

Amy L. Blauman  
Assistant General Counsel

Edison Place  
701 Ninth Street NW  
Washington, DC 20068-0001

Office 202.872.2122  
Fax 202.331.6767  
delmarva.com  
alblauman@pepcoholdings.com

May 15, 2018

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E. Room 1A  
Washington, DC 20426

Re: Delmarva Power & Light Company (“Delmarva”), Docket No. ER09-1158  
Informational Filing of 2018 Formula Rate Annual Update;  
Notice of Annual Meeting

Dear Ms. Bose,

Delmarva hereby submits electronically, for informational purposes, its 2018 Annual Formula Rate Update. On November 3, 2015, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. EL13-48, *et al.*<sup>1</sup> Formula Rate implementation protocols contained in the Settlement provide that:

[o]n or before May 15 of each year, Delmarva [Delmarva Power & Light Company] shall recalculate its Annual Transmission Revenue Requirements, producing an “Annual Update” for the upcoming Rate Year, and:

- (i) cause such Annual Update to be posted at a publicly accessible location on PJM’s internet website;
- (ii) cause notice of such posting to be provided to PJM’s membership; and
- (iii) file such Annual Update with the FERC as an informational filing.<sup>2</sup>

The same information contained in this informational filing has been transmitted to PJM for posting on its website as required by the Formula Rate implementation protocols. Thus, all interested parties should have ample notice of and access to the

<sup>1</sup> Baltimore Gas and Electric Company, *et al.*, 153 FERC ¶ 61,140 (2015).

<sup>2</sup> See Settlement, Exhibit A containing PJM Tariff Attachment H3-E, Section 2.b.

Annual Update. The protocols provide specific procedures for notice, review, exchanges of information and potential challenges to aspects of the Annual Update. Consequently, and as the Commission has concluded, there is no need for the Commission to notice this informational filing for comment.<sup>3</sup>

Delmarva's 2018 Annual Update contains no expenses or costs that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as defined in 18 C.F.R. § 35.13(b)(7).

Delmarva has made no accounting changes as defined in the Settlement (and any accounting changes, including accounting policy harmonization changes related to the merger between Exelon and Pepco Holdings, Inc., are discussed in applicable disclosure statements filed within the Securities and Exchange Commission Form 10-K and within the FERC Form No. 1).<sup>4</sup> Delmarva has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.<sup>5</sup>

Thank you for your attention to this informational filing. Please direct any questions to the undersigned.

Very truly yours,

/s/ Amy L. Blauman

Amy L. Blauman

Enclosures

cc: All parties on Service Lists in Docket Nos. ER05-515, EL13-48 and EL15-27.

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<sup>3</sup> See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1158 (February 17, 2010).

<sup>4</sup> See Settlement, Exhibit A containing PJM Tariff Attachment H3-E, Section 2.f.(iii)(d). Accounting entries related to the merger between Exelon and Pepco Holdings, Inc. were approved by FERC in Docket AC16-203 on March 17, 2017 and April 11, 2017.

<sup>5</sup> See Settlement, Exhibit A containing PJM Tariff Attachment H3-E, Section 2.h.

**ATTACHMENT H-3D**

**Delmarva Power & Light Company**

**Formula Rate - Appendix A**

Notes

FERC Form 1 Page # or Instruction

2017

Shaded cells are input cells

**Allocators**

<b>Wages &amp; Salary Allocation Factor</b>			
1	Transmission Wages Expense		\$ 2,726,311
2	Total Wages Expense	p354.28b	\$ 40,525,901
3	Less A&G Wages Expense	p354.27b	\$ 3,571,399
4	Total	(Line 2 - 3)	36,954,502
5	<b>Wages &amp; Salary Allocator</b>	(Line 1 / 4)	<b>7.3775%</b>
<b>Plant Allocation Factors</b>			
6	Electric Plant in Service	(Note B) p207.104g (see attachment 5)	\$ 3,872,097,440
7	Common Plant In Service - Electric	(Line 24)	96,499,326
8	Total Plant In Service	(Sum Lines 6 & 7)	3,968,596,766
9	Accumulated Depreciation (Total Electric Plant)	p219.29c (see attachment 5)	\$ 935,374,303
10	Accumulated Intangible Amortization	(Note A) p200.21c (see attachment 5)	\$ 10,355,589
11	Accumulated Common Amortization - Electric	(Note A) p356	14,396,936
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356	\$ 53,712,576
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	1,013,839,404
14	Net Plant	(Line 8 - 13)	2,954,757,362
15	Transmission Gross Plant	(Line 29 - Line 28)	1,494,712,981
16	<b>Gross Plant Allocator</b>	(Line 15 / 8)	<b>37.6635%</b>
17	Transmission Net Plant	(Line 39 - Line 28)	1,141,558,738
18	<b>Net Plant Allocator</b>	(Line 17 / 14)	<b>38.6346%</b>

**Plant Calculations**

<b>Plant In Service</b>			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 1,426,429,064
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	Attachment 6 - Enter Negative	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	46,979,103
22	<b>Total Transmission Plant In Service</b>	(Line 19 - 20 + 21)	<b>1,473,408,167</b>
23	General & Intangible	p205.5.g & p207.99.g (see attachment 5)	192,282,404
24	Common Plant (Electric Only)	(Notes A & B) p356	96,499,326
25	Total General & Common	(Line 23 + 24)	288,781,730
26	Wage & Salary Allocation Factor	(Line 5)	7.37748%
27	<b>General &amp; Common Plant Allocated to Transmission</b>	(Line 25 * 26)	<b>21,304,814</b>
28	<b>Plant Held for Future Use (Including Land)</b>	(Note C) p214	<b>0</b>
29	<b>TOTAL Plant In Service</b>	<b>(Line 22 + 27 + 28)</b>	<b>1,494,712,981</b>
<b>Accumulated Depreciation</b>			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 343,638,525
31	Accumulated General Depreciation	p219.28.c (see attachment 5)	\$ 50,518,211
32	Accumulated Intangible Amortization	(Line 10)	10,355,589
33	Accumulated Common Amortization - Electric	(Line 11)	14,396,936
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	53,712,576
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	128,983,312
36	Wage & Salary Allocation Factor	(Line 5)	7.37748%
37	<b>General &amp; Common Allocated to Transmission</b>	(Line 35 * 36)	<b>9,515,718</b>
38	<b>TOTAL Accumulated Depreciation</b>	<b>(Line 30 + 37)</b>	<b>353,154,243</b>
39	<b>TOTAL Net Property, Plant &amp; Equipment</b>	<b>(Line 29 - 38)</b>	<b>1,141,558,738</b>

