



701 Ninth Street, NW
Suite 1100
Washington, DC 20068

Amy L. Blauman
Associate General Counsel

202-872-2122
202-331-6767 Fax
alblauman@pepcoholdings.com

May 15, 2014

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

Re: Delmarva Power & Light Company (“Delmarva”)
Informational Filing of 2014 Formula Rate Annual Update in
Docket No. ER09-1158 and Pursuant to Approved Settlement Agreement
in Docket Nos. ER05-515-000, *et al.*

Dear Ms. Bose,

Delmarva 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, Delmarva [Delmarva Power & Light 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 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

¹ See Settlement Agreement, Exhibit B-1 containing PJM Tariff Attachment H3-E, Section 1.b.

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.²

Delmarva'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).

Delmarva has made no Material Accounting Changes as defined in the Settlement.³ Delmarva has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.⁴ Additionally, Delmarva 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
Delmarva Power & Light Company

Enclosures

² See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1158 (February 17, 2010).

³ See Settlement Agreement, Exhibit B-3 containing PJM Tariff Attachment H-3E, Section 1.f.(iii). For the Commission's information, Delmarva 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 Agreement, Exhibit B-3 containing PJM Tariff Attachment H-3E, Section 1.g.

⁵ See Settlement Agreement, Exhibit B-3 containing PJM Tariff Attachment H-3E, Section 1.h.

ATTACHMENT H-3D

Delmarva Power & Light Company

Formula Rate - Appendix A

Notes FERC Form 1 Page # or Instruction

2013

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense		p354.21.b	\$ 2,042,668
2	Total Wages Expense		p354.28b	\$ 32,790,866
3	Less A&G Wages Expense		p354.27b	\$ 3,412,589
4	Total		(Line 2 - 3)	29,378,277
5	Wages & Salary Allocator		(Line 1 / 4)	6.9530%
Plant Allocation Factors				
6	Electric Plant In Service	(Note B)	p207.104g	\$ 2,922,321,370
7	Common Plant In Service - Electric		(Line 24)	81,900,614
8	Total Plant In Service		(Sum Lines 6 & 7)	3,004,221,984
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	\$ 891,161,896
10	Accumulated Intangible Amortization	(Note A)	p200.21c	\$ 23,320,980
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,196,214
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	\$ 48,343,205
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	980,022,295
14	Net Plant		(Line 8 - 13)	2,024,199,689
15	Transmission Gross Plant		(Line 29 - Line 28)	1,027,883,741
16	Gross Plant Allocator		(Line 15 / 8)	34.2146%
17	Transmission Net Plant		(Line 39 - Line 28)	711,658,482
18	Net Plant Allocator		(Line 17 / 14)	35.1575%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 982,545,408
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	29,145,949
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	1,011,691,357
23	General & Intangible		p205.5.g & p207.99.g	150,983,216
24	Common Plant (Electric Only)	(Notes A & B)	p356	81,900,614
25	Total General & Common		(Line 23 + 24)	232,883,830
26	Wage & Salary Allocation Factor		(Line 5)	6.95299%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	16,192,384
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	1,027,883,741
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 307,591,305
31	Accumulated General Depreciation		p219.28.c	\$ 35,315,775
32	Accumulated Intangible Amortization		(Line 10)	23,320,980
33	Accumulated Common Amortization - Electric		(Line 11)	17,196,214
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12)	48,343,205
35	Total Accumulated Depreciation		(Sum Lines 31 to 34)	124,176,174
36	Wage & Salary Allocation Factor		(Line 5)	6.95299%
37	General & Common Allocated to Transmission		(Line 35 * 36)	8,633,954
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	316,225,259
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	711,658,482

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-187,530,001
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	(Notes A & I) p266.h	-4,041,576
42	Net Plant Allocation Factor		(Line 18)	35.16%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-188,950,919
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	-3,182,499
Prepayments				
45	Prepayments	(Note A)	Attachment 5	14,447,833
46	Total Prepayments Allocated to Transmission		(Line 45)	14,447,833
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ 1,812,654
48	Wage & Salary Allocation Factor		(Line 5)	6.953%
49	Total Transmission Allocated		(Line 47 * 48)	126,034
50	Transmission Materials & Supplies		p227.8c	2,173,717
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	2,299,751
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	16,557,169
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	2,069,646
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)	-173,316,188
59	Rate Base		(Line 39 + 58)	538,342,294

O&M

Transmission O&M			
60	Transmission O&M	p321.112.b	\$ 12,324,721
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)	12,324,721

Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b	\$ 69,460,734
69	Less Property Insurance Account 924	p323.185b	443,951
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	5,310,577
71	Less General Advertising Exp Account 930.1	p323.191b	253,821
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	7,177,369
73	Less EPRI Dues	(Note D) p352-353	0
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	56,275,016
75	Wage & Salary Allocation Factor	(Line 5)	6.9530%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	3,912,795

Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	163,571
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	163,571
80	Property Insurance Account 924	p323.185b	443,951
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	443,951
83	Net Plant Allocation Factor	(Line 18)	35.16%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	156,082
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	16,557,169

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	22,429,989
86a	Amortization of Abandoned Transmission Plant	Attachment 5	0
87	General Depreciation	p336.10b&c	4,626,419
88	Intangible Amortization	(Note A) p336.1d&e	28,053
89	Total	(Line 87 + 88)	4,654,472
90	Wage & Salary Allocation Factor	(Line 5)	6.9530%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	323,625
92	Common Depreciation - Electric Only	(Note A) p336.11.b	3,479,929
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	0
94	Total	(Line 92 + 93)	3,479,929
95	Wage & Salary Allocation Factor	(Line 5)	6.9530%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	241,959
97	Total Transmission Depreciation & Amortization	(Line 86 + 91 + 96)	22,995,573

Taxes Other than Income

98	Taxes Other than Income	Attachment 2	6,383,930
99	Total Taxes Other than Income	(Line 98)	6,383,930

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest	p117.62c through 67c	\$ 51,977,577
101	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
102	Long Term Interest	*(Line 100 - line 101)*	51,977,577
103	Preferred Dividends	enter positive p118.29c	-
Common Stock			
104	Proprietary Capital	p112.16c	1,029,085,292
105	Less Preferred Stock	(Line 114)	0
106	Less Account 216.1	enter negative p112.12c	2,177,779
107	Common Stock	(Sum Lines 104 to 106)	1,031,263,071
Capitalization			
108	Long Term Debt	p112.17c through 21c	1,073,230,000
109	Less Loss on Reacquired Debt	p111.81c	-13,035,330
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	1,771,785
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Sum Lines Lines 108 to 112)	1,061,966,455
114	Preferred Stock	p112.3c	0
115	Common Stock	(Line 107)	1,031,263,071
116	Total Capitalization	(Sum Lines 113 to 115)	2,093,229,526
117	Debt %	Total Long Term Debt (Line 113 / 116)	50.73%
118	Preferred %	(Line 114 / 116)	0.00%
119	Common %	Common Stock (Line 115 / 116)	49.27%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0489
121	Preferred Cost	(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)	0.0248
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0557
126	Total Return (R)	(Sum Lines 123 to 125)	0.0805
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	43,337,925

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate		35.00%	
129	SIT=State Income Tax Rate or Composite		8.39%	
130	p	(percent of federal income tax deductible for state purposes)	0.00%	
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	40.45%	
132	T/(1-T)		67.94%	
ITC Adjustment				
133	Amortized Investment Tax Credit	(Note I)		
134	T/(1-T)	enter negative	-88,888	
135	Net Plant Allocation Factor	Attachment 1	67.94%	
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	35.1575%	
			-52,482	
137	Income Tax Component =	$CIT=(T/(1-T) * Investment\ Return * (1-(WCLTD/R))) =$	[Line 132 * 127 * (1-(123 / 126))]	20,361,205
138	Total Income Taxes		(Line 136 + 137)	20,308,723

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	711,658,482
140	Adjustment to Rate Base	(Line 58)	-173,316,188
141	Rate Base	(Line 59)	538,342,294
142	O&M	(Line 85)	16,557,169
143	Depreciation & Amortization	(Line 97)	22,995,573
144	Taxes Other than Income	(Line 99)	6,383,930
145	Investment Return	(Line 127)	43,337,925
146	Income Taxes	(Line 138)	20,308,723
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	109,583,320
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	982,545,408
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	982,545,408
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	109,583,320
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	109,583,320
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	7,772,171
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	101,811,148
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	101,811,148
158	Net Transmission Plant	(Line 19 - 30)	674,954,103
159	Net Plant Carrying Charge	(Line 157 / 158)	15.0842%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	11.7610%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.3312%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	38,164,501
163	Increased Return and Taxes	Attachment 4	68,100,754
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	106,265,255
165	Net Transmission Plant	(Line 19 - 30)	674,954,103
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	15.7441%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	12.4209%
168	Net Revenue Requirement	(Line 156)	101,811,148
169	True-up amount	Attachment 6	4,013,158
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	636,174
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	14,666,395
172	Net Zonal Revenue Requirement	(Line 168 + 169 + 170 + 171 + 171a)	121,126,876
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	4,019
174	Rate (\$/MW-Year)	(Line 172 / 173)	30,141
175	Network Service Rate (\$/MW/Year)	(Line 174)	30,141

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 $p = \frac{\text{FIT}}{\text{FIT} + \text{SIT}}$ "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.

