

**Payment Date Statement**  
**PE Environmental Funding LLC**  
**\$21,510,000 Senior Secured ROC Bonds, Environmental Control Bonds, Series B**

Pursuant to Section 3.04 of the Servicing Agreement dated as of December 23, 2009 (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 Payment Date Statements 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.

Remittance Period: January 15, 2014 through July 14, 2014

Payment Date: July 15, 2014

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

i. Part remittances for the January 2014 Collection Period	\$0.00
ii. Remittances for the February 2014 Collection Period	\$0.00
iii. Remittances for the March 2014 Collection Period	\$0.00
iv. Remittances for the April 2014 Collection Period	\$0.00
v. Remittances for the May 2014 Collection Period	\$0.00
vi. Remittances for the June 2014 Collection Period	\$0.00
vii. Part remittance for the July 2014 Collection Period	\$0.00
viii. Net Earnings on General Subaccount	\$0.73
ix. Net Earnings on Capital Subaccount	\$3.26
x. Net Earnings on Surplus Subaccount	\$124.13
xi. Net Earnings on Project Fund Subaccount	\$0.00
xii. Net Earnings on Reserve Subaccount	<u>\$11.04</u>
xiii. <b>General Subaccount Balance</b>	<b>\$139.16</b>
xiv. Reserve Subaccount Balance	\$365,670.00
xv. Surplus Subaccount Balance	\$4,087,687.56
xvi. Capital Subaccount Balance	<u>\$107,550.00</u>
xvii. <b>Collection Account Balance</b>	<b>\$4,561,046.72</b>

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

v. <b>Series B Environmental Control Bond Principal Balance</b>	<b>\$21,510,000.00</b>
vi. Reserve Subaccount Balance	\$365,670.00
vii. Surplus Subaccount Balance	\$4,087,687.56
viii. Capital Subaccount Balance	\$107,550.00

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

v. <b>Projected Environmental Control Bond Balance</b>	<b>\$21,510,000.00</b>
vi. Required Series B Coupon (5.127% per annum rate)	\$551,408.85
x. Required Reserve Subaccount Funding	\$0.00
xi. Required Capital Subaccount Funding	\$0.00

<b>4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02e of the Indenture:</b>		
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	\$5,377.50
v.	Operating Expenses (subject to \$100,000 cap)	\$0.00
<b>vi.</b>	<b>Payment Date Interest</b>	<b>\$551,408.85</b>
	1. Series B Environmental Control Bond Coupon Payment	\$551,408.85
vii.	Principal Due and Payable	\$0.00
<b>viii.</b>	<b>Scheduled Payment Date Principal</b>	<b>\$0.00</b>
	1. Series B Environmental Control Bond Principal Payment	\$0.00
ix.	Operating Expenses (in excess of \$100,000)	\$0.00
x.	Funding of Reserve Subaccount (to required level)	\$0.00
xi.	Funding of Capital Subaccount (to required level)	\$0.00
xii.	Capital Equity Return Released to Issuer	\$2,757.04
xiii.	Deposits to Surplus Subaccount	\$0.00
xiv.	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):**

<b>v.</b>	<b>Series B Environmental Control Bond Principal Balance</b>	<b>\$21,510,000.00</b>
vi.	Reserve Subaccount Balance	\$365,670.00
vii.	Surplus Subaccount Balance	\$3,528,283.33
viii.	Capital Subaccount Balance	\$107,550.00

\* Waived for July 2014 payment.

\*\* Independent Directors' Fee is paid in advance, first quarter. (1Q14), directly by issuer to directors)

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

i.	Reserve Subaccount	\$0.00
ii.	Surplus Subaccount	\$559,404.23
iii.	Capital Subaccount	<u>\$0.00</u>
iv.	<b>Total Draws</b>	<b>\$559,404.23</b>

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

<b>i.</b>	<b>Payment Date Interest</b>	<b>\$0.00</b>
	1. Series B Environmental Control Bond Coupon Payment	\$0.00
<b>ii.</b>	<b>Payment Date Principal</b>	<b>\$0.00</b>
	1. Series B Environmental Control Bond Principal Payment	\$0.00

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

i.	Capital Subaccount	\$0.00
ii.	Reserve Subaccount	\$0.00

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Payment Date Statement this 10th day of July, 2014.

The Potomac Edison Company, as Servicer

by: \_\_\_\_\_  
Steven R. Staub  
Vice President and Treasurer