**Adjustment To Rate Base**

<b>Accumulated Deferred Income Taxes</b>			
40	ADIT net of FASB 106 and 109		-349,152,695
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative (Notes A & I) p266.h	-2,361,544
42	Net Plant Allocation Factor	(Line 18)	38.63%
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>	(Line 41 * 42) + Line 40	<b>-350,065,068</b>
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B) p216.43.b as Shown on Attachment 6	-
43b	Unamortized Abandoned Transmission Plant	Attachment 5	-
<b>Transmission O&amp;M Reserves</b>			
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	-3,057,275
<b>Prepayments</b>			
45	Prepayments	(Note A) Attachment 5	13,470,222
46	<b>Total Prepayments Allocated to Transmission</b>	(Line 45)	<b>13,470,222</b>
<b>Materials and Supplies</b>			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	\$ -
48	Wage & Salary Allocation Factor	(Line 5)	7.377%
49	Total Transmission Allocated	(Line 47 * 48)	0
50	Transmission Materials & Supplies	p227.8c	2,942,687
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>	(Line 49 + 50)	<b>2,942,687</b>
<b>Cash Working Capital</b>			
52	Operation & Maintenance Expense	(Line 85)	31,090,229
53	1/8th Rule	x 1/8	12.5%
54	<b>Total Cash Working Capital Allocated to Transmission</b>	(Line 52 * 53)	<b>3,886,279</b>
<b>Network Credits</b>			
55	Outstanding Network Credits	(Note N) From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) From PJM	0
57	Net Outstanding Credits	(Line 55 - 56)	0
58	<b>TOTAL Adjustment to Rate Base</b>	(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)	<b>-332,823,154</b>
59	<b>Rate Base</b>	(Line 39 + 58)	<b>808,735,584</b>

**O&M**

<b>Transmission O&amp;M</b>			
60	Transmission O&M	p321.112.b (see attachment 5)	\$ 24,347,664
61	Less extraordinary property loss	Attachment 5	\$ -
62	Plus amortized extraordinary property loss	Attachment 5	\$ -
63	Less Account 565	p321.96.b	\$ -
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	\$ -
65	Plus Transmission Lease Payments	(Note A) p200.3.c	\$ -
66	<b>Transmission O&amp;M</b>	(Lines 60 - 63 + 64 + 65)	<b>24,347,664</b>
<b>Allocated General &amp; Common Expenses</b>			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b (see attachment 5)	\$ 89,028,741
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S) Attachment 5	-199,886
69	Less Property Insurance Account 924	p323.185b	532,303
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	5,255,798
71	Less General Advertising Exp Account 930.1	p323.191b	212,864
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	6,502,685
73	Less EPRI Dues	(Note D) p352-353	210,803
74	<b>General &amp; Common Expenses</b>	(Lines 67 + 68) - Sum (69 to 73)	76,314,288
75	Wage & Salary Allocation Factor	(Line 5)	7.3775%
76	<b>General &amp; Common Expenses Allocated to Transmission</b>	(Line 74 * 75)	<b>5,630,071</b>
<b>Directly Assigned A&amp;G</b>			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	906,841
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	<b>906,841</b>
80	Property Insurance Account 924	p323.185b	532,303
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	<b>532,303</b>
83	Net Plant Allocation Factor	(Line 18)	38.63%
84	<b>A&amp;G Directly Assigned to Transmission</b>	(Line 82 * 83)	<b>205,653</b>
85	<b>Total Transmission O&amp;M</b>	<b>(Line 66 + 76 + 79 + 84)</b>	<b>31,090,229</b>

**Depreciation & Amortization Expense**

<b>Depreciation Expense</b>			
86	Transmission Depreciation Expense	p336.7b&c	34,226,387
86a	Amortization of Abandoned Transmission Plant	Attachment 5	0
87	General Depreciation	p336.10b&c (see attachment 5)	8,842,053
88	Intangible Amortization	(Note A) p336.1d&e (see attachment 5)	248,822
89	Total	(Line 87 + 88)	9,090,875
90	Wage & Salary Allocation Factor	(Line 5)	7.3775%
91	<b>General Depreciation Allocated to Transmission</b>	(Line 89 * 90)	<b>670,677</b>
92	Common Depreciation - Electric Only	(Note A) p336.11.b	3,881,211
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	0
94	Total	(Line 92 + 93)	3,881,211
95	Wage & Salary Allocation Factor	(Line 5)	7.3775%
96	<b>Common Depreciation - Electric Only Allocated to Transmission</b>	(Line 94 * 95)	<b>286,336</b>
97	<b>Total Transmission Depreciation &amp; Amortization</b>	<b>(Line 86 + 91 + 96)</b>	<b>35,183,400</b>

**Taxes Other than Income**

98	Taxes Other than Income	Attachment 2	9,872,663
99	<b>Total Taxes Other than Income</b>	<b>(Line 98)</b>	<b>9,872,663</b>

**Return / Capitalization Calculations**

<b>Long Term Interest</b>			
100	Long Term Interest	p117.62c through 67c	\$ 52,075,552
101	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
102	<b>Long Term Interest</b>	"(Line 100 - line 101)"	52,075,552
103	Preferred Dividends	enter positive p118.29c	-
<b>Common Stock</b>			
104	Proprietary Capital	p112.16c	1,330,210,085
105	Less Preferred Stock	enter negative (Line 114)	0
106	Less Account 216.1	enter negative p112.12c	2,177,779
107	<b>Common Stock</b>	(Sum Lines 104 to 106)	1,332,387,864
<b>Capitalization</b>			
108	Long Term Debt	p112.17c through 21c	1,308,230,000
109	Less Loss on Reacquired Debt	enter negative p111.81c	-7,674,093
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	2,126,878
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Sum Lines Lines 108 to 112)	1,302,682,785
114	Preferred Stock	p112.3c	0
115	Common Stock	(Line 107)	1,332,387,864
116	<b>Total Capitalization</b>	(Sum Lines 113 to 115)	2,635,070,649
117	Debt %	Total Long Term Debt (Line 113 / 116)	49.44%
118	Preferred %	Preferred Stock (Line 114 / 116)	0.00%
119	Common %	Common Stock (Line 115 / 116)	50.56%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0400
121	Preferred Cost	Preferred Stock (Line 103 / 114)	0.0000
122	Common Cost	Common Stock (Note J) Fixed	0.1050
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0198
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0531
126	<b>Total Return ( R )</b>	(Sum Lines 123 to 125)	<b>0.0729</b>
127	<b>Investment Return = Rate Base * Rate of Return</b>	<b>(Line 59 * 126)</b>	<b>58,919,880</b>

**Composite Income Taxes**

Income Tax Rates			
128	FIT=Federal Income Tax Rate		21.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.50%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	27.72%
132	T/(1-T)		38.34%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I) enter negative	-153,997
134	T/(1-T)	Attachment 1 (Line 132)	38.34%
135	Net Plant Allocation Factor	(Line 18)	38.6346%
136	<b>ITC Adjustment Allocated to Transmission</b>	(Line 133 * (1 + 134) * 135)	<b>-82,308</b>
137	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))] <b>16,462,696</b>
138	<b>Total Income Taxes</b>	<b>(Line 136 + 137)</b>	<b>16,380,388</b>