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	-	(580,608,998)	-	(580,608,998)
ADIT-283	(12,993,094)	(20,015,726)	(95,737,592)	(128,746,412)
ADIT-190	4,378,343	92,380,875	23,517,626	120,276,844
Subtotal	(8,614,751)	(508,243,850)	(72,219,966)	(589,078,566)
Wages & Salary Allocator			6.95307%	
Gross Plant Allocator		34.21464%		
ADIT	(8,614,751)	(173,893,804)	(5,021,445)	(187,530,001)
Total				(1,771,785)

Note: ADIT associated with Gain or Loss on Recquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111 Amount

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 Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Merrill Creek Excess Capacity		4,643,267	4,643,267				This represents deferred tax generated as a result of an extraordinary charge deducted for books relating to impaired assets due to the effects of deregulation. For tax purposes, the impairment did not give rise to a tax deduction. Deductions for tax are nondeductible.
Merrill Creek Excess Capacity Contra		(267,679)	(267,679)				This contra account represents an adjustment to the Merrill Creek Excess Capacity deferred tax generated relating to impaired assets due to the effects of deregulation.
Allowance for Doubtful Accounts		4,838,885	4,838,885				Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year period. The reserve method is used for book purposes. Related to all revenues.
Charitable Contributions		77,075	77,075				PHI's consolidated return is in an NOL situation, therefore, Pope's charitable contributions are carried forward until such time as PHI is in a taxable income position. For book purposes, the contributions are expensed when incurred. Related to all functions.
Deferred TTC		1,958,760			1,958,760		Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
Environmental Expense		1,411,352	1,411,352				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.
Reg Liability - FERC Formula Rate Adj		45,583		45,583			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Claims Reserve		891,665			891,665		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.
Merrill Creek - Rent		3,216,937	3,216,937				These deferred taxes are the result of rent being recorded ratably over the life of the lease for book purposes. For tax, rent is deductible when economic performance occurs. This asset is Generation related.
MERRILL CREEK RENT CONTRA		(442,050)	(442,050)				This contra account represents an adjustment to the Merrill Creek Rent deferred tax generated relating to rent deductible for tax purposes upon economic performance.
PJM Member Defaults		2,852			2,852		This relates to the reversal of the accrual that was book for GAAP. During December 2007 two members of PJM were declared in default on their obligations to PJM. These items are not deductible for tax purposes until paid.
Miscellaneous		(232)			(232)		Immaterial timing differences.
Pension And Other Labor Related		6,918,795				6,918,795	Affects company personnel across all functions.
OPEB		10,761,719				10,761,719	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 VERA or 401(k) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
Reg Asset - Storm Costs		5,778,124	5,778,124				A regulatory asset was established for the costs associated with Hurricane Irene in third quarter 2012. For book purposes the costs are expense immediately, while for book purposes the costs are amortized.
Federal and State NOL		132,699,989	22,240,567	4,332,760	89,527,830	16,598,832	PHI's consolidated return is in an NOL situation, therefore NOLs are carried forward until such time as PHI is in a taxable income position. DPL also has stand alone state taxable losses for 2008 forward. Also includes MD NOL of 6.6M that was created from an amended return.
SFAS 109 - Regulatory Liability Electric		16,844,424			16,844,424		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.
SFAS 109 - Regulatory Liability Gas		726,398	726,398				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.
Other		(1,958,789)	(1,958,789)				Related to Gas, Production or Other.
Subtotal - p234		186,147,074	38,264,087	4,378,343	109,225,298	34,279,345	
Less FASB 109 Above if not separately removed		17,570,822	726,398		16,844,424		
Less FASB 106 Above if not separately removed		10,761,719				10,761,719	
Total		157,814,534	37,537,689	4,378,343	92,380,875	23,517,626	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F

- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded
- Re: Form I-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. I-F, p.113.37.c

