | | | |
| 15 | NYS Gross Income Tax Liability | | | | 22,879 | | | | | | |
| 16 | Interest on Deferral Owed from Company | | | | 1,927 | | | | | | |
| 17 | 2009 NYS Franchise Tax Liab. & Interest | | | | (4,499) | | | | | | |
| 18 | Total Over (Under) collection for 2010 | | | | \$ 25,163 | | | | | | |
| 19 | Opening Balance for 2010 | | | | 30,284 | | | | | | |
| 20 | End of Year Balance | | | | \$ 55,447 | | | | | | |

**Pennsylvania Electric Company
Waverly, NY**

2010 Revenues from the Report of Electric Sales

STATE SURCHARGE TAX

TOTAL
(1)

| | | | |
|----|-----------|----|-------|
| 1 | January | \$ | 35 |
| 2 | February | \$ | 846 |
| 3 | March | \$ | 634 |
| 4 | April | \$ | 453 |
| 5 | May | \$ | 405 |
| 6 | June | \$ | 378 |
| 7 | July | \$ | (269) |
| 8 | August | \$ | 497 |
| 9 | September | \$ | 463 |
| 10 | October | \$ | 352 |
| 11 | November | \$ | 473 |
| 12 | December | \$ | 587 |
| 13 | Total | \$ | 4,856 |

Pennsylvania Electric Company
Waverly, NY
Calculation of Interest to be Applied to '09 SIT Payment

| <u>2009 Activity</u> | <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> | <u>2008</u> <u>Totals</u> |
|---|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|------------------------------|
| Cumulative Balance - BOM | 0 | 369 | 739 | 1,110 | 1,482 | 1,855 | 2,229 | 2,605 | 2,981 | 3,359 | 3,738 | 4,118 | |
| NYS Corporate Income Tax Payments* | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | <u>368</u> | 4,419 |
| Cumulative Balance - EOM | 368 | 737 | 1,107 | 1,478 | 1,850 | 2,223 | 2,598 | 2,973 | 3,350 | 3,727 | 4,106 | 4,486 | |
| Cumulative 2 pt. Aver. Balance | 184 | 553 | 923 | 1,294 | 1,666 | 2,039 | 2,413 | 2,789 | 3,165 | 3,543 | 3,922 | 4,302 | |
| Cum. Bal. subject to interest cal. Net of FIT | 120 | 359 | 600 | 841 | 1,083 | 1,325 | 1,569 | 1,813 | 2,058 | 2,303 | 2,549 | 2,796 | |
| Interest Earned on SIT Payment | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>11</u> | <u>12</u> | <u>13</u> | 80 |
| Cum. Bal. Incl. interest - EOM | 369 | 739 | 1,110 | 1,482 | 1,855 | 2,229 | 2,605 | 2,981 | 3,359 | 3,738 | 4,118 | 4,499 | |
| | | | | | | | | | | | | | 4,499 |

* = '09 payment made in 3/09, 6/09 and 9/09

Attachment A

Utility Services Tax Return - Gross Income

For calendar year 2010

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

| | | | |
|---|--|--|--|
| Employer identification number 25-0718085 | File number HH 8 | Business telephone number (973) 401-8383 | If you claim an overpayment, mark an X in the box <input type="checkbox"/> |
| Legal name of corporation Pennsylvania Electric Company | | Trade name/DBA | |
| Mailing name (if different from legal name above) c/o TAX SERVICES | | State or country of incorporation PENNSYLVANIA | Date received (for Tax Department use only) |
| Number and street or PO box 300 MADISON AVE, PO BOX 1911 | | Date of incorporation 06/11/1919 | |
| City MORRISTOWN | State NJ | ZIP code 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 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 www.nystax.gov and look for change my address option. Otherwise, see Business Information in Form CT-1. | |
| Date corporation came under the supervision of the NYS Department of Public Service | | Audit (for Tax Department use only) | |

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 ← Attach your payment here. Detach all check stubs. (See instructions for details.) | A. Payment enclosed 4,118.00 |
|--|---------------------------------|

Computation of tax

| | | |
|---|-----|--------------|
| 1 Receipts from transportation, transmission, or distribution of gas or electricity | 1. | 4,655,338.00 |
| 2 Allowable exclusions from receipts on line 1 (see instructions) | 2. | 3,511,386.00 |
| 3 Net receipts from transportation, transmission, or distribution of gas or electricity after allowable exclusions (subtract line 2 from line 1; see instructions) | 3. | 1,143,952.00 |
| 4 Tax on gross income (multiply line 3 receipts by rate; see instructions) | 4. | 22,879.00 |
| 5 Power for jobs tax credit (see instructions) | 5. | |
| 6 Tax after power for jobs credit (subtract line 5 from line 4) | 6. | 22,879.00 |
| 7 Tax credits: Mark an X in the box(es) to indicate the form(s) filed and attach form(s) CT-243 • <input type="checkbox"/> CT-249 • <input type="checkbox"/> CT-631 • <input type="checkbox"/> Other credits (see instructions) • <input type="checkbox"/> | 7. | |
| 8 Net tax (subtract line 7 from line 6) | 8. | 22,879.00 |
| 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. | 5,720.00 |
| 11 Total (add lines 8 and 9 or 10) | 11. | 28,599.00 |
| 12 Total prepayments (enter amount from line 32) | 12. | 24,481.00 |
| 13 Balance (if line 12 is less than line 11, subtract line 12 from line 11) | 13. | 4,118.00 |
| 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. | 4,118.00 |
| 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. 03/15/2010 | 6,120.00 |
| 26 | Second installment from Form CT-400 26. 06/15/2010 | 6,120.00 |
| 27 | Third installment from Form CT-400 27. 09/15/2010 | 6,120.00 |
| 28 | Fourth installment from Form CT-400 28. 12/15/2010 | 6,121.00 |
| 29 | Payment with extension request, Form CT-5.9, line 5 29. | |
| 30 | Overpayment credited from prior years 30. | |
| 31 | Overpayment credited from Form CT-186-P/M ^{Period} 31. | |
| 32 | Total prepayments (add lines 25 through 31; enter here and on line 12) 32. | 24,481.00 |

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

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

| | | | |
|--|--|---|------------------------|
| Authorized person | Signature of authorized person <i>Harry J. Ryan</i> | Official title VICE PRESIDENT & CONTROLLER | |
| | E-mail address of authorized person | | |
| Paid preparer use only (see instr.) | Firm's name (or yours if self-employed) | Firm's EIN | Preparer's PTIN or SSN |
| | Signature of individual preparing this return | Address | |
| | E-mail address of individual preparing this return | Preparer's NYTPRIN | Date 3/10/11 |

See instructions for where to file.

Attachment B

2009 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 01-01-09 ending 12-31-09

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) 401-8383

X

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 number (from federal return)

If address/phone above is new, mark an X in the box

If you need to update your address or phone information for corp. tax, or other tax types, you can do so online. Visit our Web site at www.nystax.gov and look for the change my address option. Otherwise see Business Information in the instructions.

Audit (for Tax Dept use only)

221100

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 X

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

X

Form 1120-H

Form 1120-REIT or Form 1120-RIC

Consolidated basis

Form 1120S

Other:

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

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

E. Did the entity have an interest in real property located in New York State during the last 3 years? (mark an X in the appropriate box)

Yes No

F. Has there been a transfer or acquisition of controlling interest in the entity during the last 3 years? (mark an X in the appropriate box)

Yes No

(continued)

Pennsylvania Electric Company
Computation of entire net income (ENI) base (see instructions)

| | | | |
|----|---|-------|---------------|
| 1 | Federal taxable income (FTI) before net operating loss (NOL) and special deductions | • 1. | -145,231,618. |
| 2 | Interest on federal, state, municipal, and other obligations not included on line 1 (see instrs) | • 2. | 2,085,386. |
| 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. | 1,403,530. |
| 7 | Federal depreciation from Form CT-399, if applicable (see instructions) | • 7. | 100,599,732. |
| 8 | Other additions (see instructions) | • 8. | |
| | • IRC Section 199 deduction: | • 8. | |
| 9 | Add lines 1 through 8 | • 9. | -41,142,970. |
| 10 | Income from subsidiary capital (from Form CT-3-ATT, line 26) | • 10. | |
| 11 | Fifty percent of dividends from nonsubsidiary corporations (see Instr.) | • 11. | 1,784,202. |
| 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. | 32,102,681. |
| 15 | Other subtractions (attach list; see instructions) | • 15. | |
| 16 | Total subtractions (add lines 10 through 15) | • 16. | 33,886,883. |
| 17 | ENI (subtract line 16 from line 9; show loss with a minus (-) sign; enter here and on line 42) | • 17. | -75,029,853. |
| 18 | Investment inc before allocation (from Form CT-3-ATT, ln 22, but not more than ln 17 above) | • 18. | 2,981,914. |
| 19 | Business income before allocation (subtract line 18 from line 17) | • 19. | -78,011,767. |
| 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 0.3213 % from ln 118, 121, or 141) | • 21. | -250,652. |
| 22 | Total allocated income (add lines 20 and 21) | • 22. | -250,652. |
| 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. | -250,652. |
| 25 | ENI base tax (multiply line 24 by the appropriate rate from the Tax rates schedule on page 6 of Form CT-3/4-I; enter here and on line 72) | • 25. | |

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

| | A | B | C |
|---|-------------------|----------------|----------------|
| | Beginning of year | End of year | Average value |
| 26 Total assets from federal return | 2,892,581,782. | 2,899,000,572. | 2,895,791,177. |
| 27 Real property and marketable securities included on line 26 | | | |
| 28 Subtract line 27 from line 26 | 2,892,581,782. | 2,899,000,572. | 2,895,791,177. |
| 29 Real property and marketable securities at fair market value | | | |
| 30 Adj total assets (add lns 28 and 29) | 2,892,581,782. | 2,899,000,572. | 2,895,791,177. |
| 31 Total liabilities | 1,943,472,906. | 1,967,614,720. | 1,955,543,813. |
| 32 Total capital (subtract line 31, column C, from line 30, column C) | | | 940,247,364. |
| 33 Subsidiary capital (from Form CT-3-ATT, line 28; if none, enter 0) | | | 26,325,367. |
| 34 Business and investment capital (subtract line 33 from line 32) | | | 913,921,997. |
| 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) | | | 913,921,997. |
| 37 Allocated investment capital (mult line 35 by % from Form CT-3-ATT, ln 5) | | | |
| 38 Allocated business capital (mult line 36 by 0.3213 % from line 119, 121, or 141) | | | 2,936,431. |
| 39 Capital base (add lines 37 and 38) | | | 2,936,431. |
| 40 Capital base tax (see instructions) | | | 4,405. |
| 41 Issuer's allocation percentage (see instructions) | • 41. | 0.3139 % | |

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

| | | |
|---|-------|--------------|
| 42 ENI from line 17 | 42. | -75,029,853. |
| Adjustments (see instructions) | | |
| 43 Depreciation of tangible property placed in service after 1986 (see instructions) | • 43. | 11,755,105. |
| 44 Amortization of mining exploration and development costs paid or incurred after 1986 | • 44. | 0. |
| 45 Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only) | • 45. | 0. |
| 46 Basis adjustments in determining gain or loss from sale or exchange of property | • 46. | -1,976,849. |
| 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. | -65,251,597. |
| Tax preference items (see instructions) | | |
| 52 Depletion | • 52. | 0. |
| 53 Appreciated property charitable deduction | • 53. | 0. |
| 54 Intangible drilling costs | • 54. | 0. |
| 55 Add lines 51 through 54 | 55. | -65,251,597. |
| 56 New York NOLD from line 13 | • 56. | 0. |
| 57 Add lines 55 and 56 | • 57. | -65,251,597. |
| 58 Alternative net operating loss deduction (ANOLD) (see instructions) | • 58. | 0. |
| 59 MTI (subtract line 58 from line 57) | • 59. | -65,251,597. |
| 60 Investment income before apportioned NOLD (add line 18 and Form CT-3-ATT, line 21) | 60. | 2,981,914. |
| 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. | 2,981,914. |
| 63 Apportioned New York ANOLD (see instructions) | • 63. | 0. |
| 64 Alternative investment income before allocation (subtract line 63 from line 62) | 64. | 2,981,914. |
| 65 Alternative business income before allocation (subtract line 64 from line 59) | • 65. | -68,233,511. |
| 66 Allocated alternative business income (multiply line 65 by 0.3213 % from line 119, 121, or 161) | • 66. | -219,234. |
| 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. | -219,234. |
| 69 Optional depreciation adjustments from line 23 | 69. | 0. |
| 70 MTI base (line 68 plus or minus line 69) | • 70. | -219,234. |
| 71 Tax on MTI base (multiply line 70 by 1.5% (.015)) | • 71. | 0. |

(continued)

**Pennsylvania Electric Company
Computation of tax**

25-0718085

72 Tax on ENI base from line 25 ● 72.
 73 Tax on capital base from line 40 (see instructions)
 New small business: First year ● Second year ● 73. 4,405.