**REVENUE REQUIREMENT**

Summary			
139	Net Property, Plant & Equipment	(Line 39)	1,141,558,738
140	Adjustment to Rate Base	(Line 58)	-332,823,154
141	<b>Rate Base</b>	(Line 59)	<b>808,735,584</b>
142	O&M	(Line 85)	31,090,229
143	Depreciation & Amortization	(Line 97)	35,183,400
144	Taxes Other than Income	(Line 99)	9,872,663
145	Investment Return	(Line 127)	58,919,880
146	Income Taxes	(Line 138)	16,380,388
147	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 142 to 146)</b>	<b>151,446,560</b>
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	1,426,429,064
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	1,426,429,064
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	151,446,560
153	<b>Adjusted Gross Revenue Requirement</b>	(Line 151 * 152)	<b>151,446,560</b>
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	6,767,215
155	Interest on Network Credits	(Note N) PJM Data	-
156	<b>Net Revenue Requirement</b>	<b>(Line 153 - 154 + 155)</b>	<b>144,679,345</b>
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	144,679,345
158	Net Transmission Plant	(Line 19 - 30)	1,082,790,539
159	Net Plant Carrying Charge	(Line 157 / 158)	13.3617%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	10.2008%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	3.2465%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	69,379,077
163	Increased Return and Taxes	Attachment 4	80,957,406
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	150,336,483
165	Net Transmission Plant	(Line 19 - 30)	1,082,790,539
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	13.8842%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	10.7232%
168	<b>Net Revenue Requirement</b>	(Line 156)	<b>144,679,345</b>
169	True-up amount	Attachment 6	13,556,043
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	438,678
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515	Attachment 5	-
171a	MAPP Abandonment recovery pursuant to ER13-607	Attachment 5	-
172	<b>Net Zonal Revenue Requirement</b>	(Line 168 + 169 + 170 + 171 + 171a)	<b>158,674,066</b>
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	3,813
174	Rate (\$/MW-Year)	(Line 172 / 173)	41,619
175	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 174)</b>	<b>41,619</b>

**Notes**

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p = \frac{\text{the percentage of federal income tax deductible for state income taxes}}{\text{the percentage of federal income tax deductible for state income taxes}}$ . If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by  $(1/1-T)$ . A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.  
  
The ROE is 10.5% which includes a base ROE of 10.0% ROE per FERC order in Docket No. EL13-48 and a 50 basis point RTO membership adder as authorized by FERC: provided, that the projects identified in Docket Nos. ER08-686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.
- J ER08-686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT and the PJM established billing determinants will not be revised or updated in the annual rate reconciliations per settlement in ER05-515.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M. If they are booked to Acct 565, they are included in on line 64
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.
- S See Attachment 5 - Cost Support, section entitled "PBOP Expense in FERC Account 926" for additional information per FERC orders in Docket Nos. EL13-48 , EL15-27 and ER16-456.

Delmarva Power & Light Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet Tax Detail

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	-	(961,715,870)	-	(961,715,870)
ADIT-283	(3,059,476)	(4,865,504)	(70,572,539)	(78,497,519)
ADIT-190	-	60,015,641	7,560,365	67,576,006
Subtotal	(3,059,476)	(906,565,733)	(63,012,174)	(972,637,383)
Wages & Salary Allocator			7.3775%	
Gross Plant Allocator		37.66351%		
ADIT	(3,059,476)	(341,444,508)	(4,648,711)	(349,152,695)
Total				

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111  
Amount (2,126,878)

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed. Dissimilar items with amounts exceeding \$100,000 will be listed separately.

A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT-190						
Allowance for Doubtful Accounts	4,145,110	4,145,110	-	-	-	Under the Tax Reform Act of 1986, taxpayers are required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. This amount represents the deferred tax asset related to the add-back of book reserves for tax purposes. This deferred tax asset is retail related.
Charitable Contributions	648,296	648,296	-	-	-	DPL is in a Net Operating Loss Carryforward position, therefore, DPL's charitable contributions are carried forward until such time as either DPL or its Parent Company can use them in its consolidated federal income tax return. For book purposes, the contributions are expensed when incurred. Charitable contributions are not included in Operating Income and any related deferred income taxes are excluded from Rate Base.
Claims Reserve	553,388	77,474	-	475,914	-	These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for General and Auto liability claims. For tax, no deduction is permitted until the "all events" test is met, typically when payment is made. Relates to property across all functions.
Deferred TIC	760,732	106,502	-	654,230	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
Environmental Expense	510,986	510,986	-	-	-	These deferred taxes are the result of deductions taken for book purposes to set aside a reserve for environmental site clean-up expenses. For tax, no deduction is permitted until the "all events" test is met, typically when economic performance has occurred.
Merrill Creek	2,157,639	2,157,639	-	-	-	These deferred taxes are the result of rent being recorded ratably over the life of the Merrill Creek lease for book purposes. For tax purposes, rent is deductible only as economic performance occurs. In addition, an extraordinary charge was recorded for book purposes in a prior year to reflect the impairment of the Merrill Creek asset due to deregulation. For tax purposes, the book impairment did not give rise to a tax deduction when recorded. The accrued impairment liability is being amortized to book income on a monthly basis. The monthly book income is being reversed for tax purposes. This asset is Generation related.
OPEB	3,778,262	528,957	-	-	3,249,306	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amount paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects Company personnel across all functions.
Other (190)	1,514,552	380,356	-	677,287	456,910	Reflects deferred income taxes on other Property and Labor related items related to all functions.
Other Labor Related Accruals	5,585,462	781,965	-	-	4,803,497	Represents deferred income taxes on labor related book accruals that are only deductible for tax purposes as economic performance occurs. The deferred taxes are related to Company personnel across all functions.
Reg Asset - DSM	212,394	212,394	-	-	-	Represents various Demand Side Management costs that are deducted for tax purposes as incurred. For books, these costs are deferred and amortized to expense when collected in rates. This deferred tax asset is retail related.
Reg Liab - Other	654,436	654,436	-	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. This deferred tax asset is retail related.
Renewable Energy Credits	2,850,827	2,850,827	-	-	-	Represents deferred taxes on renewable energy credits which have not been realized yet. This deferred tax asset is retail related.
FAS 109 Deferred Taxes - 190	291,675	40,834	-	250,840	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related entirely to plant. These items are removed below.
FAS 109 Deferred Taxes - Property Gross Up	124,196,309	9,851,168	-	114,345,141	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
FAS 109 Deferred Taxes - Tax Cuts and Jobs Act Gross Up	17,082,645	10,938,071	360,558	(1,503,357)	7,287,373	Pursuant to the requirements of FAS 109, DPL's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the tax gross-up necessary for full recovery of the 2017 Tax Cuts and Jobs Act (2017 Federal Tax Rate reduction. These amounts are removed from rate base below.
Federal and State NOL	68,191,684	11,479,795	-	56,711,888	-	Represents deferred income tax asset related to federal and state net operating loss carryforwards available to offset future taxable income.
Subtotal - p234	233,134,396	45,364,810	360,558	171,611,942	15,797,086	
Less FASB 109 Above if not separately removed	131,755,866	14,811,591	360,558	111,596,301	4,987,415	
Less FASB 106 Above if not separately removed	3,778,262	528,957	-	-	3,249,306	
Total	97,600,268	30,024,262	-	60,015,641	7,560,365	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded
- Re: Form I-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. I-F, p.113.57.c

