

Amy L. Blauman
Assistant General Counsel

EP1132
701 Ninth Street NW
Washington, DC 20068-0001

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

May 16, 2016

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”) Informational Filing of 2016 Formula Rate Annual Update in Docket No. ER09-1158 and Pursuant to Approved Settlement Agreements in Docket Nos. ER05-515, EL13-48, EL15-27 and ER16-456, *et al.*

Dear Ms. Bose,

Delmarva hereby submits electronically, for informational purposes, its 2016 Annual Formula Rate Update. On November 3, 2015, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. EL13-48, *et al.*¹. 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.²

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

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

² 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.³

Delmarva's 2016 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 change is discussed in applicable disclosure statements filed within the Securities and Exchange Commission Form 10-K and within the FERC Form No. 1).⁴ Delmarva has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.⁵

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.

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

⁴ See Settlement, Exhibit A containing PJM Tariff Attachment H3-E, Section 2.f.(iii).(d).

⁵ 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

2015

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,768,309
2	Total Wages Expense	p354.28b	\$ 37,790,367
3	Less A&G Wages Expense	p354.27b	\$ 3,407,632
4	Total	(Line 2 - 3)	34,382,735
5	Wages & Salary Allocator	(Line 1 / 4)	8.0515%
Plant Allocation Factors			
6	Electric Plant In Service	(Note B) p207.104g (see attachment 5)	\$ 3,430,855,851
7	Common Plant In Service - Electric	(Line 24)	88,071,964
8	Total Plant In Service	(Sum Lines 6 & 7)	3,518,927,815
9	Accumulated Depreciation (Total Electric Plant)	p219.29c (see attachment 5)	\$ 892,238,236
10	Accumulated Intangible Amortization	p200.21c (Note A)	\$ 9,955,634
11	Accumulated Common Amortization - Electric	p356 (Note A)	14,161,633
12	Accumulated Common Plant Depreciation - Electric	p356 (Note A)	\$ 51,400,525
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	967,756,028
14	Net Plant	(Line 8 - 13)	2,551,171,787
15	Transmission Gross Plant	(Line 29 - Line 28)	1,229,396,887
16	Gross Plant Allocator	(Line 15 / 8)	34.9367%
17	Transmission Net Plant	(Line 39 - Line 28)	897,303,360
18	Net Plant Allocator	(Line 17 / 14)	35.1722%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 1,207,860,962
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6 - Enter Negative	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	0
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	1,207,860,962
23	General & Intangible	p205.5.g & p207.99.g (see attachment 5)	179,406,848
24	Common Plant (Electric Only)	p356 (Notes A & B)	88,071,964
25	Total General & Common	(Line 23 + 24)	267,478,812
26	Wage & Salary Allocation Factor	(Line 5)	8.05145%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	21,535,925
28	Plant Held for Future Use (Including Land)	(Note C) p214	0
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	1,229,396,887
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 322,619,784
31	Accumulated General Depreciation	p219.28.c (see attachment 5)	\$ 42,147,246
32	Accumulated Intangible Amortization	(Line 10)	9,955,634
33	Accumulated Common Amortization - Electric	(Line 11)	14,161,633
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	51,400,525
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	117,665,038
36	Wage & Salary Allocation Factor	(Line 5)	8.05145%
37	General & Common Allocated to Transmission	(Line 35 * 36)	9,473,743
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	332,093,527
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	897,303,360

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	-250,466,040
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative p266.h (Notes A & I)	-3,168,121
42	Net Plant Allocation Factor	(Line 18)	35.17%
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * 42) + Line 40	-251,580,338
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	-
Transmission O&M Reserves			
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	-3,471,170
Prepayments			
45	Prepayments	(Note A) Attachment 5	14,729,128
46	Total Prepayments Allocated to Transmission	(Line 45)	14,729,128
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	\$ 1,270,092
48	Wage & Salary Allocation Factor	(Line 5)	8.051%
49	Total Transmission Allocated	(Line 47 * 48)	102,261
50	Transmission Materials & Supplies	p227.8c	2,649,667
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + 50)	2,751,928
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 85)	23,011,797
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * 53)	2,876,475
Network Credits			
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	TOTAL Adjustment to Rate Base	(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)	-234,693,978
59	Rate Base	(Line 39 + 58)	662,609,383

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b (see attachment 5)	\$ 18,064,154
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	Transmission O&M		(Lines 60 - 63 + 64 + 65)	18,064,154
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	p356	0
68	Total A&G		p323.197.b (see attachment 5)	\$ 66,358,630
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S)	Attachment 5	-648,858
69	Less Property Insurance Account 924		p323.185b	414,475
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	3,651,224
71	Less General Advertising Exp Account 930.1		p323.191b	161,759
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	6,586,524
73	Less EPRI Dues	(Note D)	p352-353	136,301
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)	55,408,347
75	Wage & Salary Allocation Factor		(Line 5)	8.0515%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)	4,461,176
Directly Assigned A&G				
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b	340,687
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	0
79	Subtotal - Transmission Related		(Line 77 + 78)	340,687
80	Property Insurance Account 924		p323.185b	414,475
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	0
82	Total		(Line 80 + 81)	414,475
83	Net Plant Allocation Factor		(Line 18)	35.17%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)	145,780
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)	23,011,797

Depreciation & Amortization Expense

Depreciation Expense				
86	Transmission Depreciation Expense		p336.7b&c	28,875,685
86a	Amortization of Abandoned Transmission Plant		Attachment 5	0
87	General Depreciation		p336.10b&c	6,962,923
88	Intangible Amortization	(Note A)	p336.1d&e	136,005
89	Total		(Line 87 + 88)	7,098,928
90	Wage & Salary Allocation Factor		(Line 5)	8.0515%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)	571,567
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	3,738,403
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0
94	Total		(Line 92 + 93)	3,738,403
95	Wage & Salary Allocation Factor		(Line 5)	8.0515%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)	300,996
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)	29,748,247

Taxes Other than Income

98	Taxes Other than Income		Attachment 2	7,823,974
99	Total Taxes Other than Income		(Line 98)	7,823,974

Return / Capitalization Calculations

Long Term Interest				
100	Long Term Interest		p117.62c through 67c	\$ 50,839,789
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	50,839,789
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,227,904,110
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	2,177,779
107	Common Stock		(Sum Lines 104 to 106)	1,230,081,889
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,273,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-10,083,973
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	4,090,232
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,267,236,259
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,230,081,889
116	Total Capitalization		(Sum Lines 113 to 115)	2,497,318,148
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50.74%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	49.26%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0401
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)	0.0204
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0517
126	Total Return (R)		(Sum Lines 123 to 125)	0.0721
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	47,758,681