Delmarva Power & Light Company

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT-282	A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
EAS 109		(106,108,557)	(50,218,667)		(55,889,890)		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.
Plant Related		(580,608,998)			(580,608,998)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
Subtotal - p275		(686,717,555)	(50,218,667)		(636,498,888)		
Less FASB 109 Above if not separately removed		(106,108,557)	(50,218,667)		(55,889,890)		
Less FASB 106 Above if not separately removed							
Total		(580,608,998)	-	-	(580,608,998)	-	

Instructions for Account 282:

- ADIT items related only to Non-Electric
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are
- Re: Form I-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. I-F, p.113.37.c

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

ADIT-283	A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Distribution Related	Only Transmission Related	Plant Related	Labor Related	Justification	
Merger Costs	(6,551,941)	(6,644,742)				92,801	Reflects deferred taxes generated on Delmarva Power & Light Company / Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Materials Reserve	(754,550)	(754,550)					This represents deferred tax generated as a result of a deduction taken for amounts set aside in a reserve for book purposes. For tax no deduction is permitted until economic performance takes place. These reserves are related to deregulation of Energy.
Blueprint for the Future	(9,727,656)				(9,727,656)		When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Deferred Fuel	306,727	306,727					Difference between actual fuel expense as compared to the fuel expense computed in accordance with fuel adjustment clause formula is deferred on books. In accordance with Section 162 Ordinary and Necessary Business Expenses and Section 461 Rules for Taxable year of Deduction, fuel costs are deductible in the year incurred for federal tax purposes. Rate surcharges are includable in the taxable year the underlying monthly bill is adjusted. Refunds are deductible in the taxable year that the liability is fixed and economic performance has occurred. These deferred taxes are the result of this book/tax difference. Generation Related.
Deferred Fuel Interest	(323,587)	(323,587)					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. Retail related.
Reacquired Debt	(1,771,785)	(1,771,785)					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.
Property Taxes	(4,428,604)	(4,428,604)					For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Unregulated related.
Reg. Asset- COPCO Acquisition Adjustment	(9,101,261)				(9,101,261)		Amortization of COPCO acquisition adjustment. Beginning unamortized balance \$40,456,550.00 represents recovery of the regulatory asset per Docket 9093, Order 81518, refers to MD Docket 8583, Order 71719; offset account 114000 Plant Acq Adj. Amortizing monthly. Fully amortized in 2010.
Reg. Asset- Other Reg. Assets	(47,546,045)	(47,546,045)					Represents various costs which we are, or will be through a future rate case, getting recovery through rate base.
Reg. Asset - FERC Formula Rate Adj	(573,456)			(573,456)			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Reg. Asset - Transmission MAPP	(12,419,638)		(12,419,638)				Represents deferred taxes on MAPP abandonment costs that are currently deductible for income tax purposes, versus amounts included in the MAPP Regulatory Asset that are amortized to book expense over a longer time period.
Reg. Asset - DSM DLC Program	(10,941,762)	(10,941,762)					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.
Wilmington Coal Gas Site Cleanup	49	49					Timing differences related to Gas operations.
Interest on Contingent Taxes	(1,186,899)				(1,186,899)		Estimated book interest income on prior year taxes not included for tax purposes.
SFAS 109- Regulatory Asset Electric	(129,443,249)			(33,612,856)	(95,830,393)		Pursuant to the requirements of SFAS 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.
SFAS 109- Regulatory Asset Gas	(279,719)	(279,719)					Pursuant to the requirements of SFAS 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.
Other	(469,107)	(469,107)					Related to Gas, Production or Other
Subtotal - p277 (Form I-F filer: see note 6, below)	(235,212,393)	(72,853,125)	(12,993,094)	(53,628,382)	(95,737,592)		
Less FASB 109 Above if not separately removed	(33,892,575)	(279,719)		(33,612,856)			
Less FASB 106 Above if not separately removed	-						
Total	(201,319,818)	(72,573,405)	(12,993,094)	(20,015,726)	(95,737,592)		

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 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255	Item	Cumulative Balance	2011 Activity Amortization	
	Rate Base Treatment			
	Balance to line 41 of Appendix A	4,041,576	476,426	Post 1980
	Amortization			
	Amortization to line 133 of Appendix A	724,087	88,888	Pre 1981
	Total	4,765,663	565,314	
	Total Form No. 1 (p.266 & 267)	4,765,663	565,314	
	Difference /1	check	-	-