Delmarva Power & Light Company

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADIT- 282						
Plant Related - APB 11 Deferred Taxes	(1,068,573,189)	(106,857,319)	-	(961,715,870)	-	This deferred tax balance relates to plant and results from life and method differences. Related to Gas, and T & D plant.
Plant Related - FAS109 Deferred Taxes	340,043,333	34,004,333	-	306,038,999	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
CIAC - Non Rate Base	29,143,880	29,143,880	-	-	-	Deferred taxes resulting from tax basis differences in Contributions in Aid of Construction (CIAC) assets. Since CIAC's are excluded from Rate Base, the related deferred income taxes are excluded as well.
Leased Vehicles - Non Rate Base	(8,360,996)	(8,360,996)	-	-	-	Deferred taxes resulting from tax basis differences in leased vehicles. Since leased vehicles are treated as operating leases for book purposes and not included in Rate Base, the related deferred income taxes are excluded from Rate Base as well.
FAS 109 AFUDC Equity Deferred Taxes	(7,706,581)	(770,658)	-	(6,935,923)	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These items are removed below.
FAS 109 1/1/2005 Deferred Tax Balance	(970,324)	(97,032)	-	(873,292)	-	Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These items are removed below.
Subtotal - p275	(716,423,878)	(52,937,793)	-	(663,486,086)	-	
Less FASB 109 Above if not separately removed	323,923,094	25,693,310	-	298,229,785	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(1,040,346,973)	(78,631,103)	-	(961,715,870)	-	

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in
6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

Delmarva Power & Light Company  
Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT-283	A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Blueprint for the Future		(557,020)	(557,020)	-	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. This deferred tax liability is retail related.
Deferred Fuel		(1,367,624)	(1,367,624)	-	-	-	Difference between actual fuel expense as compared to the fuel expense computed in accordance with fuel adjustment clause formulas as deferred on book. In accordance with Section 162 Ordinary and Necessary Business Expenses and Section 461 Rules for Taxable year of Deduction, fuel costs are deductible in the year incurred for federal tax purposes. Rate surcharges are includable in the taxable year the underlying monthly bill is adjusted. Refunds are deductible in the taxable year that the liability is fixed and economic performance has occurred. These deferred taxes are the result of this book/tax difference. 100% Gas Related.
Deferred Fuel Interest		(8,133)	(8,133)	-	-	-	This represents deferred tax generated as a result of interest income and/or expense accrued on the deferred fuel balance for book purposes. For tax purposes, interest income is recognized when received. Interest expense is deducted for tax when paid. 100% Gas Related.
Materials Reserve		128,302	17,962	-	110,340	-	This represents deferred tax generated as a result of a deduction taken for amounts set aside in a reserve for book purposes. For tax no deduction is permitted until economic performance takes place. Impacts Gas, Transmission and Distribution.
Merger Commitment Fees		3,491,394	3,491,394	-	-	-	Deferred taxes recognized for commitments made as part of the 2016 merger with Exelon that have not been paid to date. These amounts are excluded from Rate Base.
Pension		(54,569,986)	(7,639,798)	-	-	(46,930,188)	The Company claims tax deductions for payments made to fund its Retirement Income Plan to the extent permitted under the IRC Section 415 contribution limitations. For book purposes, Pension Plan expense is recorded in accordance with SFAS 158. This deferred tax liability reflects the difference between the tax versus book deductions. It affects Company personnel across all functions.
Property Taxes		(6,359,590)	(890,343)	-	(5,469,247)	-	For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Relates to property across all functions.
Reacquired Debt		(2,126,878)	(2,126,878)	-	-	-	Reflects the deferred taxes generated as a result of the tax deductions taken for the cost to reacquire debt. For book purposes, these amounts were recorded as an asset in account 189 and are amortized over future periods.
Reg Asset - DSM		(15,658,580)	(15,658,580)	-	-	-	For books, Demand Side Management Costs are deferred. For tax purposes, these costs are expensed when paid. These deferred taxes are the result of the book/tax difference which is retail in nature.
Reg Asset - FERC Formula Rate Adj.		(2,092,373)		(2,092,373)			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. This item is 100% Transmission related.
Reg Liab - Other		(40,627,560)	(38,520,749)	-	(155,780)	(1,951,031)	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. Relates to various functions across the Company.
Reg Asset - COPCO Acquisition Adjustment		(1,407,823)	(1,407,823)	-	-	-	Amortization of COPCO acquisition adjustment. Beginning unamortized balance \$40,456,550.00 represents recovery of the regulatory asset per Docket 9093, Order 81518, refers to MD Docket 8583, Order 71719; offset account 114000 Plant Acq Adj. Amortizing monthly. Fully amortized in 2010.
Reg Liab - Other		4,448,786	4,737,930	-	(289,145)	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. These amounts are Gas and Retail related.
Subtotal - p277 (Form 1-F filer: see note 6, below)		(116,707,084)	(59,929,661)	(2,092,373)	(5,803,832)	(48,881,219)	
Less FASB 109 Above if not separately removed		55,129,072	33,408,977	967,103	(938,328)	21,691,320	
Less FASB 106 Above if not separately removed		(7,639,798)	(7,639,798)				The FERC Transmission Pension Asset included in rate base does not include any deferred tax adjustment and therefore an allocated portion from the Attachment 1 should be allocated to the FERC Transmission Accumulated Deferred Income Tax rate base reserve.
Total		(164,196,358)	(85,698,839)	(3,059,476)	(4,865,504)	(70,572,539)	

- Instructions for Account 283:
1. ADIT items related only to Non-Electric Operations
  2. ADIT items related only to Transmission are directly assigned to Column B
  3. ADIT items related to Plant and not in Columns C & D are included in Column E
  4. ADIT items related to labor and not in Columns C & D are included in Column F
  5. Deferred income taxes arise when items are included in
  6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

Delmarva Power & Light Company  
Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255	Item	Balance	Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	2,361,544	302,119	Post 1980
Amortization				
Amortization to line 133 of Appendix A	Total	383,291	153,997	Pre 1981
Total		2,744,835	456,116	
Total Form No. 1 (p 266 & 267)		2,744,835	456,116	
Difference /1	check	-	-	

/1 Difference must be zero



## Delmarva Power & Light Company

### Attachment 2 - Taxes Other Than Income Worksheet

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
<b>Plant Related</b>		<b>Gross Plant Allocator</b>	
1 Real property (State, Municipal or Local)	25,455,658		
2 Personal property			
3 Federal/State Excise	20,319		
4			
5			
6			
<b>Total Plant Related</b>	25,475,977	37.6635%	9,595,148
<b>Labor Related</b>		<b>Wages &amp; Salary Allocator</b>	
7 Federal FICA & Unemployment	3,652,617		
8 State Unemployment	109,025		
9			
10			
11			
<b>Total Labor Related</b>	3,761,642	7.3775%	277,514
<b>Other Included</b>		<b>Gross Plant Allocator</b>	
12 Miscellaneous	-		
<b>Total Other Included</b>	0	37.6635%	0
<b>Total Included</b>	29,237,619		9,872,663
<b>Excluded</b>			
13 MD State Franchise Tax	7,439,812		
14 DE Gross Receipts Tax	344,857		
15 MD Sales and Use Tax	1,941,930		
16 Sales and Use tax VA	1,246		
17 PA Franchise	(3,000)		
18 DE Public Utility Tax	6,740,937		
19 Wilmington City Franchise Tax	898,073		
20 MD Environmental Surcharge	601,306		
21 Excluded merger costs in line 7	64		
22 Total "Other" Taxes (included on p. 263)	47,202,844		
23 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	47,202,844		
24 Difference		(0)	

**Criteria for Allocation:**

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they will not be included
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they will not be included
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year