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate		35.00%	
129	SIT=State Income Tax Rate or Composite		8.56%	
130	p	(percent of federal income tax deductible for state purposes)	0.00%	
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	40.56%	
132	T/(1-T)		68.24%	
ITC Adjustment				
133	Amortized Investment Tax Credit	(Note I)		
134	T/(1-T)	enter negative	-86,997	
135	Net Plant Allocation Factor	Attachment 1	68.24%	
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	35.1722%	
			-51,480	
137	Income Tax Component =	$CIT=(T/(1-T) * Investment\ Return * (1-(WCLTD/R))) =$	[Line 132 * 127 * (1-(123 / 126))]	23,385,692
138	Total Income Taxes		(Line 136 + 137)	23,334,212

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	897,303,360
140	Adjustment to Rate Base	(Line 58)	-234,693,978
141	Rate Base	(Line 59)	662,609,383
142	O&M	(Line 85)	23,011,797
143	Depreciation & Amortization	(Line 97)	29,748,247
144	Taxes Other than Income	(Line 99)	7,823,974
145	Investment Return	(Line 127)	47,758,681
146	Income Taxes	(Line 138)	23,334,212
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	131,676,911
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	1,207,860,962
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	1,207,860,962
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	131,676,911
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	131,676,911
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	7,441,484
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	124,235,427
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	124,235,427
158	Net Transmission Plant	(Line 19 - 30)	885,241,178
159	Net Plant Carrying Charge	(Line 157 / 158)	14.0341%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	10.7722%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.7413%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	53,142,534
163	Increased Return and Taxes	Attachment 4	76,583,858
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	129,726,392
165	Net Transmission Plant	(Line 19 - 30)	885,241,178
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	14.6544%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	11.3925%
168	Net Revenue Requirement	(Line 156)	124,235,427
169	True-up amount	Attachment 6	(7,305,738)
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	559,389
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	Net Zonal Revenue Requirement	(Line 168 + 169 +170+ 171+171a)	117,489,078
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	4,114
174	Rate (\$/MW-Year)	(Line 172 / 173)	28,558
175	Network Service Rate (\$/MW/Year)	(Line 174)	28,558

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 $p = \frac{\text{percentage of federal income tax deductible for state income taxes}}{\text{FIT} + \text{SIT}}$. 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

	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>
ADIT-282	-	(804,963,127)	-	(804,963,127)
ADIT-283	(3,835,851)	(3,542,121)	(76,293,870)	(83,671,842)
ADIT-190	4,312,000	106,126,789	7,307,458	117,746,247
Subtotal	476,149	(702,378,458)	(68,986,412)	(770,888,722)
Wages & Salary Allocator			8.0515%	
Gross Plant Allocator		34.93660%		
ADIT	476,149	(245,387,782)	(5,554,407)	(250,466,040)
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 (4,090,232)

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.

ADIT-190	A	B	C	D	E	F	G
	<i>Total</i>	<i>Gas, Prod Or Other Distribution Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Justification</i>	
Allowance for Doubtful Accounts	8,228,112	8,228,112					Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write-off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year period. The reserve method is used for book purposes. Related to all revenues.
Charitable Contributions	1,354,595	1,354,595					PHI's consolidated return is in an NOL situation, therefore, Pepco's charitable contributions are carried forward until such time as PHI is in a taxable income position. For book purposes, the contributions are expensed when incurred. Related to all functions.
Claims Reserve	1,098,178	153,745			944,433		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 economic performance has occurred.
Deferred ITC	1,698,120	237,737			1,460,383		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	1,354,432	1,354,432					These deferred taxes are the result of a deduction 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.
							These deferred taxes are the result of rent being recorded ratably over the life of the lease for book purposes. For tax, rent is deductible when economic performance occurs. This asset is Generation related.
							This contra account represents an adjustment to the Merrill Creek Rent deferred tax generated relating to rent deductible for tax purposes upon economic performance.
							This represents deferred tax generated as a result of an extraordinary charge deducted for books relating to impaired assets due to the effects of deregulation. For tax purposes, the impairment did not give rise to a tax deduction. Deductions for tax are nondeductible.
Merrill Creek	6,099,285	6,099,285					This contra account represents an adjustment to the Merrill Creek Excess Capacity deferred tax generated relating to impaired assets due to the effects of deregulation.
OPEB	7,544,899	1,056,286				6,488,613	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(b) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
Other (190)	1,228,052	499,423			6,206	722,513	Related to Gas, Production or Other.
Other Labor Related Accruals	7,657,146	1,072,000				6,585,146	Affects company personnel across all functions.
Reg Liab - FERC Formula Adj.	4,312,000		4,312,000				When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Reg Liab - Other	5,382,025	5,382,025					Represents various costs which we are, or will be through a future rate case, getting recovery through rate base.
Renewable Energy Credits	4,958,289	4,958,289					Relates to accruals for the purchase of state renewable energy credits.
FAS 109 Deferred Taxes - 190	821,761	115,047			706,715		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.
Federal and State NOL	122,297,744	17,121,684			105,176,060		PHI's consolidated return is in an NOL situation, therefore NOLs are carried forward until such time as PHI is in a taxable income position. DPL also has stand alone state taxable losses for 2008 forward. Also includes MD NOL of 6.6M that was created from an amended return.
Subtotal - p234	174,034,618	47,632,660	4,312,000	108,293,887	13,796,071		
Less FASB 109 Above if not separately removed	2,519,882	352,783			2,167,098		
Less FASB 106 Above if not separately removed	7,544,899	1,056,286			6,488,613		
Total	163,969,838	46,223,591	4,312,000	106,126,789	7,307,458		

Instructions for Account 190:
 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 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 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
 6. 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 I- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT- 282	A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Plant Related - APB 11 Deferred Taxes		(900,322,918)	(95,359,791)	-	(804,963,127)	-	This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
CIAC - Non Rate Base		37,050,973	37,050,973	-	-	-	Contributions in Aid of Construction (CIAC) are a reduction to Plant for book accounting purposes, but are included in taxable income and depreciated for income tax purposes. This different book/tax treatment results in deferred income taxes which must be recorded in accordance with SFAS 109. The company collects an income tax gross-up from the customer which is reimbursement for the time value of money on the additional tax liability incurred until such time as the amounts are fully depreciated for tax purposes. The deferred income tax asset on CIAC's is excluded from Rate Base because the underlying plant is not included in Rate Base.
Leased Vehicles - Non Rate Base		(12,985,797)	(12,985,797)	-	-	-	The Company leases its vehicles under arrangements that are treated as Operating Leases for book purposes, but financing leases for tax purposes. The differing income tax treatment between Rent Expense deducted for book purposes and tax depreciation expense deducted for income tax purposes, results in deferred income taxes being recorded on the books. Since Leased Vehicles are not included in Rate Base, the deferred income taxes are being excluded as well.
Other Plant Related - FAS109 Deferred Taxes		(12,327,854)	(11,276,335)	-	(1,051,518)	-	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.
Transmission FAS 109 AFUDC Equity Deferred Taxes		(3,351,176)	-	(3,351,176)	-	-	Under SFAS 109, deferred income taxes must be provided on all book/tax temporary differences, including AFUDC-Equity. Deferred income taxes on AFUDC-Equity are not recognized for Regulatory purposes and are excluded from Rate Base.
Transmission FAS 109 1/1/2005 Deferred Tax Balance		(7,189,568)	-	(7,189,568)	-	-	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.
Subtotal - p275		(899,126,339)	(82,570,950)	(10,540,743)	(806,014,645)	-	
Less FASB 109 Above if not separately removed		(22,868,597)	(11,276,335)	-	(10,540,743)	-	
Less FASB 106 Above if not separately removed		-	-	-	-	-	
Total		(876,257,742)	(71,294,615)	-	(804,963,127)	-	