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

74a New York receipts (see instructions) ● 74a. 4,714,853.
 74b 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. 4,405.
 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. 4,419.
 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. 4,419.
 81 Amount from line 71 or 74b, whichever is larger ● 81. 1,500.
 82 Tax due (see instructions) ■ 82. 4,419.

First installment of estimated tax for next period:

83a If you filed a request for extension, enter amount from Form CT-5, line 2 ● 83a. 375.
 83b If you did not file Form CT-5 and line 82 is over \$1,000, see instructions ■ 83b.
 84 Add line 82 and line 83a or 83b 84. 4,794.
 85 Total prepayments from line 106 ● 85. 21,601.
 86 Balance (subtract line 85 from line 84; if line 85 is more than line 84, enter 0) 86. 0.
 87 Estimated tax penalty (see instructions; mark an X in the box if Form CT-222 is attached) ● 87. 0.
 88 Interest on late payment (see instructions) ● 88.
 89 Late filing and late payment penalties (see instructions) ● 89.
 90 Balance (add lines 86 through 89) ■ 90.

Voluntary gifts/contributions (see instructions):

91a Amount for Return a Gift to Wildlife ■ 91a.
 91b Amount for Breast Cancer Research and Education Fund ■ 91b.
 91c Amount for Prostate Cancer Research, Detection, and Education Fund ■ 91c.
 91d Amount for 9/11 Memorial ■ 91d.

92 Total (add lines 84, 87, 88, 89, and 91a through 91d) 92. 4,794.
 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. 16,807.
 95 Amount of overpayment to be credited to next period ■ 95. 16,807.
 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.
 99a Refund of unused tax credits (see instructions and attach appropriate forms) ■ 99a.
 99b Tax credits to be credited as an overpayment to next year's return (see instructions and attach appropriate forms) ■ 99b.

(continued)

Pennsylvania Electric Company

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

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

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

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

Composition of prepayments on line 85 (see instructions)

| | | Date paid | Amount |
|------|--|----------------|---------|
| 101 | Mandatory first installment | 101. 03-16-09 | 6,297. |
| 102a | Second installment from Form CT-400 | 102a. 06-09-09 | 691. |
| 102b | Third installment from Form CT-400 | 102b. | |
| 102c | Fourth installment from Form CT-400 | 102c. | |
| 103 | Payment with extension request from Form CT-5, line 5 | 103. | |
| 104 | Overpayment credited from prior years | 104. Period | 14,613. |
| 105 | Overpayment credited from Form CT-3M/4M | 105. Period | |
| 106 | Total prepayments (add lines 101 through 105; enter here and on line 85) | 106. | 21,601. |

107 If you are a member of an affiliated federal group, enter primary corporation name and EIN:

Name EIN
 ● FIRSTENERGY CORP. ● 34-1843785

If you are more than 50% owned by another corporation, enter parent corporation name and EIN:

Name EIN
 ● FIRSTENERGY CORP. ● 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 <input type="radio"/> No <input type="radio"/> | |
| 110 Interest deducted in computing FTI on line 1 of this form | • 110. | 55,469,124. |
| 111 If the Internal Revenue Service (IRS) has completed an audit of any of your returns within the last five years, list years | 111. 1999 through 2001 | |

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

| | A New York State | B Everywhere | |
|---|---------------------|-----------------|---|
| 112a Revenue aircraft arrivals and departures | • 112a. | • | |
| 112b Adjustment per Tax Law section 210.3(a)(7)(A) | 112b. | .60 | |
| 112c Adjusted NYS revenue aircraft arrivals and departures (multiply line 112a, column A, by line 112b) | • 112c. | | |
| 113 New York State percentage (divide line 112c by line 112a, column B) | | • 113. | % |
| 114a Revenue tons handled | • 114a. | • | |
| 114b Adjustment per Tax Law section 210.3(a)(7)(A) | 114b. | .60 | |
| 114c Adjusted NYS revenue tons handled (multiply line 114a, column A, by line 114b) | • 114c. | | |
| 115 New York State percentage (divide line 114c by line 114a, column B) | | • 115. | % |
| 116a Originating revenue | • 116a. | • | |
| 116b Adjustment per Tax Law section 210.3(a)(7)(A) | 116b. | .60 | |
| 116c Adjusted NYS originating revenue (multiply line 116a, column A, by line 116b) | • 116c. | | |
| 117 New York State percentage (divide line 116c by line 116a, column B) | | • 117. | % |
| 118 Total (add lines 113, 115, and 117) | | 118. | % |
| 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) | | • 119. | % |

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

| | A New York State | B 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. | % |

Pennsylvania Electric Company

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

Did you make an election to use fair market value in your property factor? (mark an X in the appropriate box) Yes No 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 New York State | B Everywhere | |
|---|---------------------|------------------|---|
| Average value of property (see instructions) | | | |
| 122 Real estate owned | • 122. | • | |
| 123 Real estate rented | • 123. | • | |
| 124 Inventories owned | • 124. | • | |
| 125 Tangible personal property owned | • 125. | • | |
| 126 Tangible personal property rented | • 126. | • | |
| 127 Total (add lines 122 through 126) | • 127. | • | |
| 128 New York State property factor (divide line 127, column A, by line 127, column B) | | • 128. | % |
| Receipts in the regular course of business from: | | | |
| 129 Sales of tangible personal property allocated to New York State | • 129. 4,714,853. | | |
| 130 All sales of tangible personal property | 130. | • 1,457,173,485. | |
| 131 Services performed | • 131. | • | |
| 132 Rentals of property | • 132. | • 10,251,461. | |
| 133 Royalties | • 133. | • | |
| 134 Other business receipts | • 134. | • 43. | |
| 135 Total (add lines 129 through 134) | • 135. 4,714,853. | • 1,467,424,989. | |
| 136 New York State receipts factor (divide line 135, column A, by line 135, column B) | | • 136. 0.3213 | % |
| 137 New York State additional receipts factor (see instructions) | | • 137. | % |
| Payroll | | | |
| 138 Wages and other compensation of employees, except general executive officers | • 138. | • | |
| 139 New York State payroll factor (divide line 138, column A, by line 138, column B) | | • 139. | % |
| 140 Total New York State factors (add lines 128, 136, 137, and 139) | | 140. | % |
| 141 New York State business allocation percentage (see instructions) | | • 141. 0.3213 | % |

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

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

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

Receipts in the regular course of business from:

25-0718085

| | | | | | |
|-----|---|------|------------|----------------|---|
| 149 | Sales of tangible personal property allocated to New York State | 149. | 4,714,853. | | |
| 160 | All sales of tangible personal property | 160. | | 1,457,173,485. | |
| 151 | Services performed | 151. | | | |
| 162 | Rentals of property | 162. | | 10,251,461. | |
| 153 | Royalties | 163. | | | |
| 154 | Other business receipts | 164. | | 43. | |
| 155 | Total (add lines 149 through 164) | 155. | 4,714,853. | 1,467,424,989. | |
| 166 | New York State receipts factor (divide line 155, column A, by line 155, column B) | 166. | | 0.3213 | % |
| 167 | New York State additional receipts factor (see instructions) | 167. | | | % |

Payroll

| | | | | | |
|-----|---|------|-----|--------|---|
| 158 | Wages and other compensation of employees, except general executive officers | 158. | | | |
| 159 | New York State payroll factor (divide line 158, column A, by line 158, column B) | 159. | | | % |
| 160 | Total New York State factors (add lines 148, 156, 157, and 159) | 160. | | | % |
| 161 | Alternative business allocation percentage (see instructions) | 161. | | 0.3213 | % |
| 162 | Are you claiming small business taxpayer status for lower ENI tax rates? (see Small business taxpayer definition on page 16 of Form CT-3/4-1; mark an X in the appropriate box) | 162. | Yes | No | |
| 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 |

Amended return information

If filing an amended return, mark an X in the box for any items that apply.

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

Net operating loss (NOL) information

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

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

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

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

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

| | | |
|------------------------|--|-----------------------------------|
| Authorized person | Signature of authorized person <i>Shirley L. Egan</i> | Official title VP & CONTROLLER |
| | E-mail address of authorized person | Date 12/10/10 |
| 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 |
| | E-mail address of individual preparing this return | |

See instructions for where to file.

2009

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

Legal name of corporation
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 - Average value | D - Liabilities directly or indirectly attributable to investment capital | E - Net average value (column C - column D) | F - Issuer's allocation % | G - 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 | | | | | | |
| B | | | | | | |
| Item | C - Average value | D - Liabilities directly or indirectly attributable to investment capital | E - Net average value (column C - column D) | F - Issuer's allocation % | G - Value allocated to New York State (column E x column F) | |

A
B
Amounts from attached list

Totals of Section 2
2.

Totals of Section 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

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. | 1,197,712. |
| 10 | All other interest income from investment capital | • 10. | |
| 11 | Dividend income from investment capital | • 11. | 1,784,202. |
| 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. | 2,981,914. |
| 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. | 2,981,914. |
| 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. | 2,981,914. |

Schedule C, Part 1 - Income from 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 | 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. | 26,325,367. | | | |
| 28 | Total net average value of subsidiary capital (add amounts in column E; enter here and on Form CT-3, line 33) | • 28. | | 26,325,367. | | |
| 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
Depreciation Adjustment Schedule
 Tax Law - Articles 9-A, 32, and 33

| | |
|---|---|
| Legal name of corporation Pennsylvania Electric Company | Employer identification number 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 Stmt 3 | Property |
|------|------------|----------|
| A | | |
| B | | |
| C | | |
| D | | |
| E | | |
| F | | |
| G | | |
| H | | |
| I | | |
| J | | |
| K | | |
| L | | |
| M | | |
| N | | |
| O | | |
| P | | |
| Q | | |

| Item | Date placed in service (mm-dd-yy) | Cost or other basis | Accumulated federal ACRS/MACRS depreciation | Federal ACRS/MACRS depreciation deduction | Method of figuring NYS depreciation | Life or rate | Accumulated NYS depreciation | Allowable NYS depreciation |
|---|-----------------------------------|---------------------|---|---|-------------------------------------|--------------|------------------------------|----------------------------|
| A | | | | | | | | |
| B | | | | | | | | |
| C | | | | | | | | |
| D | | | | | | | | |
| E | | | | | | | | |
| F | | | | | | | | |
| G | | | | | | | | |
| H | | | | | | | | |
| I | | | | | | | | |
| J | | | | | | | | |
| K | | | | | | | | |
| L | | | | | | | | |
| M | | | | | | | | |
| N | | | | | | | | |
| O | | | | | | | | |
| P | | | | | | | | |
| Q | | | | | | | | |
| Amounts from attached list, if any | | 609,377,398. | 570,188,294. | 11,378,180. | | | 214,274,453. | 12,429,424. |
| 1 Totals of Section A | 1. | 609,377,398. | 570,188,294. | 11,378,180. | | | 214,274,453. | 12,429,424. |