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	18,074,198		
2 Personal property	-		
3 Federal/State Excise	27,298		
4			
5			
6			
Total Plant Related	18,101,496	34.2146%	6,193,362
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	2,637,574		
8 Unemployment	102,484		
9			
10			
11			
Total Labor Related	2,740,058	6.9530%	190,516
Other Included		Gross Plant Allocator	
12 Miscellaneous	152		
13			
14			
Total Other Included	152	34.2146%	52
Total Included	20,841,706		6,383,930
Excluded			
15 State Franchise Tax	6,851,764		
16 Gross Receipts	214,058		
17 Sales and Use	522,073		
18 Utility Tax for Delmarva	6,517,279		
19 City License			
20			
21 Total "Other" Taxes (included on p. 263)	34,946,880		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	34,946,880		
23 Difference	-		

Criteria for Allocation:

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

Delmarva Power & Light Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	1,871,791
2	Total Rent Revenues (Sum Line 1)	1,871,791
Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	\$ 1,467,553
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)	1,322,797
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)	4,424,536
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-
11	Gross Revenue Credits (Sum Lines 2-10)	9,086,677
12	Less line 17g	(1,314,506)
13	Total Revenue Credits	7,772,171
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.	1,871,791
17b	Costs associated with revenues in line 17a	757,220
17c	Net Revenues (17a - 17b)	1,114,571
17d	50% Share of Net Revenues (17c / 2)	557,286
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)	557,286
17g	Line 17f less line 17a	(1,314,506)
18	<p>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.</p>	7,955,148
19	Amount offset in line 4 above	98,495,789
20	Total Account 454, 456 and 456.1	115,537,613
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)	68,100,754
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	538,342,294
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	51,977,577
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	51,977,577
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,029,085,292
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)	1,031,263,071
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,073,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-13,035,330
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	1,771,785
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,061,966,455
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,031,263,071
116	Total Capitalization		(Sum Lines 113 to 115)	2,093,229,526
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50.73%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	49.27%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0489
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	0.1230
123	Weighted Cost of Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0248
124	Weighted Cost of Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost of Common Stock		(Line 119 * 122)	0.0606
126	Total Return (R)		(Sum Lines 123 to 125)	0.0854
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	45,990,154

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.39%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.45%
132	T / (1-T)			67.94%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(88,888)
134	T/(1-T)		(Line 132)	68%
135	Net Plant Allocation Factor		(Line 18)	35.1575%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-52,482
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	22,163,082
138	Total Income Taxes		(Line 136 + 137)	22,110,600

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	46,033,078	23,320,980	22,712,098	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	20,471,683	17,196,214	3,275,469	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	57,648,216	48,343,205	9,305,011	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	100,306,937	81,900,614	18,406,323	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	4,765,665	4,323,645	442,020	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,866,329	1,812,654	53,676	97.124% Electric, 2.876% Non-Electric
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	28,053	28,053	0	See FERC Form 2, Page 337, Line 1, Column h for non-electric portion.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	3,479,929	3,479,929	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) Directly Assigned A&G	(Note C)	p214	3,050,685	0	3,050,685	Specific identification based on plant records: The following plant investments are included:
73	Regulatory Commission Exp Account 928	(Note C)	p323.160b	5,310,577	163,571	5,147,006	Enter Details
							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	2,922,321,370	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	982,545,408	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	81,900,614	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	307,591,305	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	-	-		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	\$ 5,310,577	163,571	5,147,006	FERC related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	5,310,577	163,571	5,147,006	FERC 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
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	253,821	0	253,821	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)	8.39%	MD 8.25%	PA 9.990%	VA 6%	DE 8.7%	OH 5.10%	Enter Calculation Apportioned: PA 0.0089%, VA 0.2928%, DE 6.7587%, MD 2.8168%, OH 0.0027%, NY 0.0016%

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	253,821	0	253,821	None

Excluded Plant Cost Support

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

Add more lines if necessary

Outstanding Network Credits Cost Support

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

Add more lines if necessary

Delmarva Power & Light Company

Attachment 5 - Cost Support

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Allocation	Transmission Related	Details
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)	Enter \$		Amount	
	Directly Assignable to Transmission	-	100%	-	
	Labor Related, General plant related or Common Plant related	36,914,258	6.953%	2,566,644	
	Plant Related	1,799,976	34.215%	615,855	
	Other		0.00%	-	
	Total Transmission Related Reserves	38,714,234		3,182,499	

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	-	5.841%	-
	Prepayments	\$ 19,335,109	5.841%	1,129,269
	Prepaid Pensions if not included in Prepayments	\$ 228,037,705	5.841%	13,318,564
		247,372,814	5.84%	14,447,833
5	Wages & Salary Allocator	6.953%		
	Electric vs Gas	84% Based on Modified Wisconsin Method		
	Modified Wages & Salaries Allocator	5.841%		