## Delmarva Power & Light Company

### Attachment 3 - Revenue Credit Workpaper

<b>Account 454 - Rent from Electric Property</b>		
1	Rent from Electric Property - Transmission Related (Note 3)	1,282,426
2	Total Rent Revenues (Sum Line 1)	1,282,426
<b>Account 456 - Other Electric Revenues (Note 1)</b>		
3	Schedule 1A	\$ 1,413,575
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)	461,563
6	PJM Transitional Revenue Neutrality (Note 1)	-
7	PJM Transitional Market Expansion (Note 1)	-
8	Professional Services (Note 3)	-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	4,428,577
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-
11	Gross Revenue Credits (Sum Lines 2-10)	7,586,140
12	Less line 17g	(818,925)
13	Total Revenue Credits	6,767,215
<b>Revenue Adjustment to determine Revenue Credit</b>		
14	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 173 of Appendix A.	
15	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	
16	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	1,282,426
17b	Costs associated with revenues in line 17a (Attachment 5 - Cost Support)	355,424
17c	Net Revenues (17a - 17b)	927,001
17d	50% Share of Net Revenues (17c / 2)	463,501
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
17f	Net Revenue Credit (17d + 17e)	463,501
17g	Line 17f less line 17a	(818,925)
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.	17,985,422
19	Amount offset in line 4 above	136,983,768
20	Total Account 454, 456 and 456.1	162,555,330
21	Note 4: SECA revenues booked in Account 447.	

**Delmarva Power & Light Company**

**Attachment 4 - Calculation of 100 Basis Point Increase in ROE**

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	80,957,406
B	100 Basis Point increase in ROE		1.00%

**Return Calculation**

59	Rate Base		(Line 39 + 58)	808,735,584
<b>Long Term Interest</b>				
100	Long Term Interest		p117.62c through 67c	52,075,552
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	<b>Long Term Interest</b>		"(Line 100 - line 101)"	52,075,552
103	<b>Preferred Dividends</b>	enter positive	p118.29c	-
<b>Common Stock</b>				
104	Proprietary Capital		p112.16c	1,330,210,085
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	2,177,779
107	<b>Common Stock</b>		(Sum Lines 104 to 106)	1,332,387,864
<b>Capitalization</b>				
108	Long Term Debt		p112.17c through 21c	1,308,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-7,674,093
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	2,126,878
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	<b>Total Long Term Debt</b>		(Sum Lines Lines 108 to 112)	1,302,682,785
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,332,387,864
116	<b>Total Capitalization</b>		(Sum Lines 113 to 115)	2,635,070,649
117	Debt %	Total Long Term Debt	(Line 113 / 116)	49.44%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	50.56%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0400
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J from Appendix A) Appendix A % plus 100 Basis Pts	0.1150
123	Weighted Cost o Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0198
124	Weighted Cost o Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost o Common Stock		(Line 119 * 122)	0.0581
126	<b>Total Return ( R )</b>		(Sum Lines 123 to 125)	<b>0.0779</b>
127	<b>Investment Return = Rate Base * Rate of Return</b>		<b>(Line 59 * 126)</b>	<b>63,009,142</b>

**Composite Income Taxes**

<b>Income Tax Rates</b>				
128	FIT=Federal Income Tax Rate			21.00%
129	SIT=State Income Tax Rate or Composite			8.50%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		27.72%
132	T/ (1-T)			38.34%
<b>ITC Adjustment</b>				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(153,997)
134	T/(1-T)		(Line 132)	38%
135	Net Plant Allocation Factor		(Line 18)	38.6346%
136	<b>ITC Adjustment Allocated to Transmission</b>	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	<b>-82,308</b>
137	<b>Income Tax Component =</b>		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	<b>18,030,572</b>
138	<b>Total Income Taxes</b>		<b>(Line 136 + 137)</b>	<b>17,948,264</b>

Delmarva Power & Light Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
<b>Plant Allocation Factors</b>							
10	Accumulated Intangible Amortization	(Note A)	p200.21c (see attachment)	29,134,135	10,369,787	18,764,348	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,523,048	14,396,936	3,126,112	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	65,621,846	53,712,576	11,909,270	See Form 1
<b>Plant In Service</b>							
24	Common Plant (Electric Only)	(Notes A & B)	p356	117,452,929	96,499,326	20,953,603	See Form 1
<b>Accumulated Deferred Income Taxes</b>							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	2,744,835	2,471,566	273,269	See Form 1
<b>Materials and Supplies</b>							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0	0	0	
<b>Allocated General &amp; Common Expenses</b>							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c	0	0	0	
67	Common Plant O&M	(Note A)	p356	0	0	0	
<b>Depreciation Expense</b>							
88	Intangible Amortization	(Note A)	p336.1d&e (see attachment)	263,020	263,020	0	See FERC Form 2, Page 337, Line 1, Column h for non-electric portion.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	3,881,211	3,881,211	0	See Form 1, electric only.
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	See Form 1, electric only.

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land)	(Note C)	p214	3,481,940	0	3,481,940	Specific identification based on plant records: The following plant investments are included: 1 2 3 4 5

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
<b>Plant Allocation Factors</b>							
6	Electric Plant in Service	(Note B)	p207.104g	3,875,028,223	0	0	See ARO Exclusion - Cost Support section below for Electric Plant in Service without AROs
<b>Plant In Service</b>							
19	Transmission Plant In Service	(Note B)	p207.58.g	1,426,429,064	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	96,499,326	0	0	
<b>Accumulated Depreciation</b>							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	343,638,525	0	0	See Form 1

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details
<b>Allocated General &amp; Common Expenses</b>						
73	Less EPRI Dues	(Note D)	p352-353	210,803	210,803	See Form 1



Delmarva Power & Light Company

Attachment 5 - Cost Support

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Allocation	Transmission Related	Details
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)	Enter \$		Amount	
	Directly Assignable to Transmission	-	100%	-	
	Labor Related, General plant related or Common Plant related	32,423,059	7.377%	2,392,005	
	Plant Related	1,766,351	37.664%	665,270	
	Other		0.00%	-	
	Total Transmission Related Reserves	34,189,410		3,057,275	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments
45	Prepayments	Allocator	To Line 45	
	Pension Liabilities, if any, in Account 242	-	6.314%	-
	Prepayments	\$ 16,429,271	6.314%	1,037,407
	Prepaid Pensions if not included in Prepayments	\$ 196,896,680	6.314%	12,432,815
		<b>213,325,951</b>	<b>6.31%</b>	<b>13,470,222</b>
	Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).			
5	Wages & Salary Allocator	7.377%		
	Electric vs Gas	86% Based on Modified Wisconsin Method		
	Modified Wages & Salaries Allocator	6.314%		
				Add more lines if necessary

Extraordinary Property Loss

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Amount	Number of years	Amortization	w/ interest
61	Less extraordinary property loss		Attachment 5	\$ -			
62	Plus amortized extraordinary property loss		Attachment 5		5	\$ -	\$ -

Interest on Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Interest on Network Credits	Description of the Interest on the Credits
155	Revenue Credits & Interest on Network Credits	(Note N)	PJM Data	0	General Description of the Credits
	Interest on Network Credits			Enter \$	None
					Add more lines if necessary

Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Amount	Description & PJM Documentation
171	Net Revenue Requirement		Attachment 5	-	
	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515				

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate	(Note L)	PJM Data	3,812.5	See Form 1
	1 CP Peak				

Statements BG/BH (Present and Proposed Revenues)

Customer	Billing Determinants	Current Rate	Proposed Rate	Current Revenues	Proposed Revenues	Change in Revenues
DPL zone						
Total						

