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May 12, 2017

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 2017 Formula Rate Annual Update;
Notice of Annual Meeting

Dear Ms. Bose,

Delmarva hereby submits electronically, for informational purposes, its 2017 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 2017 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).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). 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.

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

2016

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,544,316
2	Total Wages Expense	p354.28b	\$ 39,539,759
3	Less A&G Wages Expense	p354.27b	\$ 3,539,158
4	Total	(Line 2 - 3)	36,000,601
5	Wages & Salary Allocator	(Line 1 / 4)	7.0674%
Plant Allocation Factors			
6	Electric Plant In Service	(Note B) p207.104g (see attachment 5)	\$ 3,570,799,177
7	Common Plant In Service - Electric	(Line 24)	93,311,036
8	Total Plant In Service	(Sum Lines 6 & 7)	3,664,110,213
9	Accumulated Depreciation (Total Electric Plant)	p219.29c (see attachment 5)	\$ 887,843,881
10	Accumulated Intangible Amortization	p200.21c (Note A)	\$ 10,160,413
11	Accumulated Common Amortization - Electric	p356 (Note A)	14,194,803
12	Accumulated Common Plant Depreciation - Electric	p356 (Note A)	\$ 50,303,636
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	962,502,733
14	Net Plant	(Line 8 - 13)	2,701,607,480
15	Transmission Gross Plant	(Line 29 - Line 28)	1,281,171,226
16	Gross Plant Allocator	(Line 15 / 8)	34.9654%
17	Transmission Net Plant	(Line 39 - Line 28)	940,103,815
18	Net Plant Allocator	(Line 17 / 14)	34.7979%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 1,261,704,284
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6 - Enter Negative	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	114,232
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	1,261,818,516
23	General & Intangible	p205.5.g & p207.99.g (see attachment 5)	180,518,622
24	Common Plant (Electric Only)	p356 (Notes A & B)	93,311,036
25	Total General & Common	(Line 23 + 24)	273,829,658
26	Wage & Salary Allocation Factor	(Line 5)	7.06743%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	19,352,710
28	Plant Held for Future Use (Including Land)	(Note C) p214	0
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	1,281,171,226
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 332,794,029
31	Accumulated General Depreciation	p219.28.c (see attachment 5)	\$ 42,404,721
32	Accumulated Intangible Amortization	(Line 10)	10,160,413
33	Accumulated Common Amortization - Electric	(Line 11)	14,194,803
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	50,303,636
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	117,063,573
36	Wage & Salary Allocation Factor	(Line 5)	7.06743%
37	General & Common Allocated to Transmission	(Line 35 * 36)	8,273,382
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	341,067,411
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	940,103,815

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	-293,348,731
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative p266.h (Notes A & I)	-2,759,107
42	Net Plant Allocation Factor	(Line 18)	-34.80%
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * 42) + Line 40	-294,308,843
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	-3,399,431
Prepayments			
45	Prepayments	(Note A) Attachment 5	13,467,690
46	Total Prepayments Allocated to Transmission	(Line 45)	13,467,690
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	\$ -
48	Wage & Salary Allocation Factor	(Line 5)	7.067%
49	Total Transmission Allocated	(Line 47 * 48)	0
50	Transmission Materials & Supplies	p227.8c	2,604,461
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + 50)	2,604,461
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 85)	25,547,967
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * 53)	3,193,496
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)	-278,442,628
59	Rate Base	(Line 39 + 58)	661,661,187