Add more lines if necessary

Extraordinary Property Loss

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

Interest on Outstanding Network Credits Cost Support

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

Add more lines if necessary

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

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate		(Note L) PJM Data	4,018.7	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

Delmarva Power & Light 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
---	---	--	---------------------------------------

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	Connectiv, LLC	11,767	56,656	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	Connectiv Energy Supply, Inc.	18,264	21,562	119	39,945
11	Pepco Holdings, Inc.	139,689	36,414	145	176,248
12	Connectiv Properties and Investments, Inc.	25,260	129,408	174	154,842
13	Connectiv Thermal Systems	2,917	100,349	102	103,368
14	Connectiv Communications, Inc.	69	8,798	11	8,878
15	Atlantic City Electric Transition Funding, LLC	30,739	2,906	16	33,661
16	Connectiv 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	Connectiv Services II, Inc.	344	6,113	3	6,460
21	Connectiv 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	696,624	1,702,388	-	3,280,136	Not included
594	Maintain underground line	76,399	58,003	671,970	-	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	

Delmarva Power & Light Company

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

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

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
- 7 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds and CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates Cap Adds and CWIP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)
 91,572,540 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			36,139,908		11.5	-	-	415,608,938	-	-	-	34,634,078	-	
Feb					10.5	-	-	-	-	-	-	-	-	
Mar			(36,139,908)		9.5	-	-	(343,329,123)	-	-	-	(28,610,760)	-	
Apr	16,467,349				8.5	139,972,470	-	-	-	11,664,373	-	-	-	
May	8,824,256				7.5	66,181,920	-	-	-	5,515,160	-	-	-	
Jun	37,674,034				6.5	244,881,224	-	-	-	20,406,769	-	-	-	
Jul					5.5	-	-	-	-	-	-	-	-	
Aug					4.5	-	-	-	-	-	-	-	-	
Sep					3.5	-	-	-	-	-	-	-	-	
Oct					2.5	-	-	-	-	-	-	-	-	
Nov	318,141				1.5	477,212	-	-	-	39,768	-	-	-	
Dec	-				0.5	-	-	-	-	-	-	-	-	
Total	63,283,781					451,512,826	-	-	-	37,626,069	-	6,023,318	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										37,626,069	-	6,023,318	-	
										37,626,069	-	6,023,318	-	
										Input to Line 21 of Appendix A				37,626,069
										Input to Line 43a of Appendix A			6,023,318	6,023,318
										Month In Service or Month for CWIP	4.87	#DIV/0!	#DIV/0!	#DIV/0!

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
 \$ 37,626,069 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site
 96,165,272 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)
 \$ 96,165,272

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
 111,649,911 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 \$ 112,444,938 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	(483,638)		36,139,908		11.5	(5,561,842)	-	415,608,938	-	(463,487)	-	34,634,078	-		
Feb	3,797,943				10.5	39,878,404	-	-	-	3,323,200	-	-	-		
Mar	3,013,304		(36,139,908)		9.5	28,626,387	-	(343,329,123)	-	2,385,532	-	(28,610,760)	-		
Apr	19,641,459				8.5	166,952,398	-	-	-	13,912,700	-	-	-		
May	1,434,002				7.5	10,755,015	-	-	-	896,251	-	-	-		
Jun	14,569,686				6.5	94,702,962	-	-	-	7,891,913	-	-	-		
Jul	3,049,112				5.5	16,770,116	-	-	-	1,397,510	-	-	-		
Aug	(110,004)				4.5	(495,020)	-	-	-	(41,252)	-	-	-		
Sep	28,757,156				3.5	100,650,045	-	-	-	8,387,504	-	-	-		
Oct	14,064,989				2.5	35,162,472	-	-	-	2,930,206	-	-	-		
Nov	10,978,377				1.5	16,467,565	-	-	-	1,372,297	-	-	-		
Dec	13,732,554				0.5	6,866,277	-	-	-	572,190	-	-	-		
Total	112,444,938	-	-	-		510,774,780	-	-	-	42,564,565	-	6,023,318	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										42,564,565	-	6,023,318	-		
										Input to Line 21 of Appendix A				42,564,565	
										Input to Line 43a of Appendix A				6,023,318	
										Month In Service or Month for CWIP		7.46	#DIV/0!	#DIV/0!	#DIV/0!