- Instructions for Account 282:**
- ADIT items related only to Non-Electric
 - 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
6. 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 I- 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		(7,490,422)	(7,490,422)	-	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Deferred Fuel		(4)	(4)	-	-	-	Difference between actual fuel expense as compared to the fuel expense computed in accordance with fuel adjustment clause formulas as deferred on books. 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. Generation Related.
Materials Reserve		(531,251)	(74,375)	-	(456,876)	-	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. These reserves are related to deregulation of Energy.
Merger Costs		(6,569,280)	(6,569,280)	-	-	-	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Pension		(83,174,536)	(11,644,435)	-	-	(71,530,101)	Affects company personnel across all functions.
Property Taxes		(3,587,494)	(502,249)	-	(3,085,245)	-	For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Unregulated related.
Reacquired Debt		(4,090,232)	(4,090,232)	-	-	-	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		(32,489,449)	(32,489,449)	-	-	-	For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
Reg Asset - FERC Formula Rate Adj.		(2,711,404)	-	(2,711,404)	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Reg Asset- Other Reg Assets		(53,064,651)	(48,300,882)	-	-	(4,763,769)	Represents deferred taxes on MAPP abandonment costs that are currently deductible for income tax purposes, versus amounts included in the MAPP Regulatory Asset that are amortized to book expense over a longer time period.
Reg Asset - Transmission MAPP		(1,124,447)	-	(1,124,447)	-	-	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 Asset- COPCO Acquisition Adjustment		(5,350,329)	(5,350,329)	-	-	-	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 - 283		(8,392,474)	(1,174,946)	-	(7,217,528)	-	Under SFAS 109, deferred income taxes must be provided on all book/tax temporary differences, including AFUDC-Equity. Deferred income taxes on AFUDC-Equity are not recognized for Regulatory purposes and are excluded from Rate Base.
FAS 109 Deferred Taxes - 283 (AFUDC Equity)		(2,286,861)	(320,161)	(1,966,700)	-	-	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 - 283 (1/1/2005 Balance)		(4,906,201)	(686,868)	(4,219,333)	-	-	
Subtotal - p277 (Form I-F filer: see note 6, below)		(215,769,036)	(118,693,633)	(10,021,885)	(10,759,649)	(76,293,870)	
Less FASB 109 Above if not separately removed		(15,585,536)	(2,181,975)	(6,186,033)	(7,217,528)	-	
Less FASB 106 Above if not separately removed		-	-	-	-	-	
Total		(200,183,500)	(116,511,658)	(3,835,851)	(3,542,121)	(76,293,870)	

- Instructions for Account 283:**
- ADIT items related only to Non-Electric
 - ADIT items related only to Transmission are directly assigned to Column B
 - 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
6. 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

ADITC-255

	Item		Balance	Amortization	
Rate Base Treatment					
Balance to line 41 of Appendix A	Total		3,168,121	420,441	Post 1980
Amortization					
Amortization to line 133 of Appendix A	Total		524,786	86,997	Pre 1981
Total			3,692,906	507,438	
Total Form No. 1 (p 266 & 267)			3,692,906	507,438	
Difference /1		check	0	-	

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	21,648,240		
2 Personal property			
3 Federal/State Excise	19,273		
4			
5			
6			
Total Plant Related	21,667,513	34.9367%	7,569,912
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	3,028,471		
8 Unemployment	127,015		
9			
10			
11			
Total Labor Related	3,155,486	8.0515%	254,062
Other Included		Gross Plant Allocator	
12 Miscellaneous	-		
13			
14			
Total Other Included	0	34.9367%	0
Total Included	24,822,999		7,823,974
Excluded			
15 State Franchise Tax	8,347,550		
16 Gross Receipts	198,386		
17 Sales and Use	1,534,826		
18 Utility Tax for Delmarva	7,138,680		
19 City License			
20			
21 Total "Other" Taxes (included on p. 263)	42,042,441		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	42,042,441		
23 Difference	-		

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

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	1,007,245
2	Total Rent Revenues (Sum Line 1)	1,007,245
Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	\$ 1,471,091
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)	1,244,037
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)	4,427,009
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-
11	Gross Revenue Credits (Sum Lines 2-10)	8,149,383
12	Less line 17g	(707,899)
13	Total Revenue Credits	7,441,484
Revenue Adjustment to determine Revenue Credit		
14	<p>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.</p>	
15	<p>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.</p>	
16	<p>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).</p>	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	1,007,245
17b	Costs associated with revenues in line 17a (Attachment 5 - Cost Support)	408,552
17c	Net Revenues (17a - 17b)	598,693
17d	50% Share of Net Revenues (17c / 2)	299,347
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)	299,347
17g	Line 17f less line 17a	(707,899)
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.	4,551,839
19	Amount offset in line 4 above	125,899,891
20	Total Account 454, 456 and 456.1	138,601,113
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)	76,583,858
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	662,609,383
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	50,839,789
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	50,839,789
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,227,904,110
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	2,177,779
107	Common Stock		(Sum Lines 104 to 106)	1,230,081,889
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,273,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-10,083,973
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	4,090,232
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,267,236,259
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,230,081,889
116	Total Capitalization		(Sum Lines 113 to 115)	2,497,318,148
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50.74%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	49.26%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0401
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)	0.0204
124	Weighted Cost o Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost o Common Stock		(Line 119 * 122)	0.0566
126	Total Return (R)		(Sum Lines 123 to 125)	0.0770
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	51,022,437

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.56%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.56%
132	T / (1-T)			68.24%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(86,997)
134	T/(1-T)		(Line 132)	68%
135	Net Plant Allocation Factor		(Line 18)	35.1722%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-51,480
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	25,612,901
138	Total Income Taxes		(Line 136 + 137)	25,561,421

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
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	28,654,568	9,955,634	18,698,934	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,457,635	14,161,633	3,296,002	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	63,363,565	51,400,525	11,963,040	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	108,569,975	88,071,964	20,498,011	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	3,692,906	3,340,468	352,438	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,309,738	1,270,092	39,646	96.973% Electric, 3.027% Non-Electric
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	136,005	136,005	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	3,738,403	3,738,403	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	3,240,849	0	3,240,849	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
Plant Allocation Factors							
6	Electric Plant In Service	(Note B)	p207.104g	3,431,003,839	0	0	See ARO Exclusion - Cost Support section below for Electric Plant in Service without AROs
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	1,207,860,962	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	88,071,964	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	322,619,784	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
73	Allocated General & Common Expenses Less EPRI Dues	(Note D)	p352-353	136,301	136,301	See Form 1