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b (see attachment 5)	\$ 19,806,628
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)	19,806,628
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	p356	0
68	Total A&G		p323.197.b (see attachment 5)	\$ 83,658,184
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S)	Attachment 5	-70,821
69	Less Property Insurance Account 924		p323.185b	531,426
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	5,473,763
71	Less General Advertising Exp Account 930.1		p323.191b	232,948
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	6,464,551
73	Less EPRI Dues	(Note D)	p352-353	138,058
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)	70,817,438
75	Wage & Salary Allocation Factor		(Line 5)	7.0674%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)	5,004,970
Directly Assigned A&G				
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b	551,444
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	0
79	Subtotal - Transmission Related		(Line 77 + 78)	551,444
80	Property Insurance Account 924		p323.185b	531,426
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	0
82	Total		(Line 80 + 81)	531,426
83	Net Plant Allocation Factor		(Line 18)	34.80%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)	184,925
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)	25,547,967

Depreciation & Amortization Expense

Depreciation Expense				
86	Transmission Depreciation Expense		p336.7b&c	31,303,021
86a	Amortization of Abandoned Transmission Plant		Attachment 5	0
87	General Depreciation		p336.10b&c	7,220,674
88	Intangible Amortization	(Note A)	p336.1d&e	204,779
89	Total		(Line 87 + 88)	7,425,453
90	Wage & Salary Allocation Factor		(Line 5)	7.0674%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)	524,788
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	4,657,997
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0
94	Total		(Line 92 + 93)	4,657,997
95	Wage & Salary Allocation Factor		(Line 5)	7.0674%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)	329,201
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)	32,157,010

Taxes Other than Income

98	Taxes Other than Income		Attachment 2	8,973,320
99	Total Taxes Other than Income		(Line 98)	8,973,320

Return / Capitalization Calculations

Long Term Interest				
100	Long Term Interest		p117.62c through 67c	\$ 51,920,780
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	51,920,780
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,320,198,020
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)	1,322,375,799
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,348,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-8,850,528
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	3,580,937
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,342,960,409
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,322,375,799
116	Total Capitalization		(Sum Lines 113 to 115)	2,665,336,208
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50.39%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	49.61%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0387
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)	0.0195
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0521
126	Total Return (R)		(Sum Lines 123 to 125)	0.0716
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	47,358,101

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate		35.00%	
129	SIT=State Income Tax Rate or Composite		8.40%	
130	p	(percent of federal income tax deductible for state purposes)	0.00%	
131	T	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	40.46%	
132	T/(1-T)		67.95%	
ITC Adjustment				
133	Amortized Investment Tax Credit	(Note I)		
134	T/(1-T)	enter negative	-82,942	
135	Net Plant Allocation Factor	Attachment 1	67.95%	
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	34,797.9%	
			-48,475	
137	Income Tax Component =	$CIT=(T/(1-T)) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))]	23,423,128
138	Total Income Taxes		(Line 136 + 137)	23,374,653

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	940,103,815
140	Adjustment to Rate Base	(Line 58)	-278,442,628
141	Rate Base	(Line 59)	661,661,187
142	O&M	(Line 85)	25,547,967
143	Depreciation & Amortization	(Line 97)	32,157,010
144	Taxes Other than Income	(Line 99)	8,973,320
145	Investment Return	(Line 127)	47,358,101
146	Income Taxes	(Line 138)	23,374,653
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	137,411,052
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	1,261,704,284
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	1,261,704,284
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	137,411,052
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	137,411,052
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	7,164,461
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	130,246,591
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	130,246,591
158	Net Transmission Plant	(Line 19 - 30)	928,910,255
159	Net Plant Carrying Charge	(Line 157 / 158)	14.0214%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	10.6516%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	3.0370%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	59,513,836
163	Increased Return and Taxes	Attachment 4	76,246,284
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	135,760,121
165	Net Transmission Plant	(Line 19 - 30)	928,910,255
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	14.6150%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	11.2451%
168	Net Revenue Requirement	(Line 156)	130,246,591
169	True-up amount	Attachment 6	460,941
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	516,825
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)	131,224,357
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	4,127
174	Rate (\$/MW-Year)	(Line 172 / 173)	31,798
175	Network Service Rate (\$/MW/Year)	(Line 174)	31,798

