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May 15, 2014

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

Re: Atlantic City Electric Company (“Atlantic City”)
Informational Filing of 2014 Formula Rate Annual Update in
Docket No. ER09-1156 and Pursuant to Approved Settlement Agreement
in Docket Nos. ER05-515-000, *et al.*

Dear Ms. Bose,

Atlantic City hereby submits electronically, for informational purposes, its 2014 Annual Formula Rate Update. On April 19, 2006, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. ER05-515-000, *et al.*, (115 FERC ¶ 61,066). Formula rate implementation protocols contained in the Settlement provide that:

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

- (i) post such Annual Update on PJM’s Internet website via link to the Transmission Services page or a similar successor page; and
- (ii) file such Annual Update with FERC as an informational filing.¹

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 Annual Update. The protocols provide specific procedures for notice, review, exchanges of information and potential challenges to aspects of the Annual Update. Consequently,

¹ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H1-B, Section 1.b.

and as the Commission has concluded, there is no need for the Commission to notice this informational filing for comment.²

Atlantic City's 2014 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).

Atlantic City has made no Material Accounting Changes as defined in the Settlement.³ Atlantic City has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.⁴ In addition, Atlantic City has not recorded any extraordinary property losses in FERC Account 182.1. Therefore, no amortization is required over the periods described 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
Associate General Counsel
Atlantic City Electric Company

Enclosures

² See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1156 (February 17, 2010).

³ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.f.(iii). For the Commission's information, Atlantic City no longer records PHI Service Company costs in Account 923 "Outside Services Employed," if those costs meet the definition of Account 928 "Regulatory Commission Expenses."

⁴ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.g.

⁵ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.h.

ATTACHMENT H-1A

Atlantic City Electric Company

Formula Rate - Appendix A

Notes FERC Form 1 Page # or Instruction

2013

Shaded cells are input cells

Allocators

1	Wages & Salary Allocation Factor			
	Transmission Wages Expense		p354.21.b	\$ 1,830,179
2	Total Wages Expense		p354.28b	\$ 28,590,665
3	Less A&G Wages Expense		p354.27b	\$ 1,045,224
4	Total		(Line 2 - 3)	27,545,441
5	Wages & Salary Allocator		(Line 1 / 4)	6.6442%
Plant Allocation Factors				
6	Electric Plant In Service	(Note B)	p207.104g	\$ 2,762,757,177
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	2,762,757,177
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	\$ 722,998,244
10	Accumulated Intangible Amortization		p200.21c	\$ 23,938,932
11	Accumulated Common Amortization - Electric	(Note A)	p356	\$ -
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	\$ -
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	746,937,176
14	Net Plant		(Line 8 - 13)	2,015,820,001
15	Transmission Gross Plant		(Line 29 - Line 28)	797,369,431
16	Gross Plant Allocator		(Line 15 / 8)	28.8614%
17	Transmission Net Plant		(Line 39 - Line 28)	571,627,600
18	Net Plant Allocator		(Line 17 / 14)	28.3571%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 787,143,444
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	655,709
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	787,799,153
23	General & Intangible		p205.5.g & p207.99.g	\$ 144,039,204
24	Common Plant (Electric Only)	(Notes A & B)	p356	\$ -
25	Total General & Common		(Line 23 + 24)	144,039,204
26	Wage & Salary Allocation Factor		(Line 5)	6.64422%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	9,570,278
28	Plant Held for Future Use (Including Land)	(Note C)	p214	782,029
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	798,151,460
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 220,777,696
31	Accumulated General Depreciation		p219.28.c	\$ 50,774,689
32	Accumulated Intangible Amortization		(Line 10)	23,938,932
33	Accumulated Common Amortization - Electric		(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12)	0
35	Total Accumulated Depreciation		(Sum Lines 31 to 34)	74,713,621
36	Wage & Salary Allocation Factor		(Line 5)	6.64422%
37	General & Common Allocated to Transmission		(Line 35 * 36)	4,964,135
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	225,741,831
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	572,409,629

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-160,179,297
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	0
42	Net Plant Allocation Factor	(Notes A & I)	(Line 18)	28.36%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-160,179,297
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B)	p216.43.b as Shown on Attachment 6	0
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-2,206,434
Prepayments				
45	Prepayments	(Note A)	Attachment 5	8,324,605
46	Total Prepayments Allocated to Transmission		(Line 45)	8,324,605
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,626,598
48	Wage & Salary Allocation Factor		(Line 5)	6.64%
49	Total Transmission Allocated		(Line 47 * 48)	108,075
50	Transmission Materials & Supplies		p227.8c	\$ 1,617,885
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	1,725,960
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	15,982,065
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	1,997,758
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)	-150,337,408
59	Rate Base		(Line 39 + 58)	422,072,221