Delmarva Power & Light Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	3,651,224	340,687	3,310,537	FERC Form 1 page 351 lines 7 (h) and 8 (h)
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	3,651,224	340,687	3,310,537	FERC Form 1 page 351 lines 7 (h) and 8 (h)

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	161,759	0	161,759	None

MultiState Workpaper

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
129	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	8.56%	MD 8.25%	PA 9.990%	VA 6%	DE 8.7%	NJ 6.50%	Enter Calculation Apportioned: PA 0.0043%, VA 0.0109%, DE 5.9121%, MD 2.628%, NJ 0.0005%

Education and Out Reach Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	161,759	0	161,759	None

Excluded Plant Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
149	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities	(Note M)	Attachment 5	0	General Description of the Facilities
Instructions:				Enter \$	None
1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process				Or	
2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:				Enter \$	
Example					
A Total investment in substation				1,000,000	
B Identifiable investment in Transmission (provide workpapers)				500,000	
C Identifiable investment in Distribution (provide workpapers)				400,000	
D Amount to be excluded (A x (C / (B + C)))				444,444	

Add more lines if necessary

Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Outstanding Network Credits	Description of the Credits
55	Network Credits Outstanding Network Credits	(Note N)	From PJM	0	General Description of the Credits
				Enter \$	None
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0	None

Add more lines if necessary

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	33,460,936	8.051%	2,694,091	
	Plant Related	2,224,249	34.937%	777,079	
	Other		0.00%		
	Total Transmission Related Reserves	35,685,185		3,471,170	

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	-	6.846%	-
	Prepayments	\$ 10,086,110	6.846%	690,510
	Prepaid Pensions if not included in Prepayments	\$ 205,058,619	6.846%	14,038,618
		215,144,729	6.85%	14,729,128
				Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
5	Wages & Salary Allocator	8.051%		
	Electric vs Gas	85% Based on Modified Wisconsin Method		
	Modified Wages & Salaries Allocator	6.846%		
				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			
	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515	Attachment 5	-	

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	4,114.0	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 Ammortization	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	Peppo	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						
60	Transmission O&M	p321.112.b		18,074,774	10,620	18,064,154
68	Total A&G	p323.197.b		69,386,052	3,027,422	66,358,630

ARO Exclusion - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's
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		3,431,003,839	147,988	3,430,855,851
9	Accumulated Depreciation (Total Electric Plant)	p219.29c		892,324,561	86,325	892,238,236
23	General & Intangible	p205.5.g & p207.99.g		179,554,836	147,988	179,406,848
31	Accumulated General Depreciation	p219.28.c		42,233,571	86,325	42,147,246

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		69,386,052	12,445,382	(648,858)		The actuarially determined amount of OPEB expense in FERC 926 increased \$ 486 million from the prior year. The increase reflects a \$1.4 million increase in amortization of unrecognized gain/loss from assumption change in mortality table and decrease in the discount rate, offset by (\$0.9 million) in amortization of prior service cost from plan amendment. This increase was offset by a (704,728) \$ 430 million increase in OPEB costs directly charged to capital or other income deduction accounts (i.e. below the line).

Attachment 3 - Revenue Credit Workpaper

17b	Costs associated with revenues in line 17a	\$	408,552
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$	1,007,245
	Federal Income Tax Rate		35.00%
	Federal Tax on Revenue subject to 50/50 sharing		352,536
	Net Revenue subject to 50/50 sharing		654,709
	Composite State Income Tax Rate		8.556%
	State Tax on Revenue subject to 50/50 sharing		56,016
	Total Tax on Revenue subject to 50/50 sharing	\$	408,552

Delmarva Power & Light Company

Attachment 5 - Cost Support

Attachment 6 - Estimate and Reconciliation Worksheet
Step 9 - Reconciliation adjustment to reflect ROE Settlement in FERC Docket Nos. EL13-48 , EL15-27 and ER16-456

True-up amount - calculated at 11.3% ROE (Reconciliation Steps 1 - 9)	5,783,309 (a)
True-up amount - calculated at 10.5% ROE (Reconciliation Steps 1 - 9)	1,610,297 (b)
# of days in rate year at 11.3% ROE (June 1, 2015 to March 7, 2016)	281 (c)
# of days in rate year at 10.5% ROE (March 8, 2016 to May 31, 2016)	85 (d)
	<u>366 (e)</u>
11.3% ROE proration factor	76.7760% (f)
10.5% ROE proration factor	23.2240% (g)
Prorated true-up amount at 11.3% ROE	4,440,191 (a) x (f)
Prorated true-up amount at 10.5% ROE	373,976 (b) x (g)
Adjusted true-up for prorated ROE's	<u>4,814,167 (1)</u>
ROE Settlement refund per Article II section 2.2	(11,902,175) (h)
Interest associated with rate-year monthly amortization	<u>(217,730) (i)</u>
Total ROE Settlement refund	<u>(12,119,905) (2)</u>
Total true-up amount	<u>(7,305,738) (1) + (2)</u>
True-up per attachment 6 (step 9 - 11.3% ROE)	5,783,309 Attachment 6
True-up adjustment (carry to Attachment 6 - step 9)	(13,089,047) Attachment 6

True-up Summary:

Prorated true-up amount at 11.3% ROE	4,440,191
Prorated true-up amount at 10.5% ROE	373,976
Total refund per ROE Settlement	<u>(12,119,905)</u>
Total true-up amount	<u>(7,305,738)</u>

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 11,622,846	\$ 9,931,814	\$ 19,914,849	\$ 5,363,748	\$ 46,833,257
Procurement & Administrative Services	6,803,279	4,747,615	9,948,927	397,985	21,897,805
Financial Services & Corporate Expenses	14,392,550	11,405,597	20,949,763	2,548,058	49,295,968
Insurance Coverage and Services	2,936,213	2,443,681	3,976,915	972,086	10,328,895
Human Resources	4,702,235	3,243,502	7,277,658	960,297	16,183,692
Legal Services	2,445,274	2,313,475	6,008,550	2,088,341	12,855,641
Audit Services	950,754	845,150	1,487,115	241,906	3,524,925
Customer Services	61,881,891	53,570,456	52,835,175	7,688	168,295,210
Utility Communication Services	266,488	200,497	415,547	-	882,532
Information Technology	16,532,766	12,290,845	32,565,022	400,519	61,789,153
External Affairs	3,064,379	2,353,071	4,767,843	916,269	11,101,562
Environmental Services	2,147,139	1,834,467	1,986,566	111,504	6,079,676
Safety Services	367,769	465,172	587,283	-	1,420,224
Regulated Electric & Gas T&D	36,940,868	28,738,421	49,154,897	402,956	115,237,143
Internal Consulting Services	553,737	364,355	854,552	-	1,772,645
Interns	239,606	108,950	125,236	-	473,792
Cost of Benefits	13,366,740	8,288,720	22,656,508	1,048,369	45,360,337
Building Services	-	117,184	4,297,944	-	4,415,128
Total	\$ 179,214,534	\$ 143,262,973	\$ 239,810,349	\$ 15,459,727	\$ 577,747,583