Pennsylvania Electric Company
Schedule CT-319 Part I Section A

Tax Year 2009

| 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 NY's Depreciation | Depreciation |
| Federal | BUILDINGS | 1981 | ACRS 15 REAL | 952,948 | 952,948 | 0 | P - BUILDINGS - ACRS | 645,729 | 28,018 |
| Federal | Buildings 5 yr life | 1981 | ACRS 5 | 14,527 | 14,527 | 0 | P - BUILDINGS - ACRS | 8,712 | 427 |
| 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 | 23,528,596 | 23,528,596 | 0 | P - DISTRIBUTION | 13,110,170 | 495,397 |
| Federal | Distribution - 5yr life | 1981 | ACRS 5 | 93,328 | 93,328 | 0 | P - DISTRIBUTION ACRS MODIFIED | 54,891 | 1,982 |
| Federal | DISTRIBUTION EASEMENTS | 1981 | SL 46 | 294,152 | 175,857 | 6,395 | SL 46 | 175,857 | 8,595 |
| Federal | INITIAL CLEARING DIST LINES | 1981 | ACRS 5 | 182,468 | 182,468 | 0 | BOOK 48 YR | 169,099 | 3,987 |
| Federal | INITIAL CLEARING TRANS LINES | 1981 | ACRS 5 | 192,489 | 192,489 | 0 | BOOK 84 YR | 63,020 | 2,292 |
| Federal | LAND IMPROVEMENTS | 1981 | ACRS 15 REAL | 136,644 | 136,644 | 0 | P - LAND IMPROVEMENTS | 84,977 | 5,251 |
| Federal | LAND_BV | 1981 | Zero | 125,802 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1981 | ACRS 15 | 486,719 | 486,719 | 0 | P - DISTRIBUTION | (211,099) | 10,254 |
| Federal | Mobile Maint Tools | 1981 | DOB/SYD REG 10 YR | 31,158 | 31,158 | 0 | BOOK 10 YR | 31,158 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1981 | ACRS 5 | 327 | 327 | 0 | P - OFFICE FURNITURE ACRS MOD | 0 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1981 | ACRS 5 | 1,232 | 1,232 | 0 | P - OFFICE FURNITURE ACRS MOD | 1,232 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1981 | ACRS 6 | 34,704 | 34,704 | 0 | P - OFFICE FURNITURE ACRS MOD | 34,704 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1981 | ACRS 5 | 2,057 | 2,057 | 0 | SL 0317 | 1,188 | 53 |
| Federal | Three Mile Island #2 | 1981 | ACRS 10 | 287,318 | 287,318 | 0 | P - TM-2 MSC PW PL EQP ACCT 325 | 243,353 | 8,849 |
| Federal | Three Mile Island #2 | 1981 | ACRS 10 | 562,146 | 562,146 | 0 | P - TM-2 RECOVERY MODIFICATIONS | 449,458 | 18,358 |
| Federal | Three Mile Island #2 | 1981 | ACRS 10 | 209,554 | 209,554 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 157,695 | 6,098 |
| Federal | Trans RVW & Easements | 1981 | SL 84 | 238,634 | 78,095 | 2,841 | SL 84 | 78,095 | 2,841 |
| Federal | Transformers | 1981 | ACRS 15 | 2,826,500 | 2,826,500 | 0 | P - DISTRIBUTION | 1,394,920 | 69,687 |
| Federal | Transmission | 1981 | ACRS 15 | 6,781,934 | 6,781,934 | 0 | P - TRANSMISSION | 3,560,551 | 93,228 |
| 1981 Total | | | | 26,986,336 | 26,681,788 | 9,238 | | 19,807,527 | 741,406 |
| Federal | BUILDINGS | 1982 | ACRS 15 REAL | 88,431 | 88,431 | 0 | P - BUILDINGS - ACRS | (75,725) | 2,600 |
| Federal | Buildings 5 yr life | 1982 | ACRS 5 | 377,755 | 377,755 | 0 | P - BUILDINGS - ACRS | 18,881 | 11,106 |
| Federal | Distribution | 1982 | ACRS 15 | 19,515,051 | 19,515,051 | 0 | P - DISTRIBUTION | 9,539,871 | 411,778 |
| Federal | Distribution - 5yr life | 1982 | ACRS 5 | 147,163 | 147,163 | 0 | P - DISTRIBUTION ACRS MODIFIED | 78,122 | 3,125 |
| Federal | DISTRIBUTION EASEMENTS | 1982 | SL 46 | 242,701 | 139,816 | 6,276 | SL 46 | 139,816 | 6,276 |
| 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 48 YR | 114,081 | 4,305 |
| Federal | INITIAL CLEARING TRANS LINES | 1982 | ACRS 5 | 8,903 | 8,903 | 0 | BOOK 84 YR | 2,409 | 106 |
| Federal | LAND IMPROVEMENTS | 1982 | ACRS 15 REAL | 184,518 | 184,518 | 0 | P - LAND IMPROVEMENTS | 112,603 | 7,091 |
| Federal | Meters | 1982 | ACRS 15 | 172,707 | 172,707 | 0 | P - DISTRIBUTION | (743,410) | 3,645 |
| Federal | Mobile Maint Tools | 1982 | DOB/SYD REG 10 YR | 3,785 | 3,785 | 0 | BOOK 10 YR | 3,785 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1982 | ACRS 5 | 6,549 | 6,549 | 0 | SL 0317 | 4,329 | 198 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1982 | ACRS 5 | 563,258 | 563,258 | 0 | P - OFFICE FURNITURE | 563,258 | 0 |
| Federal | Three Mile Island #2 | 1982 | ACRS 10 | 246 | 246 | 0 | P - TM-2 ACCESS EL EQP ACCT 324 | 188 | 7 |
| Federal | Three Mile Island #2 | 1982 | ACRS 10 | 134,225 | 134,225 | 0 | P - TM-2 ROTOR PLY EQP ACCT 322 | 114,533 | 4,322 |
| Federal | Three Mile Island #2 | 1982 | ACRS 10 | 72,908 | 72,908 | 0 | P - TM-2 MSC PW PL EQP ACCT 325 | 69,513 | 2,246 |
| Federal | Three Mile Island #2 | 1982 | ACRS 10 | 571,225 | 571,225 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 440,504 | 16,623 |
| Federal | Trans RVW & Easements | 1982 | SL 84 | 31,316 | 9,882 | 373 | SL 84 | 9,882 | 373 |
| Federal | Transformers | 1982 | ACRS 15 | 3,339,364 | 3,339,364 | 0 | P - DISTRIBUTION | 1,482,414 | 70,758 |
| Federal | Transmission | 1982 | ACRS 15 | 3,091,379 | 3,091,379 | 0 | P - TRANSMISSION | 1,551,470 | 42,508 |
| 1982 Total | | | | 28,760,884 | 28,636,264 | 6,549 | | 13,447,495 | 686,016 |
| Federal | BUILDINGS | 1983 | ACRS 15 REAL | 640,393 | 640,393 | 0 | P - BUILDINGS - ACRS | 317,694 | 18,827 |
| Federal | Buildings 5 yr life | 1983 | ACRS 5 | 783,328 | 783,328 | 0 | P - BUILDINGS - ACRS | 426,164 | 23,029 |
| Federal | Cust Advance Dist | 1983 | ACRS 15 | 9,749 | 9,749 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 6,273 | 207 |
| Federal | Cust Advance Dist | 1983 | ACRS 15 | 67,762 | 67,762 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 43,517 | 1,440 |
| Federal | Cust Advance Trans&Dist | 1983 | ADR SYD 17.5 YR | 8,289 | 8,289 | 0 | BOOK 23.5 YR | 8,289 | 0 |
| Federal | Cust Advance Trans&Dist | 1983 | ADR DOB/SYD 19.5 YR | 37,445 | 37,445 | 0 | BOOK 25.5 YR | 37,437 | 8 |
| Federal | Cust Advance Trans&Dist | 1983 | ADR DOB/SYD 20.5 YR | 63,525 | 63,525 | 0 | BOOK 20.5 YR | 61,121 | 2,397 |
| Federal | Cust Advance Trans&Dist | 1983 | ADR DOB/SYD 21.5 YR | 190,345 | 190,345 | 0 | BOOK 27.5 YR | 176,522 | 6,023 |
| Federal | DATA HANDLING EQUIPMENT | 1983 | ACRS 6 | 31,932 | 31,932 | 0 | P - DATA HANDLING-OFF MA ACRS MOD | 31,932 | 0 |
| Federal | Distribution | 1983 | ACRS 15 | 18,533,208 | 18,533,208 | 0 | P - DISTRIBUTION | 8,444,058 | 392,639 |
| Federal | Distribution - 5yr life | 1983 | ACRS 5 | 157,893 | 157,893 | 0 | P - DISTRIBUTION ACRS MODIFIED | 78,306 | 3,353 |
| Federal | DISTRIBUTION EASEMENTS | 1983 | SL 46 | 271,207 | 150,346 | 5,998 | SL 46 | 150,346 | 5,896 |
| Federal | General RVW | 1983 | SL 8 | 80 | 80 | 0 | SL 8 | 80 | 0 |
| Federal | INITIAL CLEARING DIST LINES | 1983 | ACRS 5 | 369,301 | 369,301 | 0 | BOOK 48 YR | 204,722 | 8,029 |
| Federal | INITIAL CLEARING TRANS LINES | 1983 | ACRS 5 | 8,293 | 8,293 | 0 | BOOK 84 YR | 2,521 | 99 |
| Federal | LAND IMPROVEMENTS | 1983 | ACRS 15 REAL | 38,938 | 38,938 | 0 | P - LAND IMPROVEMENTS | (8,122) | 1,420 |
| Federal | LAND_BV | 1983 | Zero | 58,405 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1983 | ACRS 15 | 882,164 | 882,164 | 0 | P - DISTRIBUTION | (364,611) | 18,722 |
| Federal | Mobile Maint Tools | 1983 | DOB/SYD REG 10 YR | 103,766 | 103,766 | 0 | BOOK 10 YR | 103,766 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1983 | ACRS 5 | 22,853 | 22,853 | 0 | P - OFFICE FURNITURE ACRS MOD | 22,853 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1983 | ACRS 5 | 176,890 | 176,890 | 0 | P - OFFICE FURNITURE | 176,890 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1983 | ACRS 5 | 3,788 | 3,788 | 0 | SL 0317 | 2,225 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1983 | ACRS 5 | 1,969 | 1,969 | 0 | P - OFFICE FURNITURE ACRS MOD | 1,968 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1983 | ACRS 5 | 22,853 | 22,853 | 0 | P - OFFICE FURNITURE ACRS MOD | 22,853 | 0 |
| Federal | Three Mile Island #2 | 1983 | ACRS 10 | 2,716 | 2,716 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 1,976 | 79 |
| Federal | Three Mile Island #2 | 1983 | ACRS 10 | 39,284 | 39,284 | 0 | P - TM-2 MSC PW PL EQP ACCT 325 | 23,328 | 933 |
| Federal | Trans RVW & Easements | 1983 | SL 84 | 2,205 | 668 | 26 | SL 84 | 668 | 26 |
| Federal | Transformers | 1983 | ACRS 15 | 3,469,495 | 3,469,495 | 0 | P - DISTRIBUTION | 1,493,016 | 73,555 |
| Federal | Transmission | 1983 | ACRS 15 | 4,310,349 | 4,310,349 | 0 | P - TRANSMISSION | 1,932,108 | 69,048 |
| 1983 Total | | | | 30,297,454 | 30,116,649 | 6,922 | | 13,378,916 | 616,628 |
| Federal | BUILDINGS | 1984 | ACRS 15 JUN | 140,999 | 140,999 | 0 | P - BUILDINGS - ACRS | 15,948 | 4,145 |
| Federal | Buildings 5 yr life | 1984 | ACRS 5 | 271,470 | 271,470 | 0 | P - BUILDINGS - ACRS | 143,018 | 7,981 |
| Federal | Cust Advance Dist | 1984 | ACRS 15 | 36,990 | 36,990 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 22,718 | 788 |
| Federal | Cust Advance Dist | 1984 | ACRS 15 | 63,723 | 63,723 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 39,133 | 1,354 |
| Federal | Cust Advance Dist | 1984 | ACRS 15 | 28,257 | 28,257 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 17,354 | 600 |
| Federal | Cust Advance Trans&Dist | 1984 | ADR SYD 16.5 YR | 839 | 839 | 0 | BOOK 22.5 YR | 839 | 0 |
| Federal | Cust Advance Trans&Dist | 1984 | ADR DOB/SYD 20.5 YR | 25,265 | 25,265 | 0 | BOOK 26.5 YR | 23,252 | 953 |
| Federal | Cust Advance Trans&Dist | 1984 | ADR DOB/SYD 19.5 YR | 20,805 | 20,805 | 0 | BOOK 26.5 YR | 20,088 | 819 |
| Federal | Cust Advance Trans&Dist | 1984 | ADR DOB/SYD 18.5 YR | 6,716 | 6,716 | 0 | BOOK 24.5 YR | 6,714 | 2 |
| Federal | Distribution | 1984 | ACRS 15 | 19,299,160 | 19,299,160 | 0 | P - DISTRIBUTION | 8,576,189 | 409,229 |
| Federal | Distribution - 5yr life | 1984 | ACRS 5 | 244,803 | 244,803 | 0 | P - DISTRIBUTION ACRS MODIFIED | 173,929 | 5,197 |
| Federal | DISTRIBUTION EASEMENTS | 1984 | SL 46 | 162,553 | 162,553 | 6,798 | SL 46 | 162,553 | 6,798 |
| Federal | INITIAL CLEARING DIST LINES | 1984 | ACRS 5 | 185,885 | 185,885 | 0 | BOOK 48 YR | 99,007 | 4,041 |
| Federal | INITIAL CLEARING TRANS LINES | 1984 | ACRS 5 | 7,244 | 7,244 | 0 | BOOK 84 YR | 2,111 | 88 |
| Federal | LAND IMPROVEMENTS | 1984 | ACRS 15 JUN | 7,426 | 7,426 | 0 | P - LAND IMPROVEMENTS | (27,731) | 265 |
| Federal | LAND_BV | 1984 | Zero | 41,185 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1984 | ACRS 15 | 768,805 | 768,805 | 0 | P - DISTRIBUTION | (566,431) | 16,288 |
| Federal | Mobile Maint Tools | 1984 | DOB/SYD REG 10 YR | 111,115 | 111,115 | 0 | BOOK 10 YR | 111,115 | 0 |
| Federal | Three Mile Island #2 | 1984 | ACRS 10 | 11,194 | 11,194 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 7,984 | 326 |
| Federal | Three Mile Island #2 | 1984 | ACRS 10 | 71,677 | 71,677 | 0 | P - TM-2 MSC PW PL EQP ACCT 325 | 54,091 | 2,208 |
| Federal | Three Mile Island #2 | 1984 | ACRS 10 | 4,848 | 4,848 | 0 | P - TM-2 ROTOR PLY EQP ACCT 322 | 3,823 | 168 |
| Federal | Trans RVW & Easements | 1984 | SL 84 | 3,830 | 1,122 | 45 | SL 84 | 1,122 | 46 |
| Federal | Transformers | 1984 | ACRS 15 | 4,559,743 | 4,559,743 | 0 | P - DISTRIBUTION | 1,972,665 | 96,693 |
| Federal | Transmission | 1984 | ACRS 15 | 2,160,588 | 2,160,588 | 0 | P - TRANSMISSION | 975,270 | 29,694 |
| 1984 Total | | | | 28,385,319 | 28,195,376 | 6,844 | | 11,838,376 | 687,697 |
| Federal | Cust Advance Dist | 1985 | ACRS 15 | 48,576 | 48,576 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 28,512 | 1,032 |
| Federal | Cust Advance Dist | 1985 | ACRS 15 | 48,973 | 48,973 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 28,773 | 1,040 |
| Federal | Cust Advance Dist | 1985 | ACRS 15 | 9,339 | 9,339 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 5,488 | 198 |
| Federal | Cust Advance Dist | 1985 | ACRS 15 | 12,475 | 12,475 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | 7,331 | 265 |
| Federal | Cust Advance Trans&Dist | 1985 | ADR DOB/SYD 19.5 YR | 43,100 | 43,100 | 0 | BOOK 25.5 YR | 39,714 | 1,690 |
| Federal | Cust Advance Trans&Dist | 1985 | ADR DOB/SYD 18.5 YR | 12,201 | 12,201 | 0 | BOOK 24.5 YR | 11,702 | 498 |