Delmarva Power & Light Company

Attachment 5 - Cost Support

Abandoned Transmission Plant

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			
A	Beginning Balance of Unamortized Transmission Plant	Per FERC Order	
B	Months Remaining in Amortization Period	Per FERC Order	
C	Monthly Amortization	A/B	
D	Months in Year to be Amortized		
E	Amortization in Rate Year	C*D	Line 86a
F	Deductions		
G	End of Year Balance in Unamortized Transmission Plant	A-E-F	Line 43b

MAPP Abandonment recovery pursuant to ER13-607

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				
		DPL	Pepco	Total
171a	2013-14 rate period	\$ 9,750,649	\$ 12,725,412	\$ 22,476,061
171a	2014-15 rate period	\$ 14,666,395	\$ 16,524,210	\$ 31,190,605
171a	2015-16 rate period	\$ 12,208,522	\$ 14,624,812	\$ 26,833,334
	Total	\$ 36,625,566	\$ 43,874,434	\$ 80,500,000

Supporting documentation for FERC Form 1 reconciliation

Compliance with FERC Order on the Exelon Merger				Form 1 Amount	Merger Costs	Non Merger Related	
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions							
6	Electric Plant in Service		p207.104g	3,875,028,223	160,533	3,874,867,690	
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	935,724,477	1,663	935,722,814	
10	Accumulated Intangible Amortization		p200.21c	10,369,787	14,198	10,355,589	Respondent is Electric Utility only.
23	General & Intangible		p205.5.g & p207.99.g	192,581,846	160,533	192,421,313	
60	Transmission O&M		p321.112.b	24,433,922	86,258	24,347,664	
68	Total A&G		p323.197.b	88,600,092	(428,649)	89,028,741	Removal of \$4,481,440 of 2017 merger related costs, offset by establishment of regulatory asset of \$4,910,089 in A&G accounts.
87	General Depreciation		p336.10b&c	8,843,716	1,663	8,842,053	
88	Intangible Amortization		p336.1d&e	263,020	14,198	248,822	

ARO Exclusion - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's	
6	Electric Plant in Service		p207.104g	3,875,028,223	2,770,250	3,872,257,973	Distribution ARO-\$2,631,341 and General & Intangible ARO-\$138,909
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	935,724,477	348,511	935,375,966	Distribution ARO-\$247,191 and General ARO-\$101,320
23	General & Intangible		p205.5.g & p207.99.g	192,581,846	138,909	192,442,937	General & Intangible ARO-\$138,909
31	Accumulated General Depreciation		p219.28.c	50,621,194	101,320	50,519,874	General ARO-\$101,320

ARO & Merger Related Exclusion - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Merger Costs	Non-ARO's & Non Merger Related	
6	Electric Plant in Service		p207.104g	3,875,028,223	2,770,250	160,533	3,872,097,440	Distribution ARO-\$2,631,341 and General & Intangible ARO-\$138,909 and Intangible Merger Cost \$160,533
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	935,724,477	348,511	1,663	935,374,303	Distribution ARO-\$247,191 and General ARO-\$101,320 and General Merger Cost \$1,663
23	General & Intangible		p205.5.g & p207.99.g	192,581,846	138,909	160,533	192,282,404	General & Intangible ARO-\$138,909 and Intangible Merger Cost \$160,533
31	Accumulated General Depreciation		p219.28.c	50,621,194	101,320	1,663	50,518,211	General ARO-\$101,320 and General Merger Cost \$1,663

PBOP Expense in FERC 926

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total A&G Form 1 Amount	Account 926 Form 1 Amount	PBOP in FERC 926 current rate year	PBOP in FERC 926 prior rate year	Explanation of change in PBOP in FERC 926
68	Total A&G		Total: p.323.197.b Account 926: p.323.187.b and c	88,600,092	14,544,073	(199,886)	(70,821)	The actuarially determined amount of OPEB expense in FERC 926 decreased \$ .129 million from the prior year; the decrease primarily represents a (\$0.2 million) decrease in service cost primarily due to (i) change in the discount rate from 3.80% in 2016 to 4.0% in 2017 and (ii) updated census data, (\$0.3 million) increase in expected return on plan assets due to year over year assets growth, offset by \$0.2 million increase in amortization of unrecognized gain/loss. This decrease was offset by a \$0.169 million (70,821) decrease in OPEB costs directly charged to capital or other income deduction accounts (i.e. below the line).

Delmarva Power & Light Company

Attachment 5 - Cost Support

**Attachment 3 - Revenue Credit Workpaper**

17b	Costs associated with revenues in line 17a	\$	355,424
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$	1,282,426
	Federal Income Tax Rate		21.00%
	Federal Tax on Revenue subject to 50/50 sharing		269,309
	Net Revenue subject to 50/50 sharing		1,013,116
	Composite State Income Tax Rate		8.500%
	State Tax on Revenue subject to 50/50 sharing		86,115
	Total Tax on Revenue subject to 50/50 sharing	\$	355,424



**Delmarva Power & Light Company**

**Attachment 5a - Allocations of Costs to Affiliate**

	<b>Delmarva Power</b>	<b>Atlantic City</b>	<b>Pepco</b>	<b>Non - Regulated</b>	<b>Total</b>
Executive Management	6,721,922	6,040,279	11,559,004	2,731,918	27,053,123
Procurement & Administrative Services	5,753,548	4,160,116	8,276,756	3,721,474	21,911,894
Financial Services & Corporate Expenses	16,768,656	13,558,856	23,867,875	15,207,024	69,402,411
Insurance Coverage and Services	292,642	563,869	(390,363)	(5,012)	461,136
Human Resources	(1,116,564)	(1,258,037)	(540,100)	5,485,522	2,570,821
Legal Services	2,170,665	1,000,599	4,150,743	6,816,457	14,138,464
Customer Services	52,746,755	47,419,527	45,717,038	2,626	145,885,946
Information Technology	17,257,383	13,248,946	32,727,761	10,871,056	74,105,146
External Affairs	3,411,728	2,935,223	5,190,824	626,833	12,164,608
Environmental Services	2,358,711	2,065,133	2,509,472	346	6,933,662
Safety Services	481,504	493,828	775,837		1,751,169
Regulated Electric & Gas T&D	44,391,825	35,785,749	58,175,755	2,973,981	141,327,310
Internal Consulting Services	241,911	194,452	414,624		850,987
Interns	174,619	133,726	128,150		436,495
Cost of Benefits	13,261,385	8,972,178	22,145,832		44,379,395
Building Services	146,800	96,476	4,309,323	849,170	5,401,769
<b>Total</b>	<b>\$ 165,063,490</b>	<b>\$ 135,410,920</b>	<b>\$ 219,018,531</b>	<b>\$ 49,281,395</b>	<b>\$ 568,774,336</b>

Name of Respondent PHI Service Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2017
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**Schedule XVII - Analysis of Billing - Associate Companies (Account 457)**