O&M

60	Transmission O&M				
61	Transmission O&M		p321.112.b	\$	12,052,882
62	Less extraordinary property loss		Attachment 5		0
63	Plus amortized extraordinary property loss		Attachment 5		0
64	Less Account 565		p321.96.b	\$	-
65	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	\$	-
66	Plus Transmission Lease Payments	(Note A)	p200.3c	\$	-
66	Transmission O&M		(Lines 60 - 63 + 64 + 65)		12,052,882
Allocated General & Common Expenses					
67	Common Plant O&M	(Note A)	p356	\$	-
68	Total A&G		p323.197.b	\$	62,286,747
69	Less Property Insurance Account 924		p323.185b	\$	382,417
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$	4,144,900
71	Less General Advertising Exp Account 930.1		p323.191b	\$	254,678
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	\$	-
73	Less EPRI Dues	(Note D)	p352-353	\$	-
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)		57,504,752
75	Wage & Salary Allocation Factor		(Line 5)		6.6442%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)		3,820,741
Directly Assigned A&G					
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b		0
78	General Advertising Exp Account 930.1	(Note K)	p323.191b		0
79	Subtotal - Transmission Related		(Line 77 + 78)		0
80	Property Insurance Account 924		p323.185b	\$	382,417
81	General Advertising Exp Account 930.1	(Note F)	p323.191b		0
82	Total		(Line 80 + 81)		382,417
83	Net Plant Allocation Factor		(Line 18)		28.36%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)		108,442
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)		15,982,065

Depreciation & Amortization Expense

Depreciation Expense					
86	Transmission Depreciation Expense		p336.7b&c		18,602,770
87	General Depreciation		p336.10b&c		6,516,593
88	Intangible Amortization	(Note A)	p336.1d&e		51,891
89	Total		(Line 87 + 88)		6,568,484
90	Wage & Salary Allocation Factor		(Line 5)		6.6442%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)		436,424
92	Common Depreciation - Electric Only	(Note A)	p336.11.b		0
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d		0
94	Total		(Line 92 + 93)		0
95	Wage & Salary Allocation Factor		(Line 5)		6.6442%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)		0
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)		19,039,194

Taxes Other than Income

98	Taxes Other than Income		Attachment 2		867,622
99	Total Taxes Other than Income		(Line 98)		867,622

Return / Capitalization Calculations

Long Term Interest					
100	Long Term Interest		p117.62c through 67c		67,173,739
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8		14,894,670
102	Long Term Interest		*(Line 100 - line 101)*		52,279,069
103	Preferred Dividends	enter positive	p118.29c	\$	-
Common Stock					
104	Proprietary Capital		p112.16c	\$	868,953,100
105	Less Preferred Stock	enter negative	(Line 114)		0
106	Less Account 216.1	enter negative	p112.12c	\$	-
107	Common Stock		(Sum Lines 104 to 106)		868,953,100
Capitalization					
108	Long Term Debt		p112.17c through 21c	\$	1,071,319,580
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	\$	(8,625,030)
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	\$	-
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1		-2,750,501
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8		-192,104,580
113	Total Long Term Debt		(Sum Lines 108 to 112)		867,839,469
114	Preferred Stock		p112.3c	\$	-
115	Common Stock		(Line 107)		868,953,100
116	Total Capitalization		(Sum Lines 113 to 115)		1,736,792,569
117	Debt %	Total Long Term Debt	(Note Q) (Line 113 / 116)		50%
118	Preferred %	Preferred Stock	(Note Q) (Line 114 / 116)		0%
119	Common %	Common Stock	(Note Q) (Line 115 / 116)		50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)		0.0602
121	Preferred Cost	Preferred Stock	(Line 103 / 114)		0.0000
122	Common Cost	Common Stock	(Note J) Fixed		0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)		0.0301
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)		0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)		0.0585
126	Total Return (R)		(Sum Lines 123 to 125)		0.0866
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)		36,559,998

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.99%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	40.85%
132	T/(1-T)		69.05%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I) enter negative	\$ (848,130)
134	T/(1-T)	p266.8f (Line 132)	69.05%
135	Net Plant Allocation Factor	(Line 18)	28.3571%
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	-406,577
137	Income Tax Component =	$CIT = (T/(1-T)) * Investment\ Return * (1 - (WCLTD/R)) =$	[Line 132 * 127 * (1 - (123 / 126))] 16,466,764
138	Total Income Taxes	(Line 136 + 137)	16,060,187