Pennsylvania Electric Company
Schedule CT-399 Part I Section A

Tax Year 2009

| A | B | C | D | E | F | 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 | Cust Advance Trans & Dist | 1955 | ADR DDB/SYD 17.5 YR | 8,117 | 8,117 | 0 | BOOK 23.5 YR | 8,113 | 4 |
| Federal | Cust Advance Trans & Dist | 1955 | ADR SYD 15.5 YR | 400 | 400 | 0 | BOOK 21.5 YR | 400 | 0 |
| Federal | Distribution | 1955 | ACRS 15 | 19,830,678 | 19,830,678 | 0 | P - DISTRIBUTION | 8,730,815 | 420,432 |
| Federal | Distribution - 5yr life | 1955 | ACRS 5 | 275,806 | 275,806 | 0 | P - DISTRIBUTION ACRS MODIFIED | 251,680 | 5,856 |
| Federal | DISTRIBUTION EASEMENTS | 1955 | SL 46 | 299,110 | 152,492 | 6,503 | SL 46 | 152,402 | 6,503 |
| Federal | INITIAL CLEARING DIST LINES | 1955 | ACRS 5 | 308,002 | 308,002 | 0 | BOOK 46 YR | 167,355 | 6,898 |
| Federal | INITIAL CLEARING TRANS LINES | 1955 | ACRS 5 | 59,433 | 59,433 | 0 | BOOK 84 YR | 16,838 | 768 |
| Federal | LAND IMPROVEMENTS | 1955 | ACRS 19 JUL | 146,234 | 146,234 | 0 | P - LAND IMPROVEMENTS | 94,870 | 5,620 |
| Federal | LAND_BV | 1955 | Zero | 72,128 | 0 | 0 | Zero | (22,975) | 0 |
| Federal | Meters | 1955 | ACRS 15 | 411,792 | 411,792 | 0 | P - DISTRIBUTION | (961,045) | 8,700 |
| Federal | Meters | 1955 | DOB/SYD REG 10 YR | 14,511 | 14,511 | 0 | BOOK 10 YR | 14,511 | 0 |
| Federal | MOBILE MAINT TOOL | 1955 | ACRS 5 | 109,893 | 109,893 | 0 | P - OFFICE FURNITURE ACRS MOD | 109,893 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1955 | ACRS 5 | 33,846 | 33,846 | 0 | P - OFFICE FURNITURE | 6,823 | 612 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1955 | ACRS 5 | 10,429 | 10,429 | 0 | SL 0317 | 8,973 | 318 |
| Federal | PINEY STATION | 1955 | ACRS 15 | 33,670 | 33,670 | 0 | P - PINEY STATION | 16,649 | 815 |
| Federal | REAL PROPERTY | 1955 | ACRS 18 JUN | 377,828 | 377,828 | 0 | SL 025 | 196,095 | 9,448 |
| Federal | Three Mile Island #2 | 1955 | ACRS 10 | 165,627 | 165,627 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 113,266 | 4,820 |
| Federal | Three Mile Island #2 | 1955 | ACRS 10 | 168,941 | 168,941 | 0 | P - TM-2 MSC PW PL EOP ACCT 325 | 122,270 | 5,203 |
| Federal | Trans RAW & Easements | 1955 | SL 84 | 41,804 | 11,699 | 498 | SL 84 | 11,699 | 498 |
| Federal | Transformers | 1955 | ACRS 15 | 6,696,473 | 6,696,473 | 0 | P - DISTRIBUTION | 2,532,359 | 142,168 |
| Federal | Transmission | 1955 | ACRS 15 | 3,571,119 | 3,571,119 | 0 | P - TRANSMISSION | 1,493,352 | 49,106 |
| | | 1955 Total | | 32,810,602 | 32,861,953 | 7,001 | | 19,176,897 | 672,228 |
| Federal | Cust Advance Dist | 1956 | ACRS 15 | 3,974 | 3,974 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 2,227 | 84 |
| Federal | Cust Advance Dist | 1956 | ACRS 15 | 31,823 | 31,823 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | 17,831 | 676 |
| Federal | Cust Advance Dist | 1956 | ACRS 16 | 44,077 | 44,077 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 24,698 | 936 |
| Federal | Cust Advance Dist | 1956 | ACRS 15 | 16,638 | 16,638 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | 9,323 | 353 |
| Federal | Cust Advance Dist | 1956 | ACRS 15 | 66,196 | 66,196 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 37,092 | 1,406 |
| Federal | Cust Advance Trans & Dist | 1956 | ADR DDB/SYD 17.5 YR | 5,806 | 5,806 | 0 | BOOK 23.5 YR | 5,559 | 247 |
| Federal | Cust Advance Trans & Dist | 1956 | ADR DDB/SYD 18.5 YR | 30,174 | 30,174 | 0 | BOOK 24.5 YR | 27,712 | 1,231 |
| Federal | Cust Advance Trans & Dist | 1956 | ADR SYD 14.5 YR | 1,674 | 1,674 | 0 | BOOK 20.5 YR | 1,674 | 0 |
| Federal | Distribution | 1956 | ACRS 15 | 30,316,273 | 30,316,273 | 0 | P - DISTRIBUTION | 13,160,339 | 642,904 |
| Federal | Distribution - 5yr life | 1956 | ACRS 5 | 1,295,421 | 1,295,421 | 0 | P - DISTRIBUTION ACRS MODIFIED | 939,487 | 27,502 |
| Federal | DISTRIBUTION EASEMENTS | 1956 | SL 46 | 285,705 | 144,635 | 6,429 | SL 46 | 144,635 | 6,429 |
| Federal | Hybrid-Dist-Capital Pensions | 1956 | SL 46 | 0 | 0 | 0 | BOOK 23.5 YR | 400,682 | 17,809 |
| Federal | INITIAL CLEARING DIST LINES | 1956 | ACRS 5 | 335,747 | 335,747 | 0 | BOOK 46 YR | 164,229 | 7,289 |
| Federal | INITIAL CLEARING TRANS LINES | 1956 | ACRS 5 | 7,458 | 7,458 | 0 | BOOK 84 YR | 2,000 | 89 |
| Federal | LAND_BV | 1956 | Zero | 32,751 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1956 | ACRS 15 | 1,236,013 | 1,236,013 | 0 | P - DISTRIBUTION | (216,740) | 25,998 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1956 | ACRS 5 | 11,665 | 11,665 | 0 | SL 0317 | 9,937 | 353 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1956 | ACRS 5 | 367,830 | 367,830 | 0 | P - OFFICE FURNITURE | 367,830 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1956 | ACRS 5 | 203,538 | 203,538 | 0 | P - OFFICE FURNITURE ACRS MOD | 203,538 | 0 |
| Federal | Three Mile Island #2 | 1956 | ACRS 10 | 43,097 | 43,097 | 0 | P - TM-2 MSC PW PL EOP ACCT 325 | 29,863 | 1,327 |
| Federal | Three Mile Island #2 | 1956 | ACRS 10 | 146,654 | 146,654 | 0 | P - TM-2 STRCTRS & IMP ACCT 321 | 98,025 | 4,268 |
| Federal | Trans RAW & Easements | 1956 | SL 84 | 26,828 | 7,133 | 317 | SL 84 | 7,133 | 317 |
| Federal | Transformers | 1956 | ACRS 15 | 7,565,007 | 7,565,007 | 0 | P - DISTRIBUTION | 3,016,592 | 160,824 |
| Federal | Transmission | 1956 | ACRS 15 | 4,776,259 | 4,776,259 | 0 | P - TRANSMISSION | 1,927,709 | 65,661 |
| | | 1956 Total | | 46,859,108 | 46,668,792 | 6,746 | | 20,427,285 | 965,516 |
| Federal | BUILDINGS | 1987 | ACRS 19 JUL | 8,968,289 | 8,968,289 | 0 | P - BUILDINGS - ACRS | 3,832,628 | 283,659 |
| Federal | BUILDINGS | 1987 | MACRS 31.5 YR | 230,649 | 157,435 | 7,323 | P - BUILDINGS - SL ACRS MOD | (53,950) | 8,781 |
| Federal | BUILDINGS | 1987 | MACRS 15 | 4,923 | 4,923 | 0 | P - BUILDINGS - SL ACRS MOD | (54,144) | 145 |
| Federal | Buildings 7 yr life | 1987 | MACRS 7 | 83,326 | 83,326 | 0 | P - BUILDINGS - SL ACRS MOD | 40,934 | 2,450 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 1,095 | 1,095 | 0 | P - DIST - CUSTOMER ADVANCE 1986 | 584 | 23 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 14,711 | 14,711 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | 7,842 | 313 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 15,601 | 15,601 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | 8,317 | 331 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 13,219 | 13,219 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 7,048 | 281 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 5,838 | 5,838 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 3,111 | 124 |