105,082,905 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 & line 20
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

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

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)		
Jan					11.5	-	-	-	-	-	-	-	-		
Feb	14,832,964				10.5	155,746,123	-	-	-	12,978,844	-	-	-		
Mar	8,914,481				9.5	84,687,572	-	-	-	7,057,298	-	-	-		
Apr					8.5	-	-	-	-	-	-	-	-		
May	14,575,693				7.5	109,317,694	-	-	-	9,109,808	-	-	-		
Jun					6.5	-	-	-	-	-	-	-	-		
Jul					5.5	-	-	-	-	-	-	-	-		
Aug					4.5	-	-	-	-	-	-	-	-		
Sep					3.5	-	-	-	-	-	-	-	-		
Oct					2.5	-	-	-	-	-	-	-	-		
Nov					1.5	-	-	-	-	-	-	-	-		
Dec					0.5	-	-	-	-	-	-	-	-		
Total	38,323,138	-	-	-		349,751,389	-	-	-	29,145,949	-	-	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										29,145,949	-	-	-		
										Input to Line 21 of Appendix A				29,145,949	
										Input to Line 43a of Appendix A				-	
										Month In Service or Month for CWIP		2.87	#DIV/0!	#DIV/0!	#DIV/0!

117,113,718

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		
105,082,905	-	98,833,120	=	6,249,785

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	520,815	0.2800%	11.5	16,770	537,586
Jul	Year 1	520,815	0.2800%	10.5	15,312	536,127
Aug	Year 1	520,815	0.2800%	9.5	13,854	534,669
Sep	Year 1	520,815	0.2800%	8.5	12,395	533,211
Oct	Year 1	520,815	0.2800%	7.5	10,937	531,753
Nov	Year 1	520,815	0.2800%	6.5	9,479	530,294
Dec	Year 1	520,815	0.2800%	5.5	8,021	528,836
Jan	Year 2	520,815	0.2800%	4.5	6,562	527,378
Feb	Year 2	520,815	0.2800%	3.5	5,104	525,919
Mar	Year 2	520,815	0.2800%	2.5	3,646	524,461
Apr	Year 2	520,815	0.2800%	1.5	2,187	523,003
May	Year 2	520,815	0.2800%	0.5	729	521,545
Total		6,249,785				6,354,781

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	6,354,781	0.2800%	539,253	5,833,322
Jul	Year 2	5,833,322	0.2800%	539,253	5,310,403
Aug	Year 2	5,310,403	0.2800%	539,253	4,786,019
Sep	Year 2	4,786,019	0.2800%	539,253	4,260,168
Oct	Year 2	4,260,168	0.2800%	539,253	3,732,843
Nov	Year 2	3,732,843	0.2800%	539,253	3,204,043
Dec	Year 2	3,204,043	0.2800%	539,253	2,673,762
Jan	Year 3	2,673,762	0.2800%	539,253	2,141,995
Feb	Year 3	2,141,995	0.2800%	539,253	1,608,740
Mar	Year 3	1,608,740	0.2800%	539,253	1,073,992
Apr	Year 3	1,073,992	0.2800%	539,253	537,747
May	Year 3	537,747	0.2800%	539,253	-
Total with interest				6,471,031	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest		4,013,158
Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)	\$	117,113,718
Revenue Requirement for Year 3		121,126,876

10 May Year 3 Post results of Step 9 on PJM web site
\$ 121,126,876 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)
\$ 121,126,876