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	572,409,629
140	Adjustment to Rate Base	(Line 58)	-150,337,408
141	Rate Base	(Line 59)	422,072,221
142	O&M	(Line 85)	15,982,065
143	Depreciation & Amortization	(Line 97)	19,039,194
144	Taxes Other than Income	(Line 99)	867,622
145	Investment Return	(Line 127)	36,559,998
146	Income Taxes	(Line 138)	16,060,187
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	88,509,067
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	787,143,444
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	787,143,444
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	88,509,067
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	88,509,067
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	2,913,639
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	85,595,428
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	85,595,428
158	Net Transmission Plant	(Line 19 - 30)	566,365,748
159	Net Plant Carrying Charge	(Line 157 / 158)	15.1131%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	11.8285%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.5377%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	32,975,243
163	Increased Return and Taxes	Attachment 4	56,187,782
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	89,163,025
165	Net Transmission Plant	(Line 19 - 30)	566,365,748
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	15.7430%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	12.4584%
168	Net Revenue Requirement	(Line 156)	85,595,428
169	True-up amount	Attachment 6	1,756,086
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	438,009
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)	Attachment 5	-
172	Net Zonal Revenue Requirement	(Line 168 - 169 + 171)	87,789,524
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	2,739
174	Rate (\$/MW-Year)	(Line 172 / 173)	32,049
175	Network Service Rate (\$/MW/Year)	(Line 174)	32,049

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 $p =$ "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. Per FERC order in Docket No. ER08-10, the ROE is 11.30%, which includes a 50 basis-point RTO membership adder as authorized by FERC to become effective on December 1, 2007. Per FERC orders in Docket Nos. ER08-686 and ER08-1423, the ROE for specific projects identified or to be identified in Attachment 7 is 12.80%, which includes a 150 basis-point transmission incentive ROE adder as authorized by FERC to become effective June 1, 2008 and November 1, 2008 respectively.
- J 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.

Atlantic City Electric Company

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	-	(573,852,567)	-	
ADIT-283		(14)	(23,113,988)	(46,208,221)
ADIT-190	74,977	51,160,461	5,162,435	
Subtotal	74,963	(545,806,094)	(41,045,786)	(586,776,917)
Wages & Salary Allocator			6.6442%	
Gross Plant Allocator		28.8614%		
ADIT	74,963	(157,527,089)	(2,727,171)	(160,179,297)

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 11
Amount 2,750,501

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 item with amounts exceeding \$100,000 will be listed separately

	A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
ADIT-190							
190 BAD DEBT RESERVE		4,186,017	4,186,017				Under the Tax Reform Act of 1986, taxpayers were required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. The amount represents the add back of book reserve - Retail related.
190 ACCRUAL SEVERANCE		1,573,180				1,573,180	For book purposes, the costs are expensed when a formal plan is adopted and the employees to be severed have been identified. For tax purposes, the costs are deductible when they are paid to the severed individual.
190 ENVIRONMENTAL EXPENSE		692,559	692,559				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. This book reserve is primarily related to Deepwater and BL England sites which should not be in transmission service. Generation Related.
190 MARK TO MARKET § 475 ADJUSTMENT		36,290			36,290		Pursuant to IRC Sec 475, the company is taking deduction to mark-to-market its accounts receivable. For book purposes, the receivables remained valued at their original amounts. Reflects unbilled revenues and customer accounts receivables. Applies to all functions.
190 OPEB		14,495,601				14,495,601	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(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 SECTION 461(H) - PREPAID INSURANCE		2,208,537			2,208,537		Book records a deduction for accrual liabilities of worker compensation and T&D property insurance. A tax deduction is only allowed for actual payments made. Related to both T & D plant
190 SERP		(149,116)				(149,116)	Affects company personnel across all functions
190 NOL		50,376,485			50,376,485		Related to both T & D plant
190 Stranded Costs		5,382,146	5,382,146				All Generation related
190 Accrued Liab - Auto		170,395				170,395	Affects company personnel across all functions:
190 Accrued Liab - Misc.		2,483,650			2,483,650		Related to T&D plant
190 Deferred Comp		347,779				347,779	For book purposes, deferred compensation and deferred payments are expensed when accrued. For tax purposes, they are not deducted until paid. Affects company personnel across all functions.
190 Accrued Liability - General		1,571,450			1,571,450		Related to T&D plant
190 Accrued Liability - Health Claim		275,152				275,152	Affects company personnel across all functions:
190 Accrued Vacation		2,360,016				2,360,016	Affects company personnel across all functions:
190 Charitable Contribution Limit		1,017,500	1,017,500				Related to gas, production or other
190 Income from Partnerships/Trusts		(151,927)	(151,927)				Related to gas, production or other
190 Accumulated Deferred Investment Tax Credit		1,979,863			1,979,863		Related to T&D plant
190 Reg Asset - FERC Formula Rate Adj. Trans. Svc		74,977		74,977			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
190 1999 AMT		(6,376,247)			(6,376,247)		Plant related
190 Accrued Liability - Directors' Fees		(45,057)			(45,057)		Related to T&D plant
190 BGS Deferred Related - Retail		15,632,782	15,632,782				Retail related
190 Accrued Sick Pay		585,028				585,028	Affects company personnel across all functions:
190 Use Tax Reserve		905,354			905,354		Related to T&D plant
190 Other		629	629				Related to gas, production or other
190 Subtotal - p234		99,633,043	26,759,706	74,977	53,140,324	19,658,036	
Less FASB 109 Above if not separately removed		1,979,863				1,979,863	
190 Less FASB 106 Above if not separately removed		14,495,601				14,495,601	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(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 Total		83,157,579	26,759,706	74,977	51,160,461	5,162,435	