| Federal | Cust Advance Dist | 1987 | ACRS 15 | 9,683 | 9,683 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 5,188 | 208 |
| Federal | Cust Advance Trans & Dist | 1987 | ADR DDB/SYD 17.5 YR | 16,653 | 16,653 | 0 | BOOK 23.5 YR | 16,238 | 709 |
| Federal | Cust Advance Trans & Dist | 1987 | ADR DDB/SYD 18.5 YR | 10,805 | 10,805 | 0 | BOOK 24.5 YR | 10,324 | 480 |
| Federal | Cust Advance Trans & Dist | 1987 | ADR DDB/SYD 15.5 YR | 1,230 | 1,230 | 0 | BOOK 21.5 YR | 1,230 | 1 |
| Federal | Distribution | 1987 | ACRS 15 | 3,134,375 | 3,134,375 | 0 | P - DISTRIBUTION | 1,307,668 | 66,378 |
| Federal | Distribution | 1987 | MACRS 20 | 24,983,125 | 24,983,125 | 0 | P - DISTRIBUTION ACRS MODIFIED | 10,425,283 | 628,061 |
| Federal | Distribution - 7yr life | 1987 | MACRS 7 | 371,336 | 891,336 | 0 | P - DISTRIBUTION ACRS MODIFIED | 628,618 | 18,921 |
| Federal | DISTRIBUTION EASEMENTS | 1987 | SL 46 | 174,801 | 174,801 | 8,131 | SL 46 | 174,801 | 8,131 |
| Federal | Hybrid-Dist-CIAC | 1987 | MACRS 20 | 545,584 | 545,584 | 0 | P - CONTR IN AID OF CONST-MACRS | 0 | 0 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1987 | MACRS 20 | 1,450,775 | 1,450,775 | 0 | P - DISTRIBUTION-CAPITALIZED INT | 461,192 | 18,434 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1987 | MACRS 20 | 128,769 | 128,769 | 0 | P - TRANSMISSION-CAPITALIZED INT | 9,666 | 324 |
| Federal | INITIAL CLEARING DIST LINES | 1987 | MACRS 7 | 621,748 | 621,748 | 0 | BOOK 46 YR | 290,804 | 13,517 |
| Federal | INITIAL CLEARING TRANS LINES | 1987 | MACRS 7 | 60,809 | 60,809 | 0 | BOOK 84 YR | 15,569 | 724 |
| Federal | LAND IMPROVEMENTS | 1987 | MACRS 15 | 46,871 | 46,871 | 0 | P - LAND IMPROVEMENTS ACRS MOD | 28,571 | 1,801 |
| Federal | LAND IMPROVEMENTS | 1987 | ACRS 19 JUL | (4,454) | (4,454) | 0 | P - LAND IMPROVEMENTS | (4,454) | 0 |
| Federal | LAND Non Utility | 1987 | Zero | 9,083 | 0 | 0 | Zero | 0 | 0 |
| Federal | LAND_BV | 1987 | Zero | 94,241 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1987 | MACRS 20 | 1,763,068 | 1,763,068 | 0 | P - DISTRIBUTION ACRS MODIFIED | (183,702) | 36,775 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1987 | MACRS 7 | 160,098 | 160,098 | 0 | P - OFFICE FURNITURE ACRS MOD | 160,098 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1987 | MACRS 5 gross/DB 2 | 3,134 | 3,134 | 0 | SL 0317 | 1,214 | 94 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1987 | MACRS 7 | 19,929 | 19,929 | 0 | P - OFFICE FURNITURE ACRS MOD | (25,190) | 349 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1987 | ACRS 5 | 42 | 42 | 0 | P - OFFICE FURNITURE | (50) | 1 |
| Federal | Three Mile Island #2 | 1987 | ACRS 10 | 553,913 | 553,913 | 0 | P - TM-2 MSC PW PL EOP ACCT 325 | 366,805 | 17,061 |
| Federal | Three Mile Island #2 | 1987 | MACRS 15 | 39,170 | 39,170 | 0 | P - TM#2 REC MOD ACRS MODIFIED | 24,508 | 1,140 |
| Federal | Three Mile Island #2 | 1987 | MACRS 15 | 670,888 | 670,888 | 0 | P - TM#2 I INVENTORY | 447,218 | 20,501 |
| Federal | Trans RAW & Easements | 1987 | SL 84 | 32,363 | 8,281 | 385 | SL 84 | 8,281 | 385 |
| Federal | Transformers | 1987 | MACRS 20 | 5,827,738 | 5,827,738 | 0 | P - DISTRIBUTION ACRS MODIFIED | 2,088,587 | 123,693 |
| Federal | Transmission | 1987 | MACRS 20 | 3,239,204 | 3,239,204 | 0 | P - TRANSMISSION ACRS MODIFIED | 1,116,702 | 44,447 |
| Federal | Transmission | 1987 | ACRS 15 | 497,169 | 497,169 | 0 | P - TRANSMISSION | 199,787 | 6,922 |
| | | 1987 Total | | 64,519,139 | 64,119,319 | 16,839 | | 21,312,456 | 1,184,354 |
| Federal | Cust Advance Dist | 1988 | ACRS 15 | 4,345 | 4,345 | 0 | P - DIST - CUSTOMER ADVANCE 1988 | 2,198 | 92 |
| Federal | Cust Advance Dist | 1988 | ACRS 15 | 15,933 | 15,933 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | 8,063 | 339 |
| Federal | Cust Advance Dist | 1988 | ACRS 16 | 11,588 | 11,588 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | 5,866 | 246 |
| Federal | Cust Advance Dist | 1988 | ACRS 16 | 31,887 | 31,887 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 16,127 | 677 |
| Federal | Cust Advance Dist | 1988 | ACRS 15 | 5,784 | 5,784 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 2,930 | 123 |
| Federal | Cust Advance Dist | 1988 | ACRS 15 | 27,521 | 27,521 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | 13,927 | 585 |
| Federal | Cust Advance Trans & Dist | 1988 | ADR DDB/SYD 14.5 YR | 2,697 | 2,697 | 0 | BOOK 20.5 YR | 2,695 | 2 |
| Federal | Cust Advance Trans & Dist | 1988 | ADR DDB/SYD 16.5 YR | 31,667 | 31,667 | 0 | BOOK 22.5 YR | 29,034 | 1,416 |
| Federal | Cust Advance Trans & Dist | 1988 | ADR DDB/SYD 15.5 YR | 11,588 | 11,588 | 0 | BOOK 21.5 YR | 11,046 | 539 |
| Federal | Distribution | 1988 | ACRS 15 | 2,277,170 | 2,277,170 | 0 | P - DISTRIBUTION | 958,885 | 48,281 |
| Federal | Distribution | 1988 | MACRS 20 | 31,146,025 | 31,146,025 | 0 | P - DISTRIBUTION ACRS MODIFIED | 12,266,648 | 660,402 |
| Federal | Distribution - 5yr life | 1988 | MACRS 5 | 949 | 949 | 0 | P - DISTRIBUTION | 446 | 20 |
| Federal | Distribution - 7yr life | 1988 | MACRS 7 | 363,630 | 363,630 | 0 | P - DISTRIBUTION ACRS MODIFIED | 261,351 | 7,723 |
| Federal | DISTRIBUTION EASEMENTS | 1988 | SL 46 | 625,946 | 278,959 | 13,608 | SL 46 | 278,959 | 13,608 |
| Federal | Hybrid-Dist-CIAC | 1988 | MACRS 20 | 329,286 | 329,286 | 0 | P - CONTR IN AID OF CONST-MACRS | 0 | 0 |
| Federal | Hybrid-Dist-Capital Pensions | 1988 | SL 46 | 0 | 0 | 0 | BOOK 23.5 YR | 39,019 | 1,906 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1988 | MACRS 20 | 1,795,931 | 1,795,931 | 0 | P - DISTRIBUTION-CAPITALIZED INT | 660,750 | 23,615 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1988 | MACRS 20 | 123,751 | 123,751 | 0 | P - TRANSMISSION-CAPITALIZED INT | 13,481 | 517 |
| Federal | INITIAL CLEARING DIST LINES | 1988 | MACRS 7 | 681,817 | 681,817 | 0 | BOOK 46 YR | 305,850 | 14,823 |
| Federal | INITIAL CLEARING TRANS LINES | 1988 | MACRS 7 | 72,702 | 72,702 | | | | |

