

**Quarterly Servicer's Certificate
for other than Bond Holder Payment
PE Environmental Funding LLC
\$114,825,000 Senior Secured Sinking Fund Environmental Control Bonds, Series A**

Pursuant to Section 3.04 of the Servicing Agreement dated as of April 11, 2007 (as the same may be amended, supplemented or otherwise modified from time to time (the "Servicing Agreement")) between The Potomac Edison Company, as Servicer and PE Environmental Funding LLC, as Issuer, the Servicer does hereby certify as follows:

Capitalized terms used in the Quarterly Servicer's Certificate (the "Quarterly Certificate") have their respective meanings as set forth in the Servicing Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement.

Billing Periods: October, November and December 2012

Certificate Issue Date: January 15, 2013

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

| | | |
|-------|---|-----------------------|
| i. | Collections for the October 2012 Collection Period | \$882,997.36 |
| ii. | Collections for the November 2012 Collection Period | \$809,811.82 |
| iii. | Collections for the December 2012 Collection Period | \$1,209,269.70 |
| iv. | Net Earnings on General Subaccount | \$71.66 |
| v. | Net Earnings on Capital Subaccount | \$3.35 |
| vi. | Net Earnings on Excess Funds Subaccount | <u>\$0.00</u> |
| vii. | General Subaccount Balance | \$2,902,153.89 |
| viii. | Excess Funds Subaccount Balance | \$0.00 |
| ix. | Capital Subaccount Balance | <u>\$132,588.04</u> |
| x. | Collection Account Balance | \$3,034,741.93 |

2. Outstanding Principal Balance and Collection Account Balance as of Prior Payment Date:

| | | |
|------|--|------------------------|
| i. | Tranche A-1 Principal Balance | \$8,414,835.00 |
| ii. | Tranche A-2 Principal Balance | \$25,700,000.00 |
| iii. | Tranche A-3 Principal Balance | \$50,700,000.00 |
| iv. | Tranche A-4 Principal Balance | <u>\$9,975,000.00</u> |
| v. | Transition Bond Principal Balance | \$94,789,835.00 |
| vi. | Excess Funds Subaccount Balance | \$0.00 |
| vii. | Capital Subaccount Balance | \$132,588.04 |

3. Required Funding/Payments as of Current Payment Date:

| | | |
|-------|--|------------------------|
| i. | Projected Tranche A-1 Bond Balance | \$8,414,835.00 |
| ii. | Projected Tranche A-2 Bond Balance | \$25,700,000.00 |
| iii. | Projected Tranche A-3 Bond Balance | \$50,700,000.00 |
| iv. | Projected Tranche A-4 Bond Balance | <u>\$9,975,000.00</u> |
| v. | Projected Transition Bond Balance | \$94,789,835.00 |
| vi. | Required Tranche A-1 Coupon (4.9820% per annum rate) | \$0.00 |
| vii. | Required Tranche A-2 Coupon (5.2325% per annum rate) | \$0.00 |
| viii. | Required Tranche A-3 Coupon (5.4625% per annum rate) | \$0.00 |
| ix. | Required Tranche A-4 Coupon (5.5225% per annum rate) | \$0.00 |
| x. | Required Capital Subaccount Funding | \$0.00 |

| | |
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| 4. Allocation of Collections as of Current Payment Date Pursuant to 8.02d of the Indenture: | |
| i. Cumulative Monthly Administration Fee during Relevant Quarter | \$0.00 |
| ii. Bond Trustee Fees and Expenses | \$0.00 |
| iii. Independent Directors' Fee | \$0.00 |
| iv. Servicing Fee | \$0.00 |
| v. Operating Expenses (subject to \$100,000 cap) | \$0.00 |
| | |
| vi. Quarterly Interest | \$0.00 |
| 1. Tranche A-1 Bond Coupon Payment | \$0.00 |
| 2. Tranche A-2 Bond Coupon Payment | \$0.00 |
| 3. Tranche A-3 Bond Coupon Payment | \$0.00 |
| 4. Tranche A-4 Bond Coupon Payment | \$0.00 |
| | |
| vii. Principal Due and Payable | \$0.00 |
| | |
| viii. Scheduled Quarterly Principal | \$0.00 |
| 1. Tranche A-1 Bond Principal Payment | \$0.00 |
| 2. Tranche A-2 Bond Principal Payment | \$0.00 |
| 3. Tranche A-3 Bond Principal Payment | \$0.00 |
| 4. Tranche A-4 Bond Principal Payment | \$0.00 |
| | |
| ix. Operating Expenses (in excess of \$100,000) | \$0.00 |
| x. Funding of Capital Subaccount (to required level) | \$0.00 |
| xi. Net Earnings on Capital Subaccount Released to Issuer | \$0.00 |
| xii. Deposits to Excess Funds Subaccount | \$0.00 |
| xiii. Released to Issuer upon Series Retirement: Collection Account | \$0.00 |

**5. Outstanding Principal Balance and Collection Account Balance as of Current Payment Date:
(after giving effect to payments to be made on such payment date):**

| | |
|---|------------------------|
| i. Tranche A-1 Principal Balance | \$8,414,835.00 |
| ii. Tranche A-2 Principal Balance | \$25,700,000.00 |
| iii. Tranche A-3 Principal Balance | \$50,700,000.00 |
| iv. Tranche A-4 Principal Balance | <u>\$9,975,000.00</u> |
| v. Transition Bond Principal Balance | \$94,789,835.00 |
| | |
| vi. Excess Funds Subaccount Balance | \$0.00 |
| vii. Capital Subaccount Balance | \$132,588.04 |

6. Subaccount Draws as of Current Payment Date (if applicable, pursuant to Section 8.02d of the Indenture):

| | | |
|------|-------------------------|---------------|
| i. | Excess Funds Subaccount | \$0.00 |
| ii. | Capital Subaccount | <u>\$0.00</u> |
| iii. | Total Draws | \$0.00 |

7. Shortfalls In Interest and Principal Payments as of Current Payment Date:

| | | |
|------------|---------------------------------------|---------------|
| i. | Quarterly Interest | \$0.00 |
| | 1. Tranche A-1 Bond Coupon Payment | \$0.00 |
| | 2. Tranche A-2 Bond Coupon Payment | \$0.00 |
| | 3. Tranche A-3 Bond Coupon Payment | \$0.00 |
| | 4. Tranche A-4 Bond Coupon Payment | \$0.00 |
| ii. | Quarterly Principal | \$0.00 |
| | 1. Tranche A-1 Bond Principal Payment | \$0.00 |
| | 2. Tranche A-2 Bond Principal Payment | \$0.00 |
| | 3. Tranche A-3 Bond Principal Payment | \$0.00 |
| | 4. Tranche A-4 Bond Principal Payment | \$0.00 |

8. Shortfalls in Required Subaccount Levels as of Current Payment Date:

| | | |
|----|--------------------|--------------|
| i. | Capital Subaccount | \$441,536.96 |
|----|--------------------|--------------|