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

Atlantic City Electric Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A		B	C	D	E	F	G
		Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
282	Plant Related	(573,852,567)			(573,852,567)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
	Subtotal - p275	(573,852,567)	-	-	(573,852,567)	-	
	Less FASB 109 Above if not separately removed	-	-	-	-	-	
	Less FASB 106 Above if not separately removed	-	-	-	-	-	
282	Total	(573,852,567)	-	-	(573,852,567)	-	

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

A		B	C	D	E	F	G
		Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
283	LOSS ON REACO DEBT	2,750,501	2,750,501				The cost of bond redemption is deductible currently for tax purposes and is amortized over the life of the new bond issue for book purposes. Excluded here since included in Cost of Debt
283	ASBESTOS REMOVAL	(2)	(2)				Costs incurred and paid by the company for asbestos removal were tax deductible in full as paid. These costs were deferred and amortized for book purposes. Generation related.
283	Misc Deferred Debits - Retail	(44,319)	(44,319)				Retail related
283	DEFERRED EXPENSE CLEARING	(939,131)			(939,131)		Reflects the deferred taxes generated as a result of the tax deductions taken for actual store room expenses. For book purposes, these amounts were recorded as an asset in FERC account 163.
283	DSM COSTS	(117,333)	(117,333)				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. Retail related.
283	Gross up on FAS 109 Deferred Taxes	(125,573,935)			(125,573,935)		FAS 109 Plant related
283	Stranded Costs	(52,369,659)	(52,369,659)				All Generation related
283	PENSION PAYMENT RESERVE	(43,361,260)				(43,361,260)	Affects company personnel across all functions
283	NUG BUYOUT	(16,218,049)	(16,218,049)				Generation related
283	AMORT of OPEB	(2)				(2)	OPEB, labor related and relates to all functions
283	Regulatory Asset - General	(460,163)				(460,163)	Regulatory liability for universal service func
283	Regulatory Asset - SREC Program	(3,520,409)	(3,520,409)				Generation related - Solar Renewable Energy Certificate Program
283	Regulatory Asset - NJ RGGI	(677,248)	(677,248)				Related to gas, production or other
283	Reg Asset - FERC Formula Rate Adj. Trans. Svc	(14)		(14)			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
283	BCS Deferred Related - Retail	(47,647,942)	(47,647,942)				Retail related
283	Accrued Vacation	(2,386,794)				(2,386,794)	Affects company personnel across all functions
283	Decommissioning & Decontamination	(21,144)	(21,144)				Related to gas, production or other
283	Reg Asset-NJ Rec-Base	(12,621,823)			(12,621,823)		Related to both T & D plant
283	Interest on Contingent Taxes	(9,553,035)			(9,553,035)		Estimated book interest income on prior year taxes not included for tax purposes
283	Income from Partnerships/Trusts	(55,170)	(55,170)				Related to gas, production or other
283	Other	109,630,903	109,630,903				Related to gas, production or other
283	Subtotal - p277 (Form 1-F filer: see note 6, below)	(203,186,030)	(8,289,872)	(14)	(148,687,924)	(46,208,221)	
283	Less FASB 109 Above if not separately removed	(125,573,935)			(125,573,935)		
283	Less FASB 106 Above if not separately removed	-					
283	Total	(77,612,095)	(8,289,872)	(14)	(23,113,988)	(46,208,221)	

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

Atlantic City Electric Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

	Item	Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A	Total	
3	Amortization		
4	Amortization to line 133 of Appendix A	Total	5,307,291 848,130
5	Total	5,307,291	848,130
6	Total Form No. 1 (p. 266 & 267)	Form No. 1 balance (p. 266)	5,307,291 848,130
7	Difference /1		0 0

/1 Difference must be zero

Atlantic City Electric 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)	2,493,450		
2 Personal property	-		
3 City License	-		
4 State Excise	22,093		
Total Plant Related	2,515,543	28.8614%	726,020
Labor Related		Wages & Salary Allocator	
5 Federal FICA & Unemployment	1,739,343		
6 Unemployment	378,543		
Total Labor Related	2,117,886	6.6442%	140,717
Other Included		Gross Plant Allocator	
7 Miscellaneous	3,068		
Total Other Included	3,068	28.8614%	885
Total Included			867,622
Excluded			
8 State Franchise tax	-		
9 TEFA	9,618,651		
10 Use & Sales Tax	1,283,637		
11 Total "Other" Taxes (included on p. 263)	15,538,784		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	15,538,784		
13 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

Atlantic City Electric Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1 Rent from Electric Property - Transmission Related (Note 3)		897,752
2 Total Rent Revenues	(Sum Line 1)	897,752

Account 456 - Other Electric Revenues (Note 1)

3 Schedule 1A		\$ 869,402
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)		1,159,331
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)		619,380
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11 Gross Revenue Credits	(Sum Lines 2-10)	3,545,865
12 Less line 17g		(632,226)
13 Total Revenue Credits		2,913,639

Revenue Adjustment to determine Revenue Credit

14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 173 of Appendix A.