Pennsylvania Electric Company
Schedule CT-319 Part I Section A

Tax Year 2009

| | | A | B | C | D | E | F | 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 | LAND IMPROVEMENTS | 1988 | ACRS 19 JUL | 277,620 | 277,620 | 0 | P - LAND IMPROVEMENTS | | 162,490 | 10,677 |
| Federal | LAND_BV | 1988 | Zero | 44,675 | 0 | 0 | Zero | | 0 | 0 |
| Federal | Meters | 1988 | MACRS 20 | 1,431,590 | 1,431,590 | 0 | P - DISTRIBUTION ACRS MODIFIED | | 162,874 | 30,165 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1988 | MACRS 7 Gross DB 2 | 12,439 | 12,439 | 0 | SL .0317 | | (883) | 362 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1988 | ACRS 5 | 27,249 | 27,249 | 0 | P - OFFICE FURNITURE | | 27,249 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1988 | MACRS 7 | 293,677 | 293,677 | 0 | P - OFFICE FURNITURE ACRS MOD | | 293,677 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1988 | MACRS 7 | 32,705 | 32,705 | 0 | P - OFFICE FURNITURE ACRS MOD | | 32,705 | 0 |
| Federal | REAL PROPERTY | 1988 | MACRS 31.5 JUN | 414 | 271 | 13 | SL .025 | | 414 | 0 |
| Federal | Steam Heat | 1988 | MACRS 20 | 128,850 | 128,850 | 0 | P - STEAM HEAT ACRS MODIFIED | | 70,056 | 3,376 |
| Federal | Three Mile Island #2 | 1988 | MACRS 15 | 4,801 | 4,801 | 0 | P - TM#2 REC MOD ACRS MODIFIED | | 2,886 | 140 |
| Federal | Trans RAW & Easements | 1988 | SL 84 | 10,290 | 2,514 | 122 | SL 84 | | 2,514 | 122 |
| Federal | Transformers | 1988 | MACRS 20 | 7,758,154 | 7,758,154 | 0 | P - DISTRIBUTION ACRS MODIFIED | | 2,881,307 | 164,751 |
| Federal | Transmission | 1988 | MACRS 20 | 3,034,327 | 3,034,327 | 0 | P - TRANSMISSION ACRS MODIFIED | | 1,055,152 | 42,413 |
| Federal | Transmission | 1988 | ACRS 15 | 501,521 | 501,521 | 0 | P - TRANSMISSION | | 171,065 | 6,896 |
| 1988 Total | | | | 51,374,320 | 50,974,740 | 13,744 | | | 19,763,366 | 1,042,611 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 6,300 | 6,300 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | | 3,027 | 134 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 4,740 | 4,740 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | | 2,279 | 101 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 4,078 | 4,078 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | | 1,950 | 87 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 29,541 | 29,541 | 0 | P - DIST - CUSTOMER ADVANCE 1986 | | 14,192 | 628 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 7,821 | 7,821 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | | 3,758 | 166 |
| Federal | Cust Advance Dist | 1989 | ACRS 15 | 10,368 | 10,368 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | | 4,890 | 221 |
| Federal | Cust Advance Trans&Dist | 1989 | ADR DOB/SYD 14.5 YR | 3,293 | 3,293 | 0 | BOOK 20.5 YR | | 3,134 | 159 |
| Federal | Cust Advance Trans&Dist | 1989 | ADR DOB/SYD 15.5 YR | 10,031 | 10,031 | 0 | BOOK 21.5 YR | | 9,100 | 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 | 31,559,513 | 30,655,504 | 702,696 | P - DISTRIBUTION ACRS MODIFIED | | 12,339,316 | 669,232 |
| Federal | Distribution | 1989 | ACRS 15 | 693,397 | 693,397 | 0 | P - DISTRIBUTION | | 343,320 | 18,945 |
| Federal | Distribution - 5yr life | 1989 | MACRS 5 | 602 | 602 | 0 | P - DISTRIBUTION | | 288 | 13 |
| Federal | Distribution - 7yr life | 1989 | MACRS 7 | 474,957 | 474,957 | 0 | P - DISTRIBUTION ACRS MODIFIED | | 367,030 | 10,885 |
| Federal | DISTRIBUTION EASEMENTS | 1989 | SL 46 | 394,068 | 167,053 | 8,567 | SL 46 | | 167,053 | 8,567 |
| Federal | Hybrid-Dist-CIAC | 1989 | MACRS 20 | 656,684 | 837,574 | 19,110 | P - CONTR IN AID OF CONST-MACRS | | 0 | 0 |
| Federal | Hybrid-Dist-Capital Pensions | 1989 | SL 46 | 0 | 0 | 0 | BOOK 23.5 YR | | 13,949 | 718 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1989 | MACRS 20 | 1,740,695 | 1,702,060 | 38,835 | P - DISTRIBUTION-CAPITALIZED INT | | 619,012 | 23,028 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1989 | MACRS 20 | 127,873 | 125,021 | 2,852 | P - TRANSMISSION-CAPITALIZED INT | | 17,253 | 715 |
| Federal | INITIAL CLEARING DIST LINES | 1989 | MACRS 7 | 342,742 | 342,742 | 0 | BOOK 45 YR | | 145,297 | 7,451 |
| Federal | INITIAL CLEARING TRANS LINES | 1989 | DOB/SYD REG 64 YR | 1,412 | 577 | 28 | BOOK 84 YR | | 320 | 17 |
| Federal | Meters | 1989 | MACRS 20 | 1,455,998 | 1,423,431 | 32,332 | P - DISTRIBUTION ACRS MODIFIED | | 71,237 | 30,783 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1989 | MACRS 7 | 6,052 | 6,052 | 0 | G - OFFICE FURN EQUIP MACRS | | 6,052 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1989 | MACRS 7 | 16,740 | 16,740 | 0 | P - OFFICE FURNITURE ACRS MOD | | 16,740 | 0 |
| Federal | REAL PROPERTY | 1989 | MACRS 31.5 JUN | 19,284 | 12,064 | 612 | SL .025 | | 3,778 | 482 |
| Federal | Steam Heat | 1989 | MACRS 20 | 7,929 | 7,752 | 177 | P - STEAM HEAT ACRS MODIFIED | | 4,944 | 208 |
| Federal | Trans RAW & Easements | 1989 | SL 84 | 18,007 | 4,178 | 214 | SL 84 | | 4,178 | 214 |
| Federal | Transformers | 1989 | MACRS 20 | 9,026,014 | 8,824,667 | 201,250 | P - DISTRIBUTION ACRS MODIFIED | | 3,092,420 | 191,668 |
| Federal | Transmission | 1989 | MACRS 20 | 3,482,992 | 3,403,295 | 77,698 | P - TRANSMISSION ACRS MODIFIED | | 955,074 | 47,895 |
| Federal | Transmission | 1989 | ACRS 15 | 106,188 | 106,188 | 0 | P - TRANSMISSION | | 29,361 | 1,460 |
| Federal | Transmission TM#2 | 1989 | MACRS 20 | 781 | 784 | 17 | P - TRANSMISSION TM#2 ACRS MOD | | 470 | 24 |
| 1989 Total | | | | 60,630,077 | 49,304,658 | 1,084,386 | | | 18,070,861 | 1,013,474 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 4,823 | 4,823 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | | 2,201 | 102 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 10,401 | 10,401 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | | 4,744 | 221 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 5,792 | 5,792 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | | 2,841 | 123 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 8,339 | 8,339 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | | 3,503 | 177 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 3,883 | 3,883 | 0 | P - DIST - CUSTOMER ADVANCE 1986 | | 1,770 | 82 |
| Federal | Cust Advance Dist | 1990 | ACRS 15 | 6,720 | 6,720 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | | 3,263 | 143 |
| Federal | Cust Advance Trans&Dist | 1990 | ADR DOB/SYD 13.5 YR | 75,454 | 35,204 | 0 | BOOK 19.5 YR | | 35,204 | 0 |
| Federal | Cust Advance Trans&Dist | 1990 | ADR DOB/SYD 14.5 YR | 4,376 | 2,137 | 0 | BOOK 20.5 YR | | 2,137 | 0 |
| Federal | Distribution | 1990 | ACRS 15 | 10,830,823 | 10,830,823 | 0 | P - DISTRIBUTION | | (1,252,372) | 229,651 |
| Federal | Distribution | 1990 | MACRS 20 | 22,074,710 | 20,597,420 | 982,945 | P - DISTRIBUTION ACRS MODIFIED | | (2,881,348) | 469,060 |
| Federal | Distribution - 7yr life | 1990 | MACRS 7 | 295,478 | 295,478 | 0 | P - DISTRIBUTION ACRS MODIFIED | | 295,478 | (0) |
| Federal | DISTRIBUTION EASEMENTS | 1990 | SL 46 | 552,048 | 222,031 | 12,002 | SL 46 | | 222,031 | 12,002 |
| Federal | Hybrid-Dist-CIAC | 1990 | MACRS 20 | 442,166 | 412,594 | 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 | | 11,947 | 600 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1990 | MACRS 20 | 1,904,876 | 1,777,397 | 84,887 | P - DISTRIBUTION-CAPITALIZED INT | | 708,763 | 33,042 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1990 | MACRS 20 | 228,745 | 213,437 | 10,205 | P - TRANSMISSION-CAPITALIZED INT | | 35,504 | 1,568 |
| Federal | INITIAL CLEARING DIST LINES | 1990 | MACRS 7 | 516,798 | 516,798 | 0 | BOOK 46 YR | | 207,849 | 11,235 |
| Federal | INITIAL CLEARING TRANS LINES | 1990 | MACRS 7 | 1,904 | 1,904 | 0 | BOOK 64 YR | | 421 | 23 |
| Federal | LAND IMPROVEMENTS | 1990 | MACRS 15 | 134,663 | 134,663 | 0 | P - LAND IMPROVEMENTS ACRS MOD | | 29,337 | 5,163 |
| Federal | LAND_BV | 1990 | Zero | 24,536 | 0 | 0 | Zero | | 0 | 0 |
| Federal | Meters | 1990 | MACRS 20 | 1,392,425 | 1,299,240 | 61,884 | P - DISTRIBUTION ACRS MODIFIED | | 54,810 | 29,468 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1990 | MACRS 7 | 16,728 | 16,728 | 0 | G - OFFICE FURN EQUIP MACRS | | 16,728 | (0) |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1990 | MACRS 7 | 1,253,427 | 1,253,427 | 0 | P - OFFICE FURNITURE ACRS MOD | | 1,253,427 | 0 |
| Federal | Trans RAW & Easements | 1990 | SL 84 | 416 | 91 | 5 | SL 84 | | 91 | 5 |
| Federal | Transformers | 1990 | MACRS 20 | 6,927,694 | 6,464,075 | 308,867 | P - DISTRIBUTION ACRS MODIFIED | | 1,933,645 | 147,077 |
| Federal | Transmission | 1990 | ACRS 15 | 945 | 945 | 0 | P - TRANSMISSION | | 232 | 13 |
| Federal | Transmission | 1990 | MACRS 20 | 5,845,888 | 5,266,059 | 251,694 | P - TRANSMISSION ACRS MODIFIED | | 1,714,219 | 77,637 |
| 1990 Total | | | | 62,366,636 | 49,383,107 | 1,732,517 | | | 2,309,781 | 1,016,413 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 7,607 | 7,607 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | | 3,282 | 162 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 6,270 | 6,270 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | | 2,705 | 133 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 2,793 | 2,793 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | | 1,208 | 59 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 5,628 | 5,628 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | | 2,428 | 120 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 5,846 | 5,846 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | | 2,523 | 124 |
| Federal | Cust Advance Dist | 1991 | ACRS 15 | 1,099 | 1,099 | 0 | P - DIST - CUSTOMER ADVANCE 1986 | | 474 | 23 |
| Federal | Cust Advance Trans&Dist | 1991 | ADR DOB/SYD 12.5 YR | 355 | 355 | 0 | BOOK 18.5 YR | | 355 | 19 |
| Federal | Distribution | 1991 | MACRS 20 | 45,839,327 | 40,720,512 | 2,041,744 | P - DISTRIBUTION ACRS MODIFIED | | 15,825,879 | 972,246 |
| Federal | Distribution - 7yr life | 1991 | MACRS 7 | 158,498 | 158,498 | 0 | P - DISTRIBUTION ACRS MODIFIED | | 160,498 | 0 |
| Federal | DISTRIBUTION EASEMENTS | 1991 | SL 46 | 540 | 207 | 12 | SL 46 | | 207 | 12 |
| Federal | Hybrid-Dist-CIAC | 1991 | MACRS 20 | 923,053 | 820,098 | 41,182 | P - CONTR IN AID OF CONST-MACRS | | 0 | 0 |
| Federal | Hybrid-Dist-Capital Pensions | 1991 | SL 46 | 0 | 0 | 0 | BOOK 23.5 YR | | 196,009 | 11,159 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1991 | MACRS 20 | 2,143,285 | 1,904,228 | 85,623 | P - DISTRIBUTION-CAPITALIZED INT | | 499,615 | 24,889 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1991 | MACRS 20 | 139,709 | 124,126 | 6,233 | P - TRANSMISSION-CAPITALIZED INT | | 23,340 | 1,102 |
| Federal | INITIAL CLEARING DIST LINES | 1991 | MACRS 7 | 410,317 | 410,317 | 0 | BOOK 46 YR | | 166,104 | 8,920 |
| Federal | INITIAL CLEARING TRANS LINES | 1991 | DOB/SYD REG 84 YR | 4,350 | 1,843 | 81 | BOOK 84 YR | | 856 | 55 |
| Federal | LAND IMPROVEMENTS | 1991 | MACRS 15 | 91,630 | 81,630 | 0 | P - LAND IMPROVEMENTS ACRS MOD | | 47,273 | 3,522 |
| Federal | LAND_BV | 1991 | Zero | 6,031 | 0 | 0 | Zero | | 0 | 0 |
| Federal | Meters | 1991 | MACRS 20 | 1,248,692 | 1,109,416 | 55,526 | P - DISTRIBUTION ACRS MODIFIED | | (139,692) | 26,441 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1991 | MACRS 7 | 13,578 | 13,578 | 0 | G - OFFICE FURN EQUIP MACRS | | 13,578 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1991 | MACRS 7 150% | 123,417 | 123,417 | 0 | P - OFFICE FURNITURE ACRS MOD | | 123,417 | 0 |
| Federal | Trans RAW & Easements | 1991 | SL 84 | 3,369 | 704 | 40 | SL 84 | | 704 | 40 |
| Federal | Transformers | 1991 | MACRS 20 | 5,292,829 | 4,693,594 | 235,543 | P - DISTRIBUTION ACRS MODIFIED | | 1,404,850 | 112,162 |
| Federal | Transmission | 1991 | MACRS 20 | 3,843,353 | 3,414,496 | 171,347 | P - TRANSMISSION ACRS MODIFIED | | 1,058,057 | 52,812 |
| 1991 Total | | | | 60,261,673 | 52,620,259 | 2,467,332 | | | 19,379,648 | 1,213,836 |
| Federal | Cust Advance Dist | 1992 | ACRS 15 | 6,349 | 6,349 | 0 | P - DIST - CUSTOMER ADVANCE 1982 | | 2,586 | 135 |
| Federal | Cust Advance Dist | 1992 | ACRS 15 | 356 | 356 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | | 146 | 8 |
| Federal | Cust Advance Dist | 1992 | ACRS 15 | 5,597 | 5,597 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | | 2,274 | 119 |
| Federal | Cust Advance Dist | 1992 | ACRS 15 | 6,256 | 6,256 | 0 | | | | |