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	-	(865,615,385)	-	(865,615,385)
ADIT-283	-	(5,893,406)	(77,840,890)	(83,734,296)
ADIT-190	1,513,132	41,793,941	10,650,257	53,957,329
Subtotal	1,513,132	(829,714,850)	(67,190,633)	(895,392,351)
Wages & Salary Allocator			7.0674%	
Gross Plant Allocator		34.96541%		
ADIT	1,513,132	(290,113,214)	(4,748,649)	(293,348,731)
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 (3,580,937)

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
		Total	Gas, Prod Or Other Distribution Related	Only Transmission Related	Plant Related	Labor Related	Justification
Allowance for Doubtful Accounts		8,818,155	8,818,155	-	-	-	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		2,305,192	2,305,192	-	-	-	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		959,669	134,354	-	825,315	-	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 LTC		1,295,110	181,315	-	1,113,794	-	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		899,124	899,124	-	-	-	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.
Interest on Contingent Taxes		(6,260)	(876)	-	(5,384)	-	Deferred taxes on interest that has not been recognized for income tax purposes but has been recognized for financial reporting purposes. Relates to all functions across the Company.
Merrill Creek		5,573,276	5,573,276	-	-	-	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		7,832,517	1,096,552	-	-	6,735,964	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)		2,272,824	426,697	-	631,749	-	Reflects deferred income taxes on other Property and Labor related items related to all functions.
Other Labor Related Accruals		10,971,953	1,536,073	-	-	9,435,879	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		375,088	375,088	-	-	-	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 - FERC Formula Adj.		1,513,132	-	1,513,132	-	-	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 100% Transmission related.
Reg Liab - Other		6,973,554	6,973,554	-	-	-	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		4,499,519	4,499,519	-	-	-	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		880,089	123,212	-	756,876	-	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		49,051,213	8,708,953	-	40,342,260	-	Represents deferred income tax asset related to federal and state net operating loss carryforwards available to offset future taxable income.
Subtotal - p234		104,214,154	41,650,189	1,513,132	43,664,612	17,386,221	
Less FASB 109 Above if not separately removed		2,175,198	304,528	-	1,870,671	-	
Less FASB 106 Above if not separately removed		7,832,517	1,096,552	-	-	6,735,964	
Total		94,206,439	40,249,109	1,513,132	41,793,941	10,650,257	

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 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.e

Delmarva Power & Light Company

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT- 282	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Distribution Related	Only Transmission Related	Plant Related	Labor Related	Justification
Plant Related - APB 11 Deferred Taxes		(961,794,872)	(96,179,487)	-	(865,615,385)	-	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		(7,084,408)	(708,441)	-	(6,375,967)	-	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		40,013,242	40,013,242	-	-	-	Deferred taxes resulting from tax basis differences in Contributions in Aid of Construction (CIAC) assets. Since CIACs are excluded from Rate Base, the related deferred income taxes are excluded as well.
Leased Vehicles - Non Rate Base		(11,082,233)	(11,082,233)	-	-	-	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		(9,489,059)	(948,906)	-	(8,540,153)	-	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		(7,189,563)	(718,956)	-	(6,470,607)	-	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		(956,626,892)	(69,624,781)	-	(887,002,111)	-	
Less FASB 109 Above if not separately removed		(23,652,839)	(2,266,113)	-	(21,386,727)	-	
Less FASB 106 Above if not separately removed		-	-	-	-	-	
Total		(932,974,053)	(67,358,668)	-	(865,615,385)	-	

Instructions for Account 282:

- ADIT items related only to Non-Electric
- 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
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		(8,426,243)	(8,426,243)	-	-	-	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		(1,362,107)	(1,362,107)	-	-	-	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. 100% Gas Related.
Deferred Fuel Interest		(5,490)	(5,490)	-	-	-	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		166,594	23,323	-	143,271	-	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		9,973,813	9,973,813	-	-	-	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		(84,790,124)	(11,870,617)	-	-	(72,919,507)	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		(6,833,249)	(956,655)	-	(5,876,594)	-	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		(3,580,937)	(3,580,937)	-	-	-	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		(23,316,192)	(23,316,192)	-	-	-	For books, Demand Side Management Costs are deferred. For tax purposes, these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
Reg Liab - Other		(53,022,519)	(47,941,053)	-	(160,083)	(4,921,383)	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		(3,057,878)	(3,057,878)	-	-	-	Amortization of COPCO acquisition adjustment. Beginning unamortized balance \$40,456,550.00 represents recovery of the regulatory asset per Docket 9993. Order 81518, refers to MD Docket 8583, Order 71719; offset account 114000 Plant Acq Adj. Amortizing monthly. Fully amortized in 2010.
Reg Liab - Other		4,758,656	4,758,656	-	-	-	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.
FAS 109 Deferred Taxes - 283		(16,073,219)	(1,540,013)	-	(14,533,204)	-	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 - p277 (Form I-F filer: see note 6, below)		(185,568,895)	(87,301,396)	-	(20,426,610)	(77,840,890)	
Less FASB 109 Above if not separately removed		(16,073,219)	(1,540,013)	-	-	-	
Less FASB 106 Above if not separately removed		-	-	-	-	-	
Total		(169,495,676)	(88,761,381)	-	(5,893,406)	(77,840,890)	

- Instructions for Account 283:
1. ADIT items related only to Non-Electric
 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
 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

ADITC-255	Item	Balance	Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	2,759,107	409,014	Post 1980
Amortization				
Amortization to line 133 of Appendix A	Total	441,843	82,942	Pre 1981
Total		3,200,951	491,956	
Total Form No. 1 (p 266 & 267)		3,200,951	491,956	
Difference /1	check	(0)	0	

/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>
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	24,946,438		
2 Personal property			
3 Federal/State Excise	20,664		
4			
5			
6			
Total Plant Related	24,967,102	34.9654%	8,729,850
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	3,310,753		
8 State Unemployment	134,203		
9			
10			
11			
Total Labor Related	3,444,956	7.0674%	243,470
Other Included		Gross Plant Allocator	
12 Miscellaneous	-		
Total Other Included	0	34.9654%	0
Total Included	28,412,058		8,973,320
Excluded			
13 MD State Franchise Tax	7,209,713		
14 DE Gross Receipts Tax	390,019		
15 MD Sales and Use Tax	1,500,300		
16 Sales and Use Tax - VA	409		
17 DE Public Utility Tax	6,709,568		
18 Wilmington City Franchise Tax	911,813		
19 MD Environmental Surcharge	625,289		
20 Excluded merger costs in line 7	3,268		
21 Total "Other" Taxes (included on p. 263)	45,762,438		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	45,762,438		
23 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

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	1,054,049
2	Total Rent Revenues (Sum Line 1)	1,054,049
Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	\$ 1,444,389
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)	979,272
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)	7,904,719
12	Less line 17g	(740,259)
13	Total Revenue Credits	7,164,461
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.	1,054,049
17b	Costs associated with revenues in line 17a (Attachment 5 - Cost Support)	426,468
17c	Net Revenues (17a - 17b)	627,581
17d	50% Share of Net Revenues (17c / 2)	313,790
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)	313,790
17g	Line 17f less line 17a	(740,259)
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.	8,081,690
19	Amount offset in line 4 above	131,019,205
20	Total Account 454, 456 and 456.1	147,005,614
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)	76,246,284
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	661,661,187
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	51,920,780
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	51,920,780
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,320,198,020
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)	1,322,375,799
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,348,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-8,850,528
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	3,580,937
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,342,960,409
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,322,375,799
116	Total Capitalization		(Sum Lines 113 to 115)	2,665,336,208
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50.39%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	49.61%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0387
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)	0.0195
124	Weighted Cost o Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost o Common Stock		(Line 119 * 122)	0.0571
126	Total Return (R)		(Sum Lines 123 to 125)	0.0765
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	50,640,857