1. For services rendered to associate companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Potomac Electric Company	54,658,874	164,339,096	20,561	219,018,531
2	Delmarva Power & Light Company	43,878,996	121,169,503	14,991	165,063,490
3	Atlantic City Electric Company	29,283,609	106,115,313	11,998	135,410,920
4	Exelon Business Services Company, LLC	47,134,513			47,134,513
5	Pepco Energy Services, Inc	415,765	1,111,189		1,526,954
6	Pepco Holdings LLC	45,859	490,907	268	537,034
7	Atlantic Southern Properties, Inc	2,419	39,576		41,995
8	Connectiv Properties & Investments, Inc	250	29,336		29,586
9	Atlantic City Electric Transition Funding, LLC	2,895	2,847	4	5,746
10	Connectiv Holding Company, Inc.	3,279			3,279
11	Potomac Capital Investments Corporation	1,623	255		1,878
12	Connectiv Thermal Systems, Inc.		410		410
13					
14					
15					
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32					
33					
34					
35					
36					
37					
38					
39					
40	<b>Total</b>	<b>175,428,082</b>	<b>393,298,432</b>	<b>47,822</b>	<b>568,774,336</b>

Service Company Billing Analysis by Utility FERC Account  
YTD Dec 2017  
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	26,393,027	20,238,001	36,545,201	-	83,176,229	Not included
182.3	Other Regulatory Assets	2,372,237	217,458	7,097,229	-	9,686,924	Not included
184	Clearing Accounts - Other	290,866	240,842	743,443	(623,559)	651,592	Not included
408.1	Taxes other than inc taxes, utility operating inc	1,821	705	1,742	-	4,268	Wage & Salary Factor
416-421.2	Other Income -Below the Line	791,529	668,026	953,108	49,904,954	52,317,617	Not included
426.1-426.5	Other Income Deductions - Below the Line	793,436	612,278	1,127,607	-	2,533,321	Not included
430	Interest-Debt to Associated Companies	33,667	27,028	45,561	-	106,256	Not included
431	Interest-Short Term Debt	(16,005)	(12,879)	(21,440)	-	(50,324)	Not included
556	System cont & load dispatch	1,762,459	1,397,736	1,967,404	-	5,127,599	Not included
557	Other expenses	1,289,456	1,123,936	1,209,338	-	3,622,730	Not included
560	Operation Supervision & Engineering	3,383,115	3,135,496	4,630,184	-	11,148,795	100% included
561.1	Load Dispatching - Reliability	14,659	9,981	-	-	24,640	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	67,228	19,453	727,609	-	814,290	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	33,317	44,911	29,401	-	107,629	100% included
561.5	Reliability, Planning and Standards	348,426	219,013	131,562	-	699,001	100% included
563	Overhead line expenses	-	-	225	-	225	100% included
562	Station expenses	-	-	6,587	-	6,587	100% included
564	Underground Line Expenses - Transmission	-	-	525	-	525	100% included
566	Miscellaneous transmission expenses	964,413	829,555	916,409	-	2,710,377	100% included
568	Maintenance Supervision & Engineering	131,952	100,446	465,203	-	697,601	100% included
569	Maint of structures	6,463	6,993	7,169	-	20,625	100% included
569.2	Maintenance of Computer Software	646,321	311,341	457,266	-	1,414,928	100% included
569.4	Maintenance of Transmission Plant	-	-	4	-	4	100% included
570	Maintenance of station equipment	177,361	64,923	367,252	-	609,536	100% included
571	Maintenance of overhead lines	393,340	286,999	590,906	-	1,271,245	100% included
572	Maintenance of underground lines	194	172	1,137	-	1,503	100% included
573	Maintenance of miscellaneous transmission plant	15,358	28,110	145,477	-	188,945	100% included
575.5	Ancillary services market administration	-	-	8,945	-	8,945	Not included
580	Operation Supervision & Engineering	1,205,549	900,876	1,342,800	-	3,449,225	Not included
581	Load dispatching	1,088,271	408,220	1,622,032	-	3,118,523	Not included
582	Station expenses	519,935	-	127,953	-	647,888	Not included
583	Overhead line expenses	79,339	179,386	37,971	-	296,696	Not included
584	Underground line expenses	35,984	-	181,498	-	217,482	Not included
585	Street lighting	1,575	-	27	-	1,602	Not included
587	Customer installations expenses	345,833	349,544	1,003,345	-	1,698,722	Not included
588	Miscellaneous distribution expenses	3,807,435	4,244,289	6,809,195	-	14,860,919	Not included
589	Rents	80,562	409	77,296	-	158,267	Not included
590	Maintenance Supervision & Engineering	948,744	573,387	499,410	-	2,021,541	Not included
591	Maintain structures	7,013	6,792	6,974	-	20,779	Not included
592	Maintain equipment	353,360	427,768	916,673	-	1,697,801	Not included
593	Maintain overhead lines	1,754,068	1,231,469	1,850,015	-	4,835,552	Not included
594	Maintain underground line	129,627	69,299	728,487	-	927,413	Not included
595	Maintain line transformers	2,257	-	150,585	-	152,842	Not included
596	Maintain street lighting & signal systems	41,343	36,511	6,306	-	84,160	Not included
597	Maintain meters	164,705	34,459	132,584	-	331,748	Not included
598	Maintain distribution plant	44,155	20,222	574,205	-	638,582	Not included
800-894	Total Gas Accounts	2,355,199	-	-	-	2,355,199	Not included
902	Meter reading expenses	144,273	36,799	129,651	-	310,723	Not included
903	Customer records and collection expenses	50,866,226	47,660,833	48,331,246	-	146,858,305	Not included
907	Supervision - Customer Svc & Information	88	156,520	42,124	-	198,732	Not included
908	Customer assistance expenses	1,897,100	652,072	545,344	-	3,094,516	Not included
909	Informational & instructional advertising	524,046	539,891	834,890	-	1,898,827	Not included
912	Demonstrating and selling expense	161,461	-	-	-	161,461	Not included
913	Advertising expense	40,738	-	-	-	40,738	Not included
920	Administrative & General salaries	339,115	100,744	689,110	-	1,128,969	Wage & Salary Factor
921	Office supplies & expenses	240	712	361	-	1,313	Wage & Salary Factor
923	Outside services employed	46,996,640	42,150,533	75,985,080	-	165,132,253	Wage & Salary Factor
924	Property insurance	113	91	154	-	358	Net Plant Factor
926	Employee pensions & benefits	7,809,871	4,323,683	12,245,344	-	24,378,898	Wage & Salary Factor
928	Regulatory commission expenses	1,470,858	492,412	2,686,522	-	4,649,792	Direct Transmission Only
929	Duplicate charges-Credit	422,348	150,426	1,117,064	-	1,689,838	Wage & Salary Factor
930.1	General ad expenses	208	186	356	-	750	Direct Transmission Only
930.2	Miscellaneous general expenses	518,497	510,021	999,424	-	2,027,942	Wage & Salary Factor
935	Maintenance of general plant	302,795	135,585	75,371	-	513,751	Wage & Salary Factor
<b>Total</b>		<b>165,063,490</b>	<b>135,410,920</b>	<b>219,018,531</b>	<b>49,281,395</b>	<b>568,774,336</b>	



7 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds and CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)