15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

17a Revenues included in lines 1-11 which are subject to 50/50 sharing.		897,752
17b Costs associated with revenues in line 17a		366,700
17c Net Revenues (17a - 17b)		531,052
17d 50% Share of Net Revenues (17c / 2)		265,526
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)		265,526
17g Line 17f less line 17a		(632,226)
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.		12,100,865
19 Amount offset in line 4 above		82,465,252
20 Total Account 454, 456 and 456.1		98,111,982
21 Note 4: SECA revenues booked in Account 447.		

Atlantic City Electric 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)	56,187,782
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	422,072,221
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	67,173,739
101	Less LTD Interest on Securitization B _i (Note P)		Attachment 8	14,894,670
102	Long Term Interest		"(Line 100 - line 101)"	52,279,069
103	Preferred Dividends	enter positive	p118.29c	0
Common Stock				
104	Proprietary Capital		p112.16c	868,953,100
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	0
107	Common Stock		(Sum Lines 104 to 106)	868,953,100
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,071,319,580
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-8,625,030
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	-2,750,501
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-192,104,580
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)	867,839,469
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	868,953,100
116	Total Capitalization		(Sum Lines 113 to 115)	1,736,792,569
117	Debt %	(Note Q from Appendix A) Total Long Term Debt	(Line 113 / 116)	50%
118	Preferred %	(Note Q from Appendix A) Preferred Stock	(Line 114 / 116)	0%
119	Common %	(Note Q from Appendix A) Common Stock	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0602
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	Appendix A % plus 100 Basis Pts	0.1230
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0301
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0615
126	Total Return (R)		(Sum Lines 123 to 125)	0.0916
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	38,670,359

Composite Income Taxes

(Note L)

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.99%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.85%
132	T / (1-T)			69.05%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	p266.8f	-848,130
134	T/(1-T)		(Line 132)	69.05%
135	Net Plant Allocation Factor		(Line 18)	28.3571%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-406,577
137	Income Tax Component =	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		17,924,000
138	Total Income Taxes			17,517,423

Atlantic City Electric 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	\$ 23,938,932	23,938,932	0	Respondent is Electric Utility only.
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	0	0	0	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	5,307,291	5,307,291	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,626,598	1,626,598	0	Respondent is Electric Utility only.
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3c	0			
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	51,891	51,891	0	Respondent is Electric Utility only.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	0	0	0	
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	

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) Directly Assigned A&G	(Note C)	p214	12,898,257	782,029	12,116,228	Transmission Right of Way - Carl's Corner to Landis
73	Regulatory Commission Exp Account 928	(Note C)	p323.160b	4,144,900	0	4,144,900	

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	2,762,757,177	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	787,143,444	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	220,777,696	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	
Allocated General & Common Expenses							
73	Less EPRI Dues	(Note D)	p352-353	0	0	See Form 1	

Atlantic City Electric 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
Allocated General & Common Expenses							
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	4,144,900	0	4,144,900	Transmission related.
Directly Assigned A&G							
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b	4,144,900	0	4,144,900	Transmission related.

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
Directly Assigned A&G							
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	254,678	-	254,678	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
Income Tax Rates									
129	SIT=State Income Tax Rate or Composite	(Note I)	8.9945%	NJ 9.00%	PA 9.990%				Enter Calculation Apportioned: NJ 8.8866%, PA 0.1079%

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
Directly Assigned A&G							
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	254,678	-	254,678	None

Excluded Plant Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
149	Excluded Transmission Facilities	(Note M)	Attachment 5	-	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					
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:				Or	
Example				Enter \$	
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

Atlantic City Electric Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

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			6,795,874	6.64%	451,533	
	Plant Related			6,080,453	28.86%	1,754,902	
	Other				0.00%	-	
	Total Transmission Related Reserves			12,876,327		2,206,434	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments			
45 Prepayments							
5	Wages & Salary Allocator		6.644%	To Line 45			
	Pension Liabilities, if any, in Account 242	-	6.644%				
	Prepayments	\$ 19,134,338	6.644%	1,271,327			
	Prepaid Pensions if not included in Prepayments	\$ 106,156,644	6.644%	7,053,278			
		125,290,982		8,324,605			

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	\$ -	\$ -

Atlantic City Electric Company

Attachment 5 - Cost Support

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 Interest on Network Credits	(Note N)	PJM Data	0	General Description of the Credits
				Enter \$	None
<i>Add more lines if necessary</i>					

Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)

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 paid to Vineland per settlement in ER05-515 (Note R)	-	Settlement agreement.