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.40%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.46%
132	T / (1-T)			67.95%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(82,942)
134	T/(1-T)		(Line 132)	68%
135	Net Plant Allocation Factor		(Line 18)	34.7979%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-48,475
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	25,653,903
138	Total Income Taxes		(Line 136 + 137)	25,605,427

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	28,859,348	10,160,413	18,698,935	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,457,635	14,194,803	3,262,832	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	62,162,608	50,303,636	11,858,972	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	114,759,608	93,311,036	21,448,572	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	3,200,951	2,889,593	311,358	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0	0	0	
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	204,779	204,779	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	4,657,997	4,657,997	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	4,152,366	0	4,152,366	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	3,573,578,506	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	1,261,704,284	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	93,311,036	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	332,794,029	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	138,058	138,058	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	5,473,763	551,444	4,922,319	FERC Form 1 page 351 lines 16 (h) to 20 (h)
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	5,473,763	551,444	4,922,319	FERC Form 1 page 351 lines 16 (h) to 20 (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	232,948	0	232,948	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)	8.40%	MD 8.25%	PA 9.990%	VA 6%	DE 8.7%	NJ 6.50%	Enter Calculation Apportioned: DE 5.600%, MD 2.800%

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	232,948	0	232,948	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
Instructions:				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	38,191,965	7.067%	2,699,189	
	Plant Related	2,002,671	34.965%	700,242	
	Other		0.00%		
	Total Transmission Related Reserves	40,194,636		3,399,431	

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	-	6.036%	-
	Prepayments	\$ 13,547,579	6.036%	817,771
	Prepaid Pensions if not included in Prepayments	\$ 209,564,502	6.036%	12,649,919
		223,112,081	6.04%	13,467,690
				Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
5	Wages & Salary Allocator	7.067%		
	Electric vs Gas	85% Based on Modified Wisconsin Method		
	Modified Wages & Salaries Allocator	6.036%		
				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	4,126.8	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	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						
60	Transmission O&M	p321.112.b		20,218,670	412,042	19,806,628
68	Total A&G	p323.197.b		100,112,990	16,454,806	83,658,184

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		3,573,578,506	2,779,329	3,570,799,177	Distribution ARO-\$2,631,341 and General & Intangible ARO-\$147,988
9	Accumulated Depreciation (Total Electric Plant)	p219.29c		888,042,146	198,265	887,843,881	Distribution ARO-\$104,232 and General ARO-\$94,033
23	General & Intangible	p205.5.g & p207.99.g		180,666,610	147,988	180,518,622	General & Intangible ARO-\$147,988
31	Accumulated General Depreciation	p219.28.c		42,498,754	94,033	42,404,721	General ARO-\$94,033

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		100,112,990	15,229,519	(70,821)	(648,858)	The actuarially determined amount of OPEB expense in FERC 926 increased \$ 377 million from the prior year. The increase reflects \$0.3 million increase in amortization of unrecognized gain/loss from assumption changes, primarily a change in the census data and decrease in the discount rate from 4.15% in 2015 to 3.80% in 2016, \$0.5 million decrease in expected return on plan assets, offset by (\$0.4 million) decrease in interest cost. In addition, OPEB expense in FERC 926 increased by \$0.201 million due to a reduction in the amount of 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	\$ 426,468
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$ 1,054,049
	Federal Income Tax Rate	35.00%
	Federal Tax on Revenue subject to 50/50 sharing	368,917
	Net Revenue subject to 50/50 sharing	685,132
	Composite State Income Tax Rate	8.400%
	State Tax on Revenue subject to 50/50 sharing	57,551
	Total Tax on Revenue subject to 50/50 sharing	\$ 426,468