Remove all Cap Adds placed in service in Year 2

For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 **\$ 175,951,339** Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)		
Jan	779,121				11.5	8,959,891	-	-	-	746,658	-	-	-		
Feb	1,728,230				10.5	18,146,417	-	-	-	1,512,201	-	-	-		
Mar	1,992,947				9.5	18,933,000	-	-	-	1,577,750	-	-	-		
Apr	22,158,947				8.5	188,351,047	-	-	-	15,695,921	-	-	-		
May	51,832,602				7.5	388,744,518	-	-	-	32,395,377	-	-	-		
Jun	5,123,174				6.5	33,300,633	-	-	-	2,775,053	-	-	-		
Jul	919,412				5.5	5,056,764	-	-	-	421,397	-	-	-		
Aug	12,001,454				4.5	54,006,542	-	-	-	4,500,545	-	-	-		
Sep	1,322,609				3.5	4,629,130	-	-	-	385,761	-	-	-		
Oct	2,502,622				2.5	6,256,555	-	-	-	521,380	-	-	-		
Nov	11,332,404				1.5	16,998,606	-	-	-	1,416,551	-	-	-		
Dec	64,257,817				0.5	32,128,908	-	-	-	2,677,409	-	-	-		
Total	175,951,339	-	-	-		775,512,012	-	-	-	64,626,001	-	-	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										64,626,001	-	-	-		
										Input to Line 21 of Appendix A	-	-	-		
										Input to Line 43a of Appendix A	-	-	-		
										Month In Service or Month for CWIP	7.59	#DIV/0!	#DIV/0!	#DIV/0!	64,626,001

**143,727,482** Result of Formula for Reconciliation **Must run Appendix A with cap adds in line 21 & line 20**  
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

8 April Year 3 TO estimates Cap Adds and CWIP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)		
Jan					11.5	-	-	-	-	-	-	-	-		
Feb					10.5	-	-	-	-	-	-	-	-		
Mar	5,492,768				9.5	52,181,296	-	-	-	4,348,441	-	-	-		
Apr					8.5	-	-	-	-	-	-	-	-		
May	68,209,058				7.5	511,567,935	-	-	-	42,630,661	-	-	-		
Jun					6.5	-	-	-	-	-	-	-	-		
Jul					5.5	-	-	-	-	-	-	-	-		
Aug					4.5	-	-	-	-	-	-	-	-		
Sep					3.5	-	-	-	-	-	-	-	-		
Oct					2.5	-	-	-	-	-	-	-	-		
Nov					1.5	-	-	-	-	-	-	-	-		
Dec					0.5	-	-	-	-	-	-	-	-		
Total	73,701,826	-	-	-		563,749,231	-	-	-	46,979,103	-	-	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										0	-	-	-		
										Input to Line 21 of Appendix A	-	-	-		
										Input to Line 43a of Appendix A	-	-	-		
										Month In Service or Month for CWIP	4.35	#DIV/0!	#DIV/0!	#DIV/0!	46,979,103

**145,118,023**

9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)

The Reconciliation in Step 7		The forecast in Prior Year				
143,727,482	-	130,763,416	=	12,964,066		
Interest on Amount of Refunds or Surcharges						
Interest rate pursuant to 35.19a for March of		0.3600%				
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	1,080,339	0.3600%	11.5	44,726	1,125,065
Jul	Year 1	1,080,339	0.3600%	10.5	40,837	1,121,176
Aug	Year 1	1,080,339	0.3600%	9.5	36,948	1,117,286
Sep	Year 1	1,080,339	0.3600%	8.5	33,058	1,113,397
Oct	Year 1	1,080,339	0.3600%	7.5	29,169	1,109,508
Nov	Year 1	1,080,339	0.3600%	6.5	25,280	1,105,619
Dec	Year 1	1,080,339	0.3600%	5.5	21,391	1,101,730
Jan	Year 2	1,080,339	0.3600%	4.5	17,501	1,097,840
Feb	Year 2	1,080,339	0.3600%	3.5	13,612	1,093,951
Mar	Year 2	1,080,339	0.3600%	2.5	9,723	1,090,062
Apr	Year 2	1,080,339	0.3600%	1.5	5,834	1,086,173
May	Year 2	1,080,339	0.3600%	0.5	1,945	1,082,283
Total		12,964,066				13,244,089

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	13,244,089	0.3600%	1,129,670	12,162,098
Jul	Year 2	12,162,098	0.3600%	1,129,670	11,076,211
Aug	Year 2	11,076,211	0.3600%	1,129,670	9,986,415
Sep	Year 2	9,986,415	0.3600%	1,129,670	8,892,696
Oct	Year 2	8,892,696	0.3600%	1,129,670	7,795,040
Nov	Year 2	7,795,040	0.3600%	1,129,670	6,693,432
Dec	Year 2	6,693,432	0.3600%	1,129,670	5,587,858
Jan	Year 3	5,587,858	0.3600%	1,129,670	4,478,304
Feb	Year 3	4,478,304	0.3600%	1,129,670	3,364,755
Mar	Year 3	3,364,755	0.3600%	1,129,670	2,247,198
Apr	Year 3	2,247,198	0.3600%	1,129,670	1,125,618
May	Year 3	1,125,618	0.3600%	1,129,670	-
Total with interest				13,556,043	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 13,556,043

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 145,118,023  
 Revenue Requirement for Year 3 158,674,066

10 May Year 3 lts of Step 9 on PJM web site  
 \$ 158,674,066

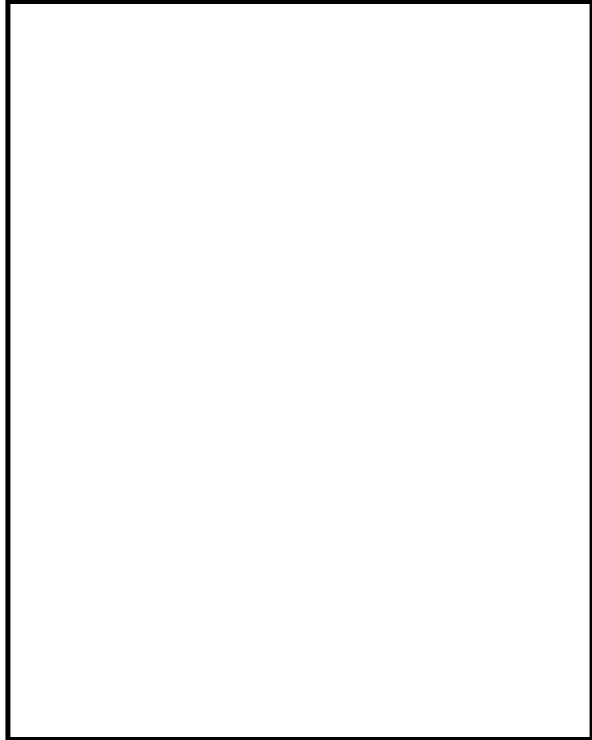
11 June Year 3 r the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)  
 \$ 158,674,066











Incentive Charged	Revenue Credit
\$	\$ 9,577,084
\$ 10,015,762	\$ 9,319,443
\$ 9,741,874	\$ 9,061,802
\$ 9,467,986	\$ 8,804,161
\$ 9,194,098	\$ 8,546,520
\$ 8,920,211	\$ 8,288,879
\$ 8,646,323	\$ 8,031,238
\$ 8,372,435	\$ 7,773,597
\$ 8,098,547	\$ 7,515,956
\$ 7,824,659	\$ 7,258,315
\$ 7,550,771	\$ -
\$ -	\$ -
\$ 222,263,706	\$ 213,829,131

# Delmarva Power & Light Company

## Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest		
<b>101</b>	<b>Less LTD Interest on Securitization Bonds</b>		0
	Capitalization		
<b>112</b>	<b>Less LTD on Securitization Bonds</b>		0

Calculation of the above Securitization Adjustments