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 1 CP Peak	(Note L)	PJM Data	2,739.2	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Atlantic City Electric Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 11,562,337	\$ 10,010,186	\$ 20,420,219	\$ 4,233,966	\$ 46,226,708
Procurement & Administrative Services	5,632,450	4,165,574	9,450,856	317,756	19,566,636
Financial Services & Corporate Expenses	12,850,395	9,859,694	19,011,916	2,033,696	43,755,701
Insurance Coverage and Services	2,213,905	1,986,871	2,788,985	953,842	7,943,603
Human Resources	5,038,304	3,260,389	7,121,984	886,448	16,307,125
Legal Services	3,059,464	2,466,012	6,423,114	392,003	12,340,593
Audit Services	794,646	539,535	1,635,686	165,684	3,135,551
Customer Services	48,387,200	35,710,808	31,764,265	5,264	115,867,537
Utility Communication Services	97,515	-	150,770	-	248,285
Information Technology	15,258,104	10,897,942	33,943,020	299,235	60,398,301
External Affairs	2,912,889	2,316,651	4,804,603	379,617	10,413,760
Environmental Services	1,565,438	1,288,953	1,896,091	114,341	4,864,823
Safety Services	354,376	372,034	549,507	-	1,275,917
Regulated Electric & Gas T&D	30,083,042	23,758,286	42,089,790	15,969	95,947,087
Internal Consulting Services	566,310	347,896	876,072	-	1,790,278
Interns	179,453	83,801	207,544	210	471,008
Cost of Benefits	13,046,438	8,259,393	20,727,891	-	42,033,722
Building Services	8,916	103,717	5,007,690	2,288,416	7,408,739
Total	\$ 153,611,182	\$ 115,427,742	\$ 208,870,003	\$ 12,086,447	\$ 489,995,374

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, 2013
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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	60,366,527	148,288,038	215,438	208,870,003
2	Delmarva Power & Light Company	39,151,966	114,302,402	156,814	153,611,182
3	Atlantic City Electric Company	24,662,631	90,645,605	119,506	115,427,742
4	Pepco Energy Services, Inc.	2,777,499	6,713,524	11,618	9,502,641
5	Conectiv, LLC	11,767	55,656	563	67,986
6	Potomac Capital Investment Corporation	576,358	297,172	661	874,191
7	Thermal Energy Limited Partnership	15,648	601,358	572	617,578
8	ATS Operating Services, Inc.	114	291,725	285	292,124
9	Atlantic Southern Properties	14,398	171,009	248	185,655
10	Conectiv Energy Supply, Inc.	18,264	21,562	119	39,945
11	Pepco Holdings, Inc.	139,689	36,414	145	176,248
12	Conectiv Properties and Investments, Inc.	25,260	129,408	174	154,842
13	Conectiv Thermal Systems	2,917	100,349	102	103,368
14	Conectiv Communications, Inc.	69	8,798	11	8,878
15	Atlantic City Electric Transition Funding, LLC	30,739	2,906	16	33,661
16	Conectiv North East, LLC	257	4,446	5	4,708
17	Delaware Operating Services Company	228	13,936	8	14,172
18	ATE Investments, Inc.	1,848	969	4	2,821
19	Atlantic Generation, Inc.	109	928	2	1,039
20	Conectiv Services II, Inc.	344	6,113	3	6,460
21	Conectiv Solutions LLC	125	5		130
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	127,796,757	361,692,323	506,294	489,995,374