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	17,888,560	15,212,497	30,153,120	7,412,352	70,666,529
Procurement & Administrative Services	6,791,101	4,845,791	9,935,687	3,926,533	25,499,112
Financial Services & Corporate Expenses	19,012,271	15,407,361	29,313,579	25,623,238	89,356,449
Insurance Coverage and Services	1,053,835	1,059,259	878,771	205,181	3,197,046
Human Resources	6,163,406	4,489,926	9,197,885	4,056,693	23,907,910
Legal Services	1,989,324	1,359,614	3,911,072	7,910,660	15,170,671
Audit Services	235,790	200,263	422,964	21,511	880,528
Customer Services	55,980,435	49,006,144	49,427,135	2,578	154,416,292
Information Technology	17,486,264	13,036,712	32,166,511	1,667,441	64,356,929
External Affairs	3,335,582	2,669,671	5,057,025	694,805	11,757,083
Environmental Services	2,511,651	2,003,017	2,263,716	16,460	6,794,844
Safety Services	421,363	405,808	652,912	-	1,480,083
Regulated Electric & Gas T&D	46,285,265	36,369,629	61,044,684	1,370,583	145,070,161
Internal Consulting Services	520,648	339,645	885,335	-	1,745,628
Interns	165,014	133,506	173,225	-	471,745
Cost of Benefits	13,676,739	8,613,927	23,152,231	-	45,442,897
Building Services	91,882	116,387	4,599,613	-	4,807,882
Total	\$ 193,609,128	\$ 155,269,158	\$ 263,235,465	\$ 52,908,036	\$ 665,021,787

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, 2018
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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	55,777,848	207,249,778	207,839	263,235,465
2	Delmarva Power & Light Company	45,668,170	147,785,802	155,156	193,609,128
3	Atlantic City Electric Company	29,420,467	125,724,641	124,050	155,269,158
4	Exelon Business Services Company, LLC	42,660,634			42,660,634
5	Pepco Energy Services, Inc.	4,221,075	1,906,663	4,801	6,132,539
6	Pepco Holdings LLC	979,497	1,972,619	5,708	2,957,824
7	Thermal Energy Limited Partnership	4,232	407,746	522	412,500
8	ATS Operating Services, Inc.	26	167,526	192	167,744
9	Atlantic Southern Properties, Inc.	3,079	158,479	142	161,700
10	Conectiv Properties & Investments, Inc.	57	121,639	103	121,799
11	Conectiv Thermal Systems, Inc.	1,447	95,441	67	96,955
12	Conectiv, LLC	6,529	79,114	62	85,705
13	Potomac Capital Investment Corporation	29,039	36,778	114	65,931
14	Atlantic City Electric Transition Funding, LLC	37,069	7,509	40	44,618
15	ATE Investment, Inc.	87			87
16					
17					
18					
19					
20					
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22					
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25					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	178,809,256	485,713,735	499,796	665,021,787