| A | B | C | D | E | F | 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 | Distribution | 1992 | MACRS 20 | 48,205,360 | 40,677,696 | 2,147,372 | P - DISTRIBUTION ACRS MODIFIED | 16,353,858 | 1,022,516 |
| Federal | Distribution - 7yr life | 1992 | MACRS 7 | 132,516 | 132,516 | 0 | P - DISTRIBUTION ACRS MODIFIED | 113,909 | 2,813 |
| Federal | DISTRIBUTION EASEMENTS | 1992 | SL 46 | 742,433 | 268,309 | 16,133 | SL 46 | 268,309 | 16,133 |
| Federal | HEAVY TRUCKS | 1992 | MACRS 5 150% | 7,153 | 7,153 | 0 | P - HEAVY TRUCKS (TAX) | 7,153 | 0 |
| Federal | Hybrid-Dist-CIAC | 1992 | MACRS 20 | 937,924 | 791,463 | 41,847 | P - CONTR IN AID OF CONST-MACRS | 0 | 0 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1992 | MACRS 20 | 1,026,063 | 865,839 | 45,779 | P - DISTRIBUTION-CAPITALIZED INT | 254,585 | 13,356 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1992 | MACRS 20 | 33,782 | 28,490 | 1,508 | P - TRANSMISSION-CAPITALIZED INT | 42,819 | 2,173 |
| Federal | INITIAL CLEARING DIST LINES | 1992 | MACRS 7 | 304,567 | 304,567 | 0 | BOOK 46 YR | 109,251 | 6,621 |
| Federal | INITIAL CLEARING TRANS LINES | 1992 | MACRS 7 | 291 | 291 | 0 | BOOK 84 YR | 56 | 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 | 1,674,336 | 1,581,650 | 63,167 | P - DISTRIBUTION ACRS MODIFIED | 276,876 | 39,602 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1992 | MACRS 7 150% | 70,111 | 70,111 | 0 | P - OFFICE FURNITURE ACRS MOD | 70,111 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1992 | MACRS 7 | 12,865 | 12,865 | 0 | G - OFFICE FURN EQUIP MACRS | 12,865 | 0 |
| Federal | Three 1/2 Inland #2 | 1992 | MACRS 15 | 896,056 | 896,056 | 0 | P - TRAILER MINVENTORY | 509,484 | 30,878 |
| Federal | TRAILERS | 1992 | MACRS 5 150% | 1,058 | 1,058 | 0 | P - TRAILERS - ACRS MODIFIED | (15,398) | 50 |
| Federal | TRANS RAW & Easements | 1992 | SL 84 | 6,447 | 1,660 | 101 | SL 84 | 1,660 | 101 |
| Federal | Transformers | 1992 | MACRS 20 | 7,322,611 | 6,179,155 | 326,574 | P - DISTRIBUTION ACRS MODIFIED | 2,313,291 | 165,505 |
| Federal | Transmission | 1992 | MACRS 20 | 2,017,274 | 1,702,268 | 50,003 | P - TRANSMISSION ACRS MODIFIED | 538,570 | 27,740 |
| | | 1992 Total | | 63,724,630 | 53,649,884 | 2,752,483 | | 20,866,726 | 1,318,139 |
| Federal | BUILDINGS | 1993 | MACRS 39 YR NET | 2,300,381 | 854,486 | 37,073 | P - BUILDINGS - SL ACRS MOD | 761,167 | 67,629 |
| Federal | Buildings 7 yr life | 1993 | MACRS 7 | 10,672 | 10,672 | 0 | P - BUILDINGS - SL ACRS MOD | 3,074 | 314 |
| Federal | Cust Advance Dist | 1993 | ACRS 15 | 9,299 | 9,299 | 0 | P - DIST - CUSTOMER ADVANCE 1985 | 3,555 | 188 |
| Federal | Cust Advance Dist | 1993 | ACRS 15 | 827 | 827 | 0 | P - DIST - CUSTOMER ADVANCE 1984 | 317 | 18 |
| Federal | Cust Advance Dist | 1993 | ACRS 15 | 857 | 857 | 0 | P - DIST - CUSTOMER ADVANCE 1986 | 327 | 18 |
| Federal | Cust Advance Dist | 1993 | ACRS 15 | 1,028 | 1,028 | 0 | P - DIST - CUSTOMER ADVANCE 1983 | 393 | 22 |
| Federal | Cust Advance Dist | 1993 | ACRS 15 | 4,000 | 4,000 | 0 | P - DIST - CUSTOMER ADVANCE 1981 | 1,629 | 85 |
| 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 | 62,863,627 | 42,010,393 | 2,337,497 | P - DISTRIBUTION ACRS MODIFIED | 15,451,795 | 1,113,084 |
| Federal | Distribution - 7yr life | 1993 | MACRS 7 | 97,894 | 97,894 | 0 | P - DISTRIBUTION ACRS MODIFIED | 91,383 | 2,076 |
| Federal | DISTRIBUTION EASEMENTS | 1993 | SL 46 | 1,356,805 | 457,187 | 29,497 | SL 46 | 457,187 | 29,497 |
| Federal | Hybrid-Dist-CIAC | 1993 | MACRS 20 | 783,766 | 626,410 | 34,968 | P - CONTR IN AID OF CONST-MACRS | 0 | 0 |
| Federal | Hybrid-Dist-Net Avoid Cost/AFC | 1993 | MACRS 20 | 1,788,358 | 1,429,311 | 79,787 | P - DISTRIBUTION-CAPITALIZED INT | 318,082 | 17,794 |
| Federal | Hybrid-Trans-Net Avoid Cost/AFC | 1993 | MACRS 20 | 114,737 | 91,701 | 5,119 | P - TRANSMISSION-CAPITALIZED INT | 13,514 | 739 |
| Federal | LAND_BV | 1993 | Zero | 4,716 | 0 | 0 | Zero | 0 | 0 |
| Federal | Meters | 1993 | MACRS 20 | 1,127,097 | 900,811 | 49,850 | P - DISTRIBUTION ACRS MODIFIED | (238,294) | 23,738 |
| Federal | Mobile Maint Tools | 1993 | DOB/SYD REG 10 YR | 26,673 | 26,673 | 0 | BOOK 10 YR | 26,673 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1993 | MACRS 7 | 161,767 | 161,767 | 0 | P - OFFICE FURNITURE ACRS MOD | 161,767 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1993 | MACRS 7 | 130,002 | 130,002 | 0 | G - OFFICE FURN EQUIP MACRS | 130,002 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1993 | MACRS 7 | 8,732 | 8,732 | 0 | P - OFFICE FURNITURE ACRS MOD | 8,732 | 0 |
| Federal | OFFICE FURNITURE & EQUIPMENT | 1993 | MACRS 7 150% | 81,042 | 81,042 | 0 | P - OFFICE FURNITURE ACRS MOD | (6,759) | 1,474 |
| Federal | TRAILERS | 1993 | MACRS 5 150% | 22,344 | 22,344 | 0 | P - TRAILERS - ACRS MODIFIED | 16,720 | 962 |
| Federal | TRANS RAW & Easements | 1993 | SL 84 | 24,816 | 4,579 | 298 | SL 84 | 4,579 | 298 |
| Federal | Transformers | 1993 | MACRS 20 | 7,223,880 | 6,773,149 | 322,039 | P - DISTRIBUTION ACRS MODIFIED | 1,929,249 | 153,351 |
| Federal | Transmission | 1993 | MACRS 20 | 4,356,342 | 3,481,724 | 194,358 | P - TRANSMISSION ACRS MODIFIED | 1,062,614 | 69,904 |
| | | 1993 Total | | 72,402,708 | 56,388,635 | 3,090,483 | | 20,402,373 | 1,471,197 |
| | Grand Total | | | 609,377,358 | 570,168,294 | 11,378,180 | | 214,274,453 | 12,479,424 |

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 in service (mm-dd-yy) | Cost or other basis | Accumulated federal depreciation | Federal depreciation deduction | Method of figuring NYS depreciation | Life or rate | Accumulated NYS depreciation | Allowable NYS depreciation |
| A | | | | | | | | |
| B | | | | | | | | |
| C | | | | | | | | |
| D | | | | | | | | |
| E | | | | | | | | |
| F | | | | | | | | |
| G | | | | | | | | |
| H | | | | | | | | |
| I | | | | | | | | |
| J | | | | | | | | |
| K | | | | | | | | |
| L | | | | | | | | |
| M | | | | | | | | |
| Amounts from attached list, if any | | 369,918,113. | 144,543,767. | 88,581,629. | | | 45,385,163. | 19,563,403. |
| 2 Totals of Section B | 2. | 369,918,113. | 144,543,767. | 88,581,629. | | | 45,385,163. | 19,563,403. |
| 3 Add lines 1 and 2 in columns C, D, E, H, and I | 3. | 979,295,511. | 714,732,061. | 99,959,809. | | | 259,659,616. | 31,992,827. |

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 a 30%/50% federal special depreciation deduction (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