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, 2015
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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 Power Company	58,154,893	181,123,595	532,061	239,810,349
2	Delmarva Power & Light Company	43,706,288	135,113,643	394,603	179,214,534
3	Atlantic City Electric Company	29,494,183	113,464,006	304,784	143,262,973
4	Pepco Energy Services, Inc.	2,339,977	4,632,294	19,854	6,992,125
5	Pepco Holdings, Inc.	4,330,208	2,327,371	14,805	6,672,384
6	Thermal Energy Limited Partnership	16,780	741,989	1,763	760,532
7	ATS Operating Services, Inc.	96	278,232	741	279,069
8	Atlantic Southern Properties, Inc.	7,860	197,738	461	206,059
9	Potomac Capital Investment Corporation	95,414	69,901	502	165,817
10	Connectiv Properties & Investments, Inc.	175	148,928	363	149,466
11	Connectiv Thermal Systems, Inc.	2,476	94,635	254	97,365
12	Connectiv, LLC	11,532	69,455	214	81,201
13	Atlantic City Electric Transition Funding, LLC	41,005	5,674	101	46,780
14	Connectiv Energy Supply, Inc.	3,196	1,312	11	4,519
15	Connectiv Communications, Inc.	7	1,436	4	1,447
16	Delaware Operating Services Company, LLC	18	1,031		1,049
17	Connectiv Services II, Inc.	5	946	3	954
18	Connectiv North East, LLC	29	480	2	511
19	ATE Investment, Inc.	265	169	1	435
20	Atlantic Generation, Inc.	8	1		9
21	Connectiv Solutions LLC	4	1		5
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	138,204,219	438,272,837	1,270,527	577,747,583

Service Company Billing Analysis by Utility FERC Account
 YTD Dec 2015
 Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	26,825,416	18,942,305	37,932,712	-	83,700,433	Not included
182.3	Other Regulatory Assets	5,460,712	412,293	10,748,214	-	16,621,219	Not included
184	Clearing Accounts - Other	112,531	(281,147)	243,565	(90,887)	(15,938)	Not included
408.1	Taxes other than inc taxes, utility operating inc	1,689	417	1,869	-	3,975	Not included
416-421.2	Other Income -Below the Line	560,693	639,225	1,007,672	15,550,614	17,758,203	Not included
426.1-426.5	Other Income Deductions - Below the Line	2,507,498	1,962,834	3,959,947	-	8,430,279	Not included
430	Interest-Debt to Associated Companies	421,083	325,336	567,737	-	1,314,155	Not included
431	Interest-Short Term Debt	(26,480)	(20,551)	(35,675)	-	(82,707)	Not included
556	System cont & load dispatch	2,079,683	1,803,109	1,792,244	-	5,675,037	Not included
557	Other expenses	1,284,612	1,190,052	1,810,559	-	4,285,224	Not included
560	Operation Supervision & Engineering	2,534,655	2,301,448	3,986,086	-	8,822,189	100% included
561.1	Load Dispatching - Reliability	14,024	13,489	-	-	27,513	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	92,489	27,473	1,053,426	-	1,173,387	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	6,974	29,802	36,786	-	73,561	100% included
561.5	Reliability, Planning and Standards	318,713	306,817	72,469	-	697,999	100% included
563	Overhead line expenses	-	-	426	-	426	100% included
562	Station expenses	-	-	15,038	-	15,038	100% included
564	Underground Line Expenses - Transmission	-	-	6,022	-	6,022	100% included
566	Miscellaneous transmission expenses	575,150	466,977	400,103	-	1,442,231	100% included
568	Maintenance Supervision & Engineering	99,986	119,307	513,198	-	732,491	100% included
569.2	Maintenance of Computer Software	692,629	291,080	515,966	-	1,499,676	100% included
569.4	Maintenance of Transmission Plant	-	-	16	-	16	100% included
570	Maintenance of station equipment	179,932	81,307	368,761	-	630,000	100% included
571	Maintenance of overhead lines	208,286	171,938	336,455	-	716,679	100% included
572	Maintenance of underground lines	617	145	31,460	-	32,222	100% included
573	Maintenance of miscellaneous transmission plant	69,397	43,352	176,608	-	289,357	100% included
575.5	Ancillary services market administration	-	-	9,466	-	9,466	Not included
580	Operation Supervision & Engineering	932,222	413,084	1,158,728	-	2,504,033	Not included
581	Load dispatching	897,505	609,744	1,583,486	-	3,090,735	Not included
582	Station expenses	925,717	-	110,189	-	1,035,906	Not included
583	Overhead line expenses	105,764	221,000	40,256	-	367,020	Not included
584	Underground line expenses	33,248	-	249,828	-	283,076	Not included
585	Street lighting	22,790	-	263	-	23,053	Not included
586	Meter expenses	820,745	363,152	1,120,091	-	2,303,988	Not included
587	Customer installations expenses	75,048	433,573	459,731	-	968,352	Not included
588	Miscellaneous distribution expenses	5,245,589	5,366,288	8,168,015	-	18,779,892	Not included
589	Rents	42,788	4,270	110,212	-	157,269	Not included
590	Maintenance Supervision & Engineering	849,079	650,593	353,503	-	1,853,176	Not included
591	Maintain structures	-	-	832	-	832	Not included
592	Maintain equipment	675,851	584,389	1,159,558	-	2,419,798	Not included
593	Maintain overhead lines	1,259,886	1,754,712	1,644,100	-	4,658,698	Not included
594	Maintain underground line	116,336	77,706	620,650	-	814,692	Not included
595	Maintain line transformers	1,601	1,660	206,550	-	209,810	Not included
596	Maintain street lighting & signal systems	57,840	39,098	13,385	-	110,323	Not included
597	Maintain meters	29,424	34,594	102,937	-	166,954	Not included
598	Maintain distribution plant	52,761	16,021	800,876	-	869,658	Not included
800-894	Total Gas Accounts	2,312,645	-	-	-	2,312,645	Not included
902	Meter reading expenses	159,479	49,499	57,472	-	266,450	Not included
903	Customer records and collection expenses	55,012,070	53,333,101	49,706,832	-	158,052,004	Not included
907	Supervision - Customer Svc & Information	89,859	155,383	136,073	-	381,314	Not included
908	Customer assistance expenses	2,242,487	540,910	814,118	-	3,597,515	Not included
909	Informational & instructional advertising	168,512	164,860	244,743	-	578,116	Not included
910	Miscellaneous customer service	1	-	-	-	1	Not included
912	Demonstrating and selling expense	185,430	-	-	-	185,430	Not included
913	Advertising expense	47,466	-	-	-	47,466	Not included
920	Administrative & General salaries	334,674	102,020	622,253	-	1,058,947	Wage & Salary Factor
921	Office supplies & expenses	17,141	15,321	28,536	-	60,998	Wage & Salary Factor
923	Outside services employed	49,753,374	42,003,778	83,770,249	-	175,527,401	Wage & Salary Factor
924	Property insurance	4,302	3,183	5,843	-	13,327	Net Plant Factor
925	Injuries & damages	2,185,302	1,663,383	3,526,490	-	7,375,175	Wage & Salary Factor
926	Employee pensions & benefits	7,447,074	3,965,508	12,073,981	-	23,486,563	Wage & Salary Factor
928	Regulatory commission expenses	1,269,715	499,944	1,723,002	-	3,432,661	Direct Transmission Only
929	Duplicate charges- Credit	246,073	146,790	1,304,156	-	1,697,018	Wage & Salary Factor
930.1	General ad expenses	93	92	9,323	-	9,508	Direct Transmission Only
930.2	Miscellaneous general expenses	1,143,547	1,008,970	1,998,079	-	4,150,596	Wage & Salary Factor
931	Rents	1	2	-	-	3	Wage & Salary Factor
935	Maintenance of general plant	430,806	273,340	334,877	-	1,039,024	Wage & Salary Factor
Total		179,214,534	143,262,973	239,810,349	15,459,727	577,747,583	