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2016
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	26,805,795	19,873,552	37,468,781	-	84,148,128	Not included
182.3	Other Regulatory Assets	4,175,575	259,524	8,595,791	-	13,030,891	Not included
184	Clearing Accounts - Other	348,794	92,274	638,660	(253,174)	826,555	Not included
408.1	Taxes other than inc taxes, utility operating inc	2,313	784	1,997	-	5,093	Not included
416-421.2	Other Income -Below the Line	892,977	789,210	1,313,427	53,161,209	56,156,823	Not included
426.1-426.5	Other Income Deductions - Below the Line	1,753,265	1,341,072	2,592,346	-	5,686,683	Not included
430	Interest-Debt to Associated Companies	182,125	145,629	244,108	-	571,862	Not included
431	Interest-Short Term Debt	(26,965)	(21,576)	(36,264)	-	(84,805)	Not included
556	System cont & load dispatch	2,775,119	2,378,381	2,624,428	-	7,777,928	Not included
557	Other expenses	1,275,792	1,012,311	1,550,758	-	3,838,861	Not included
560	Operation Supervision & Engineering	3,003,550	2,801,852	5,088,055	-	10,893,458	100% included
561	Load dispatching	-	299	-	-	299	100% included
561.1	Load Dispatching - Reliability	15,313	13,623	-	-	28,936	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	54,585	28,734	849,068	-	932,386	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	45,300	38,036	50,977	-	134,313	100% included
561.5	Reliability, Planning and Standards	340,515	334,220	131,940	-	806,676	100% included
563	Overhead line expenses	-	-	301	-	301	100% included
562	Station expenses	-	-	11,428	-	11,428	100% included
564	Underground Line Expenses - Transmission	-	-	3,084	-	3,084	100% included
566	Miscellaneous transmission expenses	1,333,901	1,161,236	1,290,926	-	3,786,062	100% included
568	Maintenance Supervision & Engineering	66,861	84,785	507,686	-	659,332	100% included
569.2	Maintenance of Computer Software	840,498	353,031	449,960	-	1,643,489	100% included
570	Maintenance of station equipment	182,130	92,896	379,724	-	654,749	100% included
571	Maintenance of overhead lines	234,450	231,176	548,094	-	1,013,720	100% included
572	Maintenance of underground lines	667	950	11,117	-	12,735	100% included
573	Maintenance of miscellaneous transmission plant	32,488	56,182	171,684	-	260,354	100% included
575.5	Ancillary services market administration	-	-	17,401	-	17,401	Not included
580	Operation Supervision & Engineering	1,001,036	471,740	1,212,741	-	2,685,517	Not included
581	Load dispatching	1,179,197	535,514	1,475,555	-	3,190,266	Not included
582	Station expenses	897,139	-	105,767	-	1,002,906	Not included
583	Overhead line expenses	95,393	229,072	47,265	-	371,730	Not included
584	Underground line expenses	34,878	-	208,396	-	243,274	Not included
585	Street lighting	4,028	-	43	-	4,071	Not included
586	Meter expenses	800,246	411,127	1,108,564	-	2,319,937	Not included
587	Customer installations expenses	346,745	299,963	893,846	-	1,540,554	Not included
588	Miscellaneous distribution expenses	5,474,825	5,527,826	9,099,689	-	20,102,340	Not included
589	Rents	60,620	2,757	64,590	-	127,967	Not included
590	Maintenance Supervision & Engineering	1,014,077	543,084	431,373	-	1,988,535	Not included
591	Maintain structures	-	-	102	-	102	Not included
592	Maintain equipment	567,892	615,945	1,111,695	-	2,295,532	Not included
593	Maintain overhead lines	1,499,072	1,123,689	1,646,212	-	4,268,974	Not included
594	Maintain underground line	195,257	80,020	610,137	-	885,414	Not included
595	Maintain line transformers	550	200	199,373	-	200,122	Not included
596	Maintain street lighting & signal systems	41,368	40,213	15,904	-	97,486	Not included
597	Maintain meters	110,587	33,666	157,207	-	301,460	Not included
598	Maintain distribution plant	32,930	13,967	560,761	-	607,659	Not included
800-894	Total Gas Accounts	2,419,540	-	-	-	2,419,540	Not included
902	Meter reading expenses	144,919	46,153	123,280	-	314,351	Not included
903	Customer records and collection expenses	51,327,401	49,920,892	48,002,627	-	149,250,920	Not included
907	Supervision - Customer Svc & Information	93,109	89,900	135,212	-	318,221	Not included
908	Customer assistance expenses	2,108,200	754,281	876,429	-	3,738,910	Not included
909	Informational & instructional advertising	204,733	204,651	306,902	-	716,286	Not included
912	Demonstrating and selling expense	140,748	-	-	-	140,748	Not included
913	Advertising expense	43,946	-	-	-	43,946	Not included
920	Administrative & General salaries	367,453	98,423	639,618	-	1,105,493	Wage & Salary Factor
921	Office supplies & expenses	5,082	4,300	6,549	-	15,931	Wage & Salary Factor
923	Outside services employed	67,081,017	56,928,796	110,924,582	-	234,934,395	Wage & Salary Factor
924	Property insurance	(3,103)	(2,499)	(4,305)	-	(9,908)	Net Plant Factor
925	Injuries & damages	467,041	359,075	751,897	-	1,578,013	Wage & Salary Factor
926	Employee pensions & benefits	7,900,160	4,233,882	12,532,015	-	24,666,057	Wage & Salary Factor
928	Regulatory commission expenses	2,081,126	592,263	2,541,328	-	5,214,716	Direct Transmission Only
929	Duplicate charges-Credit	472,389	232,352	1,387,280	-	2,092,021	Wage & Salary Factor
930.1	General ad expenses	-	-	33	-	33	Direct Transmission Only
930.2	Miscellaneous general expenses	643,418	590,393	1,134,900	-	2,368,711	Wage & Salary Factor
935	Maintenance of general plant	219,060	219,332	422,422	-	1,062,814	Wage & Salary Factor
Total		193,609,128	155,269,158	263,235,465	52,908,036	665,021,787	