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2013
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	23,545,999	16,722,578	34,632,825	-	74,901,402	Not included
182.3	Other Regulatory Assets	10,488,915	114,841	11,696,727	-	22,300,483	Not included
184	Clearing Accounts - Other	(12,476)	(61,040)	78,748	(2,468)	2,764	Not included
408.1	Taxes other than inc taxes, utility operating inc	-	39,805	-	-	39,805	Not included
416-421	Other Income - Below the Line	374,987	626,685	587,151	12,088,915	13,677,738	Not included
426.1-426.5	Other Income Deductions - Below the Line	603,681	462,744	995,381	-	2,061,806	Not included
430	Interest-Debt to Associated Companies	229,913	175,178	315,777	-	720,868	Not included
431	Interest-Short Term Debt	(73,099)	(55,672)	(100,339)	-	(229,110)	Not included
556	System cont & load dispatch	1,602,698	1,401,597	1,249,833	-	4,254,128	Not included
557	Other expenses	1,311,562	1,194,307	1,669,382	-	4,175,251	Not included
560	Operation Supervision & Engineering	1,882,601	1,864,185	3,206,474	-	6,953,260	100% Inclusion
561	Load dispatching	-	48	-	-	48	100% Inclusion
561.1	Load Dispatching - Reliability	35,915	34,780	30,031	-	100,726	100% Inclusion
561.2	Load Dispatch - Monitor & Operate Transmission Sys	53,681	17,527	992,559	-	1,063,767	100% Inclusion
561.3	Load Dispatch - Transmission Service & Scheduling	47,778	54,385	28,496	-	130,659	100% Inclusion
561.5	Reliability, Planning and Standards	129,486	121,848	3,951	-	255,285	100% Inclusion
562	Station expenses	-	-	8,754	-	8,754	100% Inclusion
564	Underground Line Expenses - Transmission	-	-	6,434	-	6,434	100% Inclusion
566	Miscellaneous transmission expenses	457,843	240,714	463,170	-	1,161,727	100% Inclusion
568	Maintenance Supervision & Engineering	280,592	252,490	262,052	-	795,134	100% Inclusion
569.2	Maintenance of Computer Software	501,967	251,719	734,765	-	1,488,451	100% Inclusion
569.4	Maintenance of Transmission Plant	-	-	265	-	265	100% Inclusion
570	Maintenance of station equipment	150,049	86,648	405,920	-	642,617	100% Inclusion
571	Maintenance of overhead lines	132,737	177,852	244,888	-	555,477	100% Inclusion
572	Maintenance of underground lines	4,047	512	3,448	-	8,007	100% Inclusion
573	Maintenance of miscellaneous transmission plant	27,446	21,698	111,154	-	160,298	100% Inclusion
580	Operation Supervision & Engineering	658,487	331,800	755,181	-	1,745,468	Not included
581	Load dispatching	791,810	514,823	1,666,584	-	2,973,217	Not included
582	Station expenses	1,020,749	-	135,130	-	1,155,879	Not included
583	Overhead line expenses	73,167	132,571	27,597	-	233,335	Not included
584	Underground line expenses	26,046	-	112,600	-	138,646	Not included
585	Street lighting	2,232	-	91	-	2,323	Not included
586	Meter expenses	911,716	775,017	1,612,452	-	3,299,185	Not included
587	Customer installations expenses	48,804	73,395	494,290	-	616,489	Not included
588	Miscellaneous distribution expenses	3,840,313	4,228,331	6,315,909	-	14,384,553	Not included
589	Rents	27,645	21,112	-	-	48,757	Not included
590	Maintenance Supervision & Engineering	1,043,191	810,300	477,972	-	2,331,463	Not included
591	Maintain structures	-	-	3,880	-	3,880	Not included
592	Maintain equipment	481,027	422,133	1,051,748	-	1,954,908	Not included
593	Maintain overhead lines	880,924	696,824	1,702,388	-	3,280,136	Not included
594	Maintain underground line	76,399	58,003	671,570	-	805,972	Not included
595	Maintain line transformers	-	1,470	238,899	-	240,369	Not included
596	Maintain street lighting & signal systems	38,198	40,063	17,510	-	95,771	Not included
597	Maintain meters	17,551	34,757	64,712	-	117,020	Not included
598	Maintain distribution plant	30,723	17,358	885,881	-	933,962	Not included
800-894	Total Gas Accounts	2,213,518	-	-	-	2,213,518	Not included
902	Meter reading expenses	309,864	39,342	51,290	-	400,496	Not included
903	Customer records and collection expenses	36,340,896	35,227,261	31,444,855	-	103,013,012	Not included
907	Supervision - Customer Svc & Information	107,975	339,488	129,572	-	577,035	Not included
908	Customer assistance expenses	1,772,603	546,602	774,562	-	3,093,767	Not included
909	Informational & instructional advertising	111,858	28,138	157,175	-	297,171	Not included
913	Advertising expense	34,536	-	-	-	34,536	Not included
920	Administrative & General salaries	335,615	90,550	587,356	-	1,013,521	Wage & Salary Factor
921	Office supplies & expenses	49,363	39,388	77,162	-	165,913	Wage & Salary Factor
923	Outside services employed	48,324,843	39,986,311	81,108,695	-	169,419,849	Wage & Salary Factor
924	Property insurance	96,402	82,096	187,290	-	365,788	Net Plant Factor
925	Injuries & damages	1,937,057	1,600,813	3,065,515	-	6,603,385	Wage & Salary Factor
926	Employee pensions & benefits	7,077,618	3,685,817	11,260,050	-	22,023,485	Wage & Salary Factor
928	Regulatory commission expenses	1,376,532	485,623	2,624,783	-	4,486,938	Direct Transmission only
929	Duplicate charges-Credit	329,386	133,081	1,370,676	-	1,833,143	Wage & Salary Factor
930.1	General ad expenses	9,007	8,683	42,842	-	60,532	Direct Transmission only
930.2	Miscellaneous general expenses	1,130,320	998,849	2,006,066	-	4,135,235	Wage & Salary Factor
935	Maintenance of general plant	308,485	232,314	119,874	-	660,673	Wage & Salary Factor
Total		153,611,182	115,427,742	208,870,003	12,086,447	489,995,374	

Atlantic City Electric 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)
79,847,077 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					7.5	-	-	-	-	-	-	-	-
Jun	4,520,489				6.5	29,383,176	-	-	-	2,448,598	-	-	-
Jul	637,095				5.5	3,504,024	-	-	-	292,002	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total	5,157,584					32,887,200	-	-	-	2,740,600	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)										2,740,600	-	-	-
										2,740,600	-	-	-
										2,740,600	-	-	2,740,600
										5.62	#DIV/0!	#DIV/0!	#DIV/0!