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)

| Item | See Stmt 5 | Property |
|------|------------|----------|
| A | | |
| B | | |
| C | | |
| D | | |
| E | | |
| F | | |
| G | | |
| H | | |

| A Item | B Date placed in service (mm-dd-yy) | C Total federal depreciation deduction taken | D Total New York State depreciation taken | E Adjustment (if C is larger than D, column C - column D) | F Adjustment (if D is larger than C, column D - column C) |
|-----------|--|---|--|--|--|
| A | | | | | |
| B | | | | | |
| C | | | | | |
| D | | | | | |
| E | | | | | |
| F | | | | | |
| G | | | | | |
| H | | | | | |

| | | | | |
|------------------------------------|------------|------------|----------|----------|
| Amounts from attached list, if any | 2,656,415. | 3,186,484. | 109,854. | 639,923. |
|------------------------------------|------------|------------|----------|----------|

| | | | |
|--|----|----------|----------|
| 4 Total excess federal depreciation deductions over New York State depreciation deductions (add column E amounts) | 4. | 109,854. | |
| 5 Total excess New York State depreciation deductions over federal depreciation deductions (add column F amounts) | 5. | | 639,923. |

Part 3 - Summary of adjustments to ENI

| | A Federal | B New York State |
|--|--------------|---------------------|
|--|--------------|---------------------|

| | | | |
|---|-----|--------------|-------------|
| 6 Enter amount from line 3, column E | 6. | 99,959,809. | |
| 7 Enter amount from line 3, column I | 7. | | 31,992,827. |
| 8 Enter amount from line 4 | 8. | | 109,854. |
| 9 Enter amount from line 5 | 9. | 639,923. | |
| 10 Add amounts in column A and column B. | 10. | 100,599,732. | 32,102,681. |

If you file Form:

| | | |
|--------------------------|-------------------|---------|
| 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 |

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

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

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

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

| | | | | |
|--|-----|--|-------------|-------------|
| Amounts from attached list, if any | | | 11,336,783. | 10,946,899. |
| 11 Total columns D and E. | 11. | | 11,336,783. | 10,946,899. |
| 12 If column D total is more than column E total, enter the excess. . . | 12. | | 389,884. | |
| 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. | 12,144,989. |
| 15 If there is an excess on line 12, subtract line 12 from line 14. | | | 15. | 11,755,105. |
| 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. 1120 F 10/27/09

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 2009

Statement: 1

Form CT-3-ATT, Page 1, Schedule B, Part I, Sec II, Corporate stock, rights, warrants, and options

| Row ID | Investment Description | Number of Shares | Average Value | Liabilities Attributable | Net Average Value |
|--------|--|-------------------------|---------------|--------------------------|-------------------|
| 1 | The Waverly Electric Light and Power Company | 600 | | | |
| 2 | Penelec Funding LLC | | | | |
| 3 | Waterford Development Corp | 50 | | | |
| Row ID | Issuer's Allocation % | Value Alloc to NY State | | | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |

| Row ID | Investment Description | Number of Shares | Average Value | Liabilities Attributable | Net Average Value |
|--------|------------------------|-------------------------|---------------|--------------------------|-------------------|
| Total | | | | | |
| Row ID | Issuer's Allocation % | Value Alloc to NY State | | | |
| Total | | | | | |

Statement: 2

Form CT-3-ATT, Page 2, Schedule C, Part II, Subsidiary capital base & tax

| Row ID | Description of Sub Capital | Employer ID | % Voting stock owned | Average Value | Liabilities Attributable | Net Average Value |
|--------|------------------------------------|-------------------|----------------------|---------------|--------------------------|-------------------|
| 1 | Waverly Electric Light & Power Co. | 24-0866254 | 100.000000 | | | |
| 2 | Penelec Funding LLC | 14-1904967 | | | | |
| 3 | Waterford Development Corp. | | | | | |
| Row ID | Issuer's Allocation % | Value Alloc to NY | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |

| Row ID | Description of Sub Capital | Employer ID | % Voting stock owned | Average Value | Liabilities Attributable | Net Average Value |
|--------|----------------------------|-------------------|----------------------|---------------|--------------------------|-------------------|
| Total | | | | | | 26,325,367 |
| Row ID | Issuer's Allocation % | Value Alloc to NY | | | | |
| Total | | | | | | |

Statement: 3

Form CT-399, Page 1, Part I, Section A, ACRS/MACRS property

| Row ID | Description of Property | Date placed in service | Cost Basis | Accum Fed Depreciation | ACRS/MACRS Fed Deduct | NYS Depr Method |
|--------|-------------------------|------------------------|--------------------|------------------------|-----------------------|-----------------|
| 1 | SEE ATTACHED SCHEDULE | | 609,377,398 | 570,188,294 | 11,378,100 | S/L |
| 2 | | | | | | |
| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr | | | |
| 1 | | 214,274,453 | 12,429,424 | | | |
| 2 | | | | | | |
| Row ID | Description of Property | Date placed in service | Cost Basis | Accum Fed Depreciation | ACRS/MACRS Fed Deduct | NYS Depr Method |

Pennsylvania Electric Company
Tax Year 2009

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

| Row ID | Description of Property | Date placed in service | Cost Basis | Accum Fed Depreciation | ACRS/MACRS Fed Deduct | NYS Depr Method |
|--------------|-------------------------|------------------------|--------------------|------------------------|-----------------------|-----------------|
| Total | | | 609,377,398 | 570,188,294 | 11,378,180 | |
| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr | | | |
| Total | | 214,274,453 | 12,429,424 | | | |

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 | SSE ATTACHED SCHEDULE | | 369,918,113 | 144,543,767 | 88,581,629 | MACRS |
| 2 | | | | | | |
| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr | | | |
| 1 | | 45,385,163 | 19,563,403 | | | |
| 2 | | | | | | |
| Total | | | 369,918,113 | 144,543,767 | 88,581,629 | |
| Row ID | Life or rate | Accumulated NYS Depr | Allowable NYS Depr | | | |
| Total | | 45,385,163 | 19,563,403 | | | |

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 | | 1,388,694 | 1,278,840 | 109,854 |
| 2 | | | 1,267,721 | 1,907,644 | |
| Row ID | Adjustment | | | | |
| 1 | | | | | |
| 2 | 639,923 | | | | |
| Total | | | 2,656,415 | 3,186,484 | 109,854 |
| Row ID | Adjustment | | | | |
| Total | 639,923 | | | | |

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 | | | 11,336,783 | 10,946,899 |
| Total | | | | 11,336,783 | 10,946,899 |

CT-5.1

2009

Staple forms here

New York State Department of Taxation and Finance

Request for Additional Extension of Time to File

(for franchise/business taxes, MTA surcharge, or both)

Tax Law - Articles 9, 9-A, 13, 32, and 33

All filers must enter tax period:

beginning 01/01/09 ending 12/31/09

Employer identification number 25-0718085, File number 5, Business telephone number (973) 401-8383, Legal name of corporation Pennsylvania Electric Company, Trade name/DBA, Mailing name, State or country of incorporation PA, Date received, Date of incorporation 06/11/19, City Morristown, State NJ, ZIP code 07962-1911.

Request for an additional extension of time to file the following forms: Mark an X in both boxes if you are requesting an additional extension for both a state tax return and an associated MTA surcharge return of the same type...

Table with columns for Article 9, Article 9-A, Article 32, and Article 33, listing various tax forms like CT-183, CT-184, CT-185, CT-186, CT-3, CT-4, CT-3-A, CT-3-M, CT-3-M/4M, CT-32, CT-32-A, CT-33, CT-33-A, CT-33-C, CT-33-M, CT-33-NL, and CT-13.

Explain in detail why you need additional time to file:

Additional time is necessary to complete and file the Tax Return

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

Authorized person section with signature of Harvey L. ... and title Vice President and Controller, Date 9/7/10, and Paid preparer section with signature and address.

See instructions for where to file.

2009

CT-5

New York State Department of Taxation and Finance

Request for Six-Month Extension to File (for franchise/business taxes, MTA surcharge, or both)

Tax Law - Articles 9A, 13, 32, and 33

All filers must enter tax period

Employer identification number File number Business telephone number

beginning 01/01/09 ending 12/31/09

25-0718085

5

Legal name of corporation

Pennsylvania Electric Company

Trade name/DBA

Mailing name (if different from legal name) and address

c/o Morristown Tax Department

State or country of incorporation

Pennsylvania

Date received (for Tax Department use only)

Number and street or PO box 300 Madison Ave P.O. Box 1911

Date of incorporation

06-11-19

City

Morristown

State ZIP code

NJ 07962-1911

Foreign corporations: date began business in NYS

Audit use

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 www.nystax.gov and look for the change my address option. Otherwise, see Business Information in your franchise tax return instructions.

Request for extension of time to file the following forms: Mark box(es) for one article only. Submit only one Form CT-5 and mark an X in both boxes in the appropriate article if you are requesting an extension for both the franchise tax and MTA surcharge returns. For example, mark an X in both the CT-3 box and the CT-3M/4M box under Article 9-A if you are requesting an extension of time to file both returns.

NOTE: Do not use this form if you are a combined filer, use Form CT-5.3 instead.

Form with checkboxes for Article 9-A, Article 13, Article 32, Article 33, CT-3, CT-3M/4M, CT-13, CT-32, CT-32-M, CT-33, CT-33-M, CT-33-C, CT-33-NL.

A. Pay amount shown on line 11. Make payable to: New York State Corporation Tax

Payment enclosed

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

A.

375

Computation of estimated franchise tax

Table with 5 rows for franchise tax computation, including Franchise tax from worksheet, First installment, Total franchise tax, Prepayments, and Balance due.

Computation of estimated MTA surcharge

Table with 5 rows for MTA surcharge computation, including MTA surcharge from worksheet, First installment, Total MTA surcharge, Prepayments, and Total balance due.

Composition of prepayments - Use this worksheet to determine the prepayments of franchise tax on line 4 and the prepayments of the

MTA surcharge on line 9. See instructions.

Table for composition of prepayments with columns for Date paid, A. Franchise tax, and B. MTA surcharge.

Preparer information fields: Preparer, Signature of individual preparing this document.

ID number

Address

City

E-mail Address of individual preparing this document

State

ZIP code

Date

See instructions for where to file.

PENNSYLVANIA ELECTRIC COMPANY
YEAR ENDED 12/31/2009
FED ID# 25-0718085
CT-3 General Business Corporation Franchise Tax Return
Page 2 Line 2 Line 6 and Line 14

Attachment A

ADDITIONS:

| | | |
|----------------|---|------------------|
| Line 2, Page 2 | PA PUC Nuclear Decommissioning Trust Interest | 1,077,095 |
| | FERC Decommissioning Trust Interest | 197 |
| | FERC Decommissioning Trust Interest | 1,008,094 |
| | Total | <u>2,085,386</u> |

| | | |
|----------------|--------------------------------|------------------|
| Line 6, Page 2 | NY Franchise tax | 6,995 |
| | PA State Taxes based on Income | 1,363,624 |
| | MD CNI | (99) |
| | Total | <u>1,370,520</u> |

SUBTRACTIONS

| | | |
|-----------------|--------------------------------|-------------------|
| Line 14, Page 2 | Federal Depreciation Allowance | 32,102,681 |
| | Total | <u>32,102,681</u> |

PENNSYLVANIA ELECTRIC COMPANY
EIN # 25-0718085
New York General Business Corporation
Franchise Tax
Year Ended December 31, 2009

CT-3ATT Schedule C Part I, and Schedule D Part I

| <u>Stocks of PA Corporations:</u> | <u>Shares of Principal Amount</u> | <u>Days Held</u> | <u>FEIN</u> | <u>Average Value</u> | <u>Net Average 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 Funding LLC | 100 Common | Full Year | 14-1904967 | 26,305,367 | 26,305,367 |
| | | | | | <u>26,325,367</u> |