Delmarva Power & Light Company

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)
- 2 April Year 2 TO estimates all transmission Cap Adds and CWIP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)
- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
- 4 May Year 2 Post results of Step 3 on PJM web site
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2005 - May 31, 2006)

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
- 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)
- 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)
- 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)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)
128,461,950 Rev Req based on Year 1 data Must run Appendix A to get this number (without inputs in lines 20, 21 or 43a of Appendix A)

- 2 April Year 2 TO estimates all transmission Cap Adds and CWIP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Monthly Additions	Monthly Additions	Monthly Additions	Monthly Additions		Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service
	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service	Weighting	Amount (A x E)	Amount (B x E)	Amount (C x E)	Amount (D x E)	(F / 12)	(G / 12)	(H / 12)	(I / 12)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May	55,956,082				7.5	419,670,618	-	-	-	34,972,552	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total	55,956,082					419,670,618	-	-	-	34,972,552	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)										34,972,552			
										34,972,552			
										34,972,552			34,972,552
										4.50	#DIV/0!	#DIV/0!	#DIV/0!

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
 \$ 34,972,552 Input to Formula Line 21

- 4 May Year 2 Post results of Step 3 on PJM web site
132,037,000 Must run Appendix A to get this number (with inputs on lines 21 and 43a of Attachment A)

- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2005 - May 31, 2006)
 \$ 132,037,000

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
141,462,219 Rev Req based on Prior Year data Must run Appendix A to get this number (without inputs in lines 20, 21 or 43a of Appendix A)

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 \$ 113,215,597 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	2,811,654				11.5	(32,334,024)	-	-	-	(2,694,502)	-	-	-	
Feb	500,069				10.5	5,250,726	-	-	-	437,561	-	-	-	
Mar	3,524,838				9.5	33,485,964	-	-	-	2,790,497	-	-	-	
Apr	10,717,285				8.5	91,096,926	-	-	-	7,591,411	-	-	-	
May	16,051,076				7.5	120,383,073	-	-	-	10,031,923	-	-	-	
Jun	42,868,240				6.5	278,643,562	-	-	-	23,220,297	-	-	-	
Jul	2,117,987				5.5	11,648,928	-	-	-	970,744	-	-	-	
Aug	(691,310)				4.5	(3,110,897)	-	-	-	(259,241)	-	-	-	
Sep	754,292				3.5	2,640,022	-	-	-	220,002	-	-	-	
Oct	1,676,373				2.5	4,190,933	-	-	-	349,244	-	-	-	
Nov	5,890,966				1.5	8,836,449	-	-	-	736,371	-	-	-	
Dec	32,617,434				0.5	16,308,717	-	-	-	1,359,060	-	-	-	
Total	113,215,597					537,040,379	-	-	-	44,753,365	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										44,753,365	-	-	-	
										Input to Line 21 of Appendix A				
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWIP	7.26	#DIV/0!	#DIV/0!	#DIV/0!
													44,753,365	

134,801,091 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					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total						-	-	-	-	-	-	-	-
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	#DIV/0!	#DIV/0!	#DIV/0!

124,794,816

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		=		
134,801,091		129,215,514			5,585,576	
Interest on Amount of Refunds or Surcharges						
Interest rate pursuant to 35.19a for March of 0.2800%						
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	465,465	0.2800%	11.5	14,988	480,453
Jul	Year 1	465,465	0.2800%	10.5	13,685	479,149
Aug	Year 1	465,465	0.2800%	9.5	12,381	477,846
Sep	Year 1	465,465	0.2800%	8.5	11,078	476,543
Oct	Year 1	465,465	0.2800%	7.5	9,775	475,239
Nov	Year 1	465,465	0.2800%	6.5	8,471	473,936
Dec	Year 1	465,465	0.2800%	5.5	7,168	472,633
Jan	Year 2	465,465	0.2800%	4.5	5,865	471,330
Feb	Year 2	465,465	0.2800%	3.5	4,562	470,026
Mar	Year 2	465,465	0.2800%	2.5	3,258	468,723
Apr	Year 2	465,465	0.2800%	1.5	1,955	467,420
May	Year 2	465,465	0.2800%	0.5	652	466,116
Total		5,585,576				5,679,414

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	5,679,414	0.2800%	481,942	5,213,374
Jul	Year 2	5,213,374	0.2800%	481,942	4,746,029
Aug	Year 2	4,746,029	0.2800%	481,942	4,277,375
Sep	Year 2	4,277,375	0.2800%	481,942	3,807,410
Oct	Year 2	3,807,410	0.2800%	481,942	3,336,128
Nov	Year 2	3,336,128	0.2800%	481,942	2,863,527
Dec	Year 2	2,863,527	0.2800%	481,942	2,389,602
Jan	Year 3	2,389,602	0.2800%	481,942	1,914,351
Feb	Year 3	1,914,351	0.2800%	481,942	1,437,768
Mar	Year 3	1,437,768	0.2800%	481,942	959,852
Apr	Year 3	959,852	0.2800%	481,942	480,597
May	Year 3	480,597	0.2800%	481,942	(0)
Total with interest				5,783,309	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 5,783,309
 True-up Adjustment for ROE Settlement (13,089,047) Attachment 5 - Cost Support
 Total true-up amount (7,305,738)

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 124,794,816
 Revenue Requirement for Year 3 117,489,078

10 May Year 3 ilit's of Step 9 on PJM web site
 \$ 117,489,078

11 June Year 3 r the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
 \$ 117,489,078

ntified in Docket Nos. ER08-686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.