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
 \$ 2,740,600 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site
 80,130,375 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)
 \$ 80,130,375

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
85,984,003 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 \$ 55,049,516 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	5,846,081				11.5	67,229,933	-	-	-	5,602,494	-	-	-	
Feb	6,198,950				10.5	65,088,975	-	-	-	5,424,081	-	-	-	
Mar	(606,687)				9.5	(5,763,524)	-	-	-	(480,294)	-	-	-	
Apr	7,293,039				8.5	61,990,835	-	-	-	5,165,903	-	-	-	
May	12,901,428				7.5	96,760,710	-	-	-	8,063,392	-	-	-	
Jun	7,822,009				6.5	50,843,057	-	-	-	4,236,921	-	-	-	
Jul	3,193,241				5.5	17,562,827	-	-	-	1,463,569	-	-	-	
Aug	(1,069,876)				4.5	(4,814,441)	-	-	-	(401,203)	-	-	-	
Sep	775,948				3.5	2,715,820	-	-	-	226,318	-	-	-	
Oct	2,934,441				2.5	7,336,103	-	-	-	611,342	-	-	-	
Nov	2,975,047				1.5	4,462,571	-	-	-	371,681	-	-	-	
Dec	6,785,893				0.5	3,392,946	-	-	-	282,746	-	-	-	
Total	55,049,516					366,805,811	-	-	-	30,567,151	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										30,567,151	-	-	-	
										Input to Line 21 of Appendix A	30,567,151	-	-	30,567,151
										Input to Line 43a of Appendix A	-	-	-	-
										Month In Service or Month for CWIP	5.34	#DIV/0!	#DIV/0!	#DIV/0!
83,512,979 Result of Formula for Reconciliation														
(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	217,980				4.5	980,911	-	-	-	81,743	-	-	-	
Sep	1,967,886				3.5	6,887,601	-	-	-	573,967	-	-	-	
Oct					2.5	-	-	-	-	-	-	-	-	
Nov					1.5	-	-	-	-	-	-	-	-	
Dec					0.5	-	-	-	-	-	-	-	-	
Total	2,185,866					7,868,512	-	-	-	655,709	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										655,709	-	-	-	
										Input to Line 21 of Appendix A	655,709	-	-	655,709
										Input to Line 43a of Appendix A	-	-	-	-
										Month In Service or Month for CWIP	8.40	#DIV/0!	#DIV/0!	#DIV/0!
86,033,437														

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		
83,512,979	-	81,816,934	=	1,696,045

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	141,337	0.2800%	11.5	4,551	145,888
Jul	Year 1	141,337	0.2800%	10.5	4,155	145,492
Aug	Year 1	141,337	0.2800%	9.5	3,760	145,097
Sep	Year 1	141,337	0.2800%	8.5	3,364	144,701
Oct	Year 1	141,337	0.2800%	7.5	2,968	144,305
Nov	Year 1	141,337	0.2800%	6.5	2,572	143,909
Dec	Year 1	141,337	0.2800%	5.5	2,177	143,514
Jan	Year 2	141,337	0.2800%	4.5	1,781	143,118
Feb	Year 2	141,337	0.2800%	3.5	1,385	142,722
Mar	Year 2	141,337	0.2800%	2.5	989	142,326
Apr	Year 2	141,337	0.2800%	1.5	594	141,931
May	Year 2	141,337	0.2800%	0.5	198	141,535
Total		1,696,045				1,724,539

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	1,724,539	0.2800%	146,341	1,583,027
Jul	Year 2	1,583,027	0.2800%	146,341	1,441,119
Aug	Year 2	1,441,119	0.2800%	146,341	1,298,813
Sep	Year 2	1,298,813	0.2800%	146,341	1,156,110
Oct	Year 2	1,156,110	0.2800%	146,341	1,013,006
Nov	Year 2	1,013,006	0.2800%	146,341	869,502
Dec	Year 2	869,502	0.2800%	146,341	725,596
Jan	Year 3	725,596	0.2800%	146,341	581,287
Feb	Year 3	581,287	0.2800%	146,341	436,574
Mar	Year 3	436,574	0.2800%	146,341	291,456
Apr	Year 3	291,456	0.2800%	146,341	145,932
May	Year 3	145,932	0.2800%	146,341	0
Total with interest				1,756,086	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 1,756,086
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 86,033,437
 Revenue Requirement for Year 3 87,789,524

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 87,789,524 Post results of Step 3 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)
 \$ 87,789,524

Atlantic City Electric Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest	
101	Less LTD Interest on Securitization Bonds	14,894,670
	Capitalization	
112	Less LTD on Securitization Bonds	192,104,580

Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2013 FERC Form 1
Pages 256-257 "Long Term Debt (Account 221, 222, 223, and 224)"
Line 25 "Note Payable to ACE Transition Funding - variable"
LTD Interest on Securitization Bonds in column (i)
LTD on Securitization Bonds in column (h)