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	=	
126,809,866	126,365,783		444,084

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of

0.3000%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	37,007	0.3000%	11.5	1,277	38,284
Jul	Year 1	37,007	0.3000%	10.5	1,166	38,173
Aug	Year 1	37,007	0.3000%	9.5	1,055	38,062
Sep	Year 1	37,007	0.3000%	8.5	944	37,951
Oct	Year 1	37,007	0.3000%	7.5	833	37,840
Nov	Year 1	37,007	0.3000%	6.5	722	37,729
Dec	Year 1	37,007	0.3000%	5.5	611	37,618
Jan	Year 2	37,007	0.3000%	4.5	500	37,507
Feb	Year 2	37,007	0.3000%	3.5	389	37,396
Mar	Year 2	37,007	0.3000%	2.5	278	37,285
Apr	Year 2	37,007	0.3000%	1.5	167	37,174
May	Year 2	37,007	0.3000%	0.5	56	37,062
Total		444,084				452,077

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	452,077	0.3000%	38,412	415,022
Jul	Year 2	415,022	0.3000%	38,412	377,855
Aug	Year 2	377,855	0.3000%	38,412	340,577
Sep	Year 2	340,577	0.3000%	38,412	303,187
Oct	Year 2	303,187	0.3000%	38,412	265,685
Nov	Year 2	265,685	0.3000%	38,412	228,070
Dec	Year 2	228,070	0.3000%	38,412	190,342
Jan	Year 3	190,342	0.3000%	38,412	152,502
Feb	Year 3	152,502	0.3000%	38,412	114,547
Mar	Year 3	114,547	0.3000%	38,412	76,479
Apr	Year 3	76,479	0.3000%	38,412	38,297
May	Year 3	38,297	0.3000%	38,412	-
Total with interest				460,941	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 460,941

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)	\$	130,763,416
Revenue Requirement for Year 3		131,224,357

10 May Year 3 lts of Step 9 on PJM web site
\$ 131,224,357

11 June Year 3 r the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
\$ 131,224,357



Incentive Charged	Revenue Credit
\$ 10,674,560	\$ 10,157,735
\$ 10,387,075	\$ 9,888,708
\$ 10,099,591	\$ 9,619,681
\$ 9,812,106	\$ 9,350,654
\$ 9,524,622	\$ 9,081,627
\$ 9,237,137	\$ 8,812,600
\$ 8,949,653	\$ 8,543,573
\$ 8,662,168	\$ 8,274,546
\$ 8,374,684	\$ 8,005,519
\$ 8,087,199	\$ 7,736,492
\$ 7,799,715	\$ 7,467,465
\$ -	\$ -
\$ 225,364,990	\$ 216,433,001

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