B0567 Mt.Pleasant-Townsend				B0483.1-.3 Oak Hall-Wattsville				B0320 Cool Springs				BO568 3rd Indian River			
No				No				No				No			
35				35				35				35			
No				No				No				No			
150				150				150				150			
10.7722%				10.7722%				10.7722%				10.7722%			
11.7026%				11.7026%				11.7026%				11.7026%			
6,414,723				8,379,558				14,504,530				6,681,345			
183,278				239,416				414,415				190,896			
6				12				9				8			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
5,406,695	183,278	5,223,417	745,954	7,182,478	239,416	6,943,062	987,335	12,328,851	414,415	11,914,435	1,697,859	5,854,131	190,896	5,663,235	800,949
5,406,695	183,278	5,223,417	794,553	7,182,478	239,416	6,943,062	1,051,934	12,328,851	414,415	11,914,435	1,808,713	5,854,131	190,896	5,663,235	853,641
5,223,417	183,278	5,040,140	726,211	6,943,062	239,416	6,703,646	961,545	11,914,435	414,415	11,500,020	1,653,218	5,663,235	190,896	5,472,340	780,386
5,223,417	183,278	5,040,140	773,105	6,943,062	239,416	6,703,646	1,023,917	11,914,435	414,415	11,500,020	1,760,216	5,663,235	190,896	5,472,340	831,301
5,040,140	183,278	4,856,862	706,468	6,703,646	239,416	6,464,230	935,754	11,500,020	414,415	11,085,605	1,608,576	5,472,340	190,896	5,281,444	759,822
5,040,140	183,278	4,856,862	751,657	6,703,646	239,416	6,464,230	995,899	11,500,020	414,415	11,085,605	1,711,719	5,472,340	190,896	5,281,444	808,962
4,856,862	183,278	4,673,584	686,725	6,464,230	239,416	6,224,815	909,964	11,085,605	414,415	10,671,190	1,563,935	5,281,444	190,896	5,090,549	739,258
4,856,862	183,278	4,673,584	730,208	6,464,230	239,416	6,224,815	967,881	11,085,605	414,415	10,671,190	1,663,221	5,281,444	190,896	5,090,549	786,622
4,673,584	183,278	4,490,306	666,981	6,224,815	239,416	5,985,399	884,174	10,671,190	414,415	10,256,775	1,519,293	5,090,549	190,896	4,899,653	718,695
4,673,584	183,278	4,490,306	708,760	6,224,815	239,416	5,985,399	939,863	10,671,190	414,415	10,256,775	1,614,724	5,090,549	190,896	4,899,653	764,282
4,490,306	183,278	4,307,028	647,238	5,985,399	239,416	5,745,983	858,383	10,256,775	414,415	9,842,360	1,474,651	4,899,653	190,896	4,708,757	698,131
4,490,306	183,278	4,307,028	687,312	5,985,399	239,416	5,745,983	911,845	10,256,775	414,415	9,842,360	1,566,227	4,899,653	190,896	4,708,757	741,942
4,307,028	183,278	4,123,751	627,495	5,745,983	239,416	5,506,567	832,593	9,842,360	414,415	9,427,944	1,430,010	4,708,757	190,896	4,517,862	677,568
4,307,028	183,278	4,123,751	665,864	5,745,983	239,416	5,506,567	883,827	9,842,360	414,415	9,427,944	1,517,729	4,708,757	190,896	4,517,862	719,603
4,123,751	183,278	3,940,473	607,752	5,506,567	239,416	5,267,151	806,803	9,427,944	414,415	9,013,529	1,385,368	4,517,862	190,896	4,326,966	657,004
4,123,751	183,278	3,940,473	644,415	5,506,567	239,416	5,267,151	855,809	9,427,944	414,415	9,013,529	1,469,232	4,517,862	190,896	4,326,966	697,263
3,940,473	183,278	3,757,195	588,009	5,267,151	239,416	5,027,735	781,012	9,013,529	414,415	8,599,114	1,340,727	4,326,966	190,896	4,136,071	636,440
3,940,473	183,278	3,757,195	622,967	5,267,151	239,416	5,027,735	827,791	9,013,529	414,415	8,599,114	1,420,735	4,326,966	190,896	4,136,071	674,923
3,757,195	183,278	3,573,917	568,266	5,027,735	239,416	4,788,319	755,222	8,599,114	414,415	8,184,699	1,296,085	4,136,071	190,896	3,945,175	615,877
3,757,195	183,278	3,573,917	601,519	5,027,735	239,416	4,788,319	799,774	8,599,114	414,415	8,184,699	1,372,237	4,136,071	190,896	3,945,175	652,583
3,573,917	183,278	3,390,639	548,523	4,788,319	239,416	4,548,903	729,432	8,184,699	414,415	7,770,284	1,251,444	3,945,175	190,896	3,754,280	595,313
3,573,917	183,278	3,390,639	580,071	4,788,319	239,416	4,548,903	771,756	8,184,699	414,415	7,770,284	1,323,740	3,945,175	190,896	3,754,280	630,244
3,390,639	183,278	3,207,362	528,780	4,548,903	239,416	4,309,487	703,641	7,770,284	414,415	7,355,869	1,206,802	3,754,280	190,896	3,563,384	574,750
3,390,639	183,278	3,207,362	558,622	4,548,903	239,416	4,309,487	743,738	7,770,284	414,415	7,355,869	1,275,243	3,754,280	190,896	3,563,384	607,904
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BO272.1 Keeney 500kV Sub				BO751 Keeney - Additional Breakers on 500kV Bus				BO566 Trappe Tap - Todd			
Yes 35				Yes 35				No 35			
No 0				No 0				No 150			
10.7722%				10.7722%				10.7722%			
10.7722%				10.7722%				11.7026%			
217,662				5,055,041				16,372,433			
6,219				144,430				467,784			
6				6				12			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
195,896	6,219	189,677	26,651	4,549,537	144,430	4,405,107	618,956	14,969,082	467,784	14,501,298	2,029,889
195,896	6,219	189,677	26,651	4,549,537	144,430	4,405,107	618,956	14,969,082	467,784	14,501,298	2,164,812
189,677	6,219	183,458	25,981	4,405,107	144,430	4,260,677	603,397	14,501,298	467,784	14,033,514	1,979,499
189,677	6,219	183,458	25,981	4,405,107	144,430	4,260,677	603,397	14,501,298	467,784	14,033,514	2,110,069
183,458	6,219	177,239	25,311	4,260,677	144,430	4,116,248	587,839	14,033,514	467,784	13,565,730	1,929,108
183,458	6,219	177,239	25,311	4,260,677	144,430	4,116,248	587,839	14,033,514	467,784	13,565,730	2,055,326
177,239	6,219	171,020	24,642	4,116,248	144,430	3,971,818	572,281	13,565,730	467,784	13,097,946	1,878,718
177,239	6,219	171,020	24,642	4,116,248	144,430	3,971,818	572,281	13,565,730	467,784	13,097,946	2,000,583
171,020	6,219	164,801	23,972	3,971,818	144,430	3,827,388	556,723	13,097,946	467,784	12,630,163	1,828,327
171,020	6,219	164,801	23,972	3,971,818	144,430	3,827,388	556,723	13,097,946	467,784	12,630,163	1,945,841
164,801	6,219	158,582	23,302	3,827,388	144,430	3,682,958	541,165	12,630,163	467,784	12,162,379	1,777,937
164,801	6,219	158,582	23,302	3,827,388	144,430	3,682,958	541,165	12,630,163	467,784	12,162,379	1,891,098
158,582	6,219	152,363	22,632	3,682,958	144,430	3,538,529	525,606	12,162,379	467,784	11,694,595	1,727,546
158,582	6,219	152,363	22,632	3,682,958	144,430	3,538,529	525,606	12,162,379	467,784	11,694,595	1,836,355
152,363	6,219	146,144	21,962	3,538,529	144,430	3,394,099	510,048	11,694,595	467,784	11,226,811	1,677,156
152,363	6,219	146,144	21,962	3,538,529	144,430	3,394,099	510,048	11,694,595	467,784	11,226,811	1,781,612
146,144	6,219	139,926	21,292	3,394,099	144,430	3,249,669	494,490	11,226,811	467,784	10,759,027	1,626,765
146,144	6,219	139,926	21,292	3,394,099	144,430	3,249,669	494,490	11,226,811	467,784	10,759,027	1,726,869
139,926	6,219	133,707	20,622	3,249,669	144,430	3,105,239	478,932	10,759,027	467,784	10,291,244	1,576,375
139,926	6,219	133,707	20,622	3,249,669	144,430	3,105,239	478,932	10,759,027	467,784	10,291,244	1,672,126
133,707	6,219	127,488	19,952	3,105,239	144,430	2,960,810	463,373	10,291,244	467,784	9,823,460	1,525,984
133,707	6,219	127,488	19,952	3,105,239	144,430	2,960,810	463,373	10,291,244	467,784	9,823,460	1,617,384
127,488	6,219	121,269	19,282	2,960,810	144,430	2,816,380	447,815	9,823,460	467,784	9,355,676	1,475,594
127,488	6,219	121,269	19,282	2,960,810	144,430	2,816,380	447,815	9,823,460	467,784	9,355,676	1,562,641
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BO733 Harmony Add 2nd 230/138 Auto Tr				B1247 Glasgow - Cecil 138 kV Circuit Rebuild						
No				No						
35				35						
No				No						
0				0						
10.7722%				10.7722%						
10.7722%				10.7722%						
10,567,349				7,246,743						
301,924				207,050						
4				5						
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
9,762,218	301,924	9,460,293	1,321,004	6,582,988	207,050	6,375,939	893,877	\$ 10,516,221		\$ 10,516,221
9,762,218	301,924	9,460,293	1,321,004	6,582,988	207,050	6,375,939	893,877	\$ 11,075,611	\$ 11,075,611	
9,460,293	301,924	9,158,369	1,288,480	6,375,939	207,050	6,168,889	871,573	\$ 10,244,148		\$ 10,244,148
9,460,293	301,924	9,158,369	1,288,480	6,375,939	207,050	6,168,889	871,573	\$ 10,784,249	\$ 10,784,249	
9,158,369	301,924	8,856,445	1,255,956	6,168,889	207,050	5,961,839	849,270	\$ 9,972,075		\$ 9,972,075
9,158,369	301,924	8,856,445	1,255,956	6,168,889	207,050	5,961,839	849,270	\$ 10,492,887	\$ 10,492,887	
8,856,445	301,924	8,554,521	1,223,432	5,961,839	207,050	5,754,789	826,966	\$ 9,700,002		\$ 9,700,002
8,856,445	301,924	8,554,521	1,223,432	5,961,839	207,050	5,754,789	826,966	\$ 10,201,525	\$ 10,201,525	
8,554,521	301,924	8,252,596	1,190,909	5,754,789	207,050	5,547,739	804,662	\$ 9,427,929		\$ 9,427,929
8,554,521	301,924	8,252,596	1,190,909	5,754,789	207,050	5,547,739	804,662	\$ 9,910,163	\$ 9,910,163	
8,252,596	301,924	7,950,672	1,158,385	5,547,739	207,050	5,340,690	782,358	\$ 9,155,856		\$ 9,155,856
8,252,596	301,924	7,950,672	1,158,385	5,547,739	207,050	5,340,690	782,358	\$ 9,618,801	\$ 9,618,801	
7,950,672	301,924	7,648,748	1,125,861	5,340,690	207,050	5,133,640	760,055	\$ 8,883,783		\$ 8,883,783
7,950,672	301,924	7,648,748	1,125,861	5,340,690	207,050	5,133,640	760,055	\$ 9,327,440	\$ 9,327,440	
7,648,748	301,924	7,346,824	1,093,337	5,133,640	207,050	4,926,590	737,751	\$ 8,611,710		\$ 8,611,710
7,648,748	301,924	7,346,824	1,093,337	5,133,640	207,050	4,926,590	737,751	\$ 9,036,078	\$ 9,036,078	
7,346,824	301,924	7,044,899	1,060,813	4,926,590	207,050	4,719,540	715,447	\$ 8,339,637		\$ 8,339,637
7,346,824	301,924	7,044,899	1,060,813	4,926,590	207,050	4,719,540	715,447	\$ 8,744,716	\$ 8,744,716	
7,044,899	301,924	6,742,975	1,028,289	4,719,540	207,050	4,512,490	693,143	\$ 8,067,564		\$ 8,067,564
7,044,899	301,924	6,742,975	1,028,289	4,719,540	207,050	4,512,490	693,143	\$ 8,453,354	\$ 8,453,354	
6,742,975	301,924	6,441,051	995,766	4,512,490	207,050	4,305,441	670,839	\$ 7,795,491		\$ 7,795,491
6,742,975	301,924	6,441,051	995,766	4,512,490	207,050	4,305,441	670,839	\$ 8,161,992	\$ 8,161,992	
6,441,051	301,924	6,139,127	963,242	4,305,441	207,050	4,098,391	648,536	\$ 7,523,418		\$ 7,523,418
6,441,051	301,924	6,139,127	963,242	4,305,441	207,050	4,098,391	648,536	\$ 7,870,630	\$ 7,870,630	
....	\$		\$
....			
								\$	226,358,316	\$ 217,216,014

Delmarva Power & Light Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest		
101	Less LTD Interest on Securitization Bonds		0
	Capitalization		
112	Less LTD on Securitization Bonds		0

Calculation of the above Securitization Adjustments