y FERC to become effective June 1, 2008 and November 1, 2008 respective

BO272.1 Keeney 500kV Sub				BO751 Keeney - Additional Breakers on 500kV Bus				BO566 Trappe Tap - Todd				BO733 Harmony Add 2nd 230/138 Auto Tr								
Yes				Yes				No				No								
35				35				35				35								
No				No				No				No								
0				0				150				0								
11.7610%				11.7610%				11.7610%				11.7610%								
11.7610%				11.7610%				12.7508%				11.7610%								
217,662				5,055,041				16,372,433				10,567,349								
6,219				144,430				467,784				301,924								
6				6				12				4								
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit		
208,334	6,219	202,115	29,990	4,838,396	144,430	4,693,967	696,486	15,904,649	467,784	15,436,865	2,283,309	10,366,066	301,924	10,064,142	1,485,565	\$	11,843,778	\$	11,843,778	
208,334	6,219	202,115	29,990	4,838,396	144,430	4,693,967	696,486	15,904,649	467,784	15,436,865	2,436,114	10,366,066	301,924	10,064,142	1,485,565	\$	12,479,952	\$	12,479,952	
202,115	6,219	195,896	29,258	4,693,967	144,430	4,549,537	679,499	15,436,865	467,784	14,969,082	2,228,293	10,064,142	301,924	9,762,218	1,450,056	\$	11,546,731	\$	11,546,731	
202,115	6,219	195,896	29,258	4,693,967	144,430	4,549,537	679,499	15,436,865	467,784	14,969,082	2,376,467	10,064,142	301,924	9,762,218	1,450,056	\$	12,162,384	\$	12,162,384	
195,896	6,219	189,677	28,527	4,549,537	144,430	4,405,107	662,513	14,969,082	467,784	14,501,298	2,173,277	9,762,218	301,924	9,460,293	1,414,547	\$	11,249,684	\$	11,249,684	
195,896	6,219	189,677	28,527	4,549,537	144,430	4,405,107	662,513	14,969,082	467,784	14,501,298	2,316,821	9,762,218	301,924	9,460,293	1,414,547	\$	11,844,816	\$	11,844,816	
189,677	6,219	183,458	27,795	4,405,107	144,430	4,260,677	645,527	14,501,298	467,784	14,033,514	2,118,261	9,460,293	301,924	9,158,369	1,379,037	\$	10,952,637	\$	10,952,637	
189,677	6,219	183,458	27,795	4,405,107	144,430	4,260,677	645,527	14,501,298	467,784	14,033,514	2,257,175	9,460,293	301,924	9,158,369	1,379,037	\$	11,527,247	\$	11,527,247	
183,458	6,219	177,239	27,064	4,260,677	144,430	4,116,248	628,540	14,033,514	467,784	13,565,730	2,063,245	9,158,369	301,924	8,856,445	1,343,528	\$	10,655,590	\$	10,655,590	
183,458	6,219	177,239	27,064	4,260,677	144,430	4,116,248	628,540	14,033,514	467,784	13,565,730	2,197,528	9,158,369	301,924	8,856,445	1,343,528	\$	11,209,679	\$	11,209,679	
177,239	6,219	171,020	26,333	4,116,248	144,430	3,971,818	611,554	13,565,730	467,784	13,097,946	2,008,230	8,856,445	301,924	8,554,521	1,308,019	\$	10,358,543	\$	10,358,543	
177,239	6,219	171,020	26,333	4,116,248	144,430	3,971,818	611,554	13,565,730	467,784	13,097,946	2,137,882	8,856,445	301,924	8,554,521	1,308,019	\$	10,892,111	\$	10,892,111	
171,020	6,219	164,801	25,601	3,971,818	144,430	3,827,388	594,568	13,097,946	467,784	12,630,163	1,953,214	8,554,521	301,924	8,252,596	1,272,510	\$	10,061,496	\$	10,061,496	
171,020	6,219	164,801	25,601	3,971,818	144,430	3,827,388	594,568	13,097,946	467,784	12,630,163	2,078,236	8,554,521	301,924	8,252,596	1,272,510	\$	10,574,542	\$	10,574,542	
164,801	6,219	158,582	24,870	3,827,388	144,430	3,682,958	577,581	12,630,163	467,784	12,162,379	1,898,198	8,252,596	301,924	7,950,672	1,237,001	\$	9,764,448	\$	9,764,448	
164,801	6,219	158,582	24,870	3,827,388	144,430	3,682,958	577,581	12,630,163	467,784	12,162,379	2,018,589	8,252,596	301,924	7,950,672	1,237,001	\$	10,256,974	\$	10,256,974	
158,582	6,219	152,363	24,138	3,682,958	144,430	3,538,529	560,595	12,162,379	467,784	11,694,595	1,843,182	7,950,672	301,924	7,648,748	1,201,491	\$	9,467,401	\$	9,467,401	
158,582	6,219	152,363	24,138	3,682,958	144,430	3,538,529	560,595	12,162,379	467,784	11,694,595	1,958,943	7,950,672	301,924	7,648,748	1,201,491	\$	9,939,406	\$	9,939,406	
152,363	6,219	146,144	23,407	3,538,529	144,430	3,394,099	543,609	11,694,595	467,784	11,226,811	1,788,166	7,648,748	301,924	7,346,824	1,165,982	\$	9,170,354	\$	9,170,354	
152,363	6,219	146,144	23,407	3,538,529	144,430	3,394,099	543,609	11,694,595	467,784	11,226,811	1,899,297	7,648,748	301,924	7,346,824	1,165,982	\$	9,621,838	\$	9,621,838	
146,144	6,219	139,926	22,676	3,394,099	144,430	3,249,669	526,622	11,226,811	467,784	10,759,027	1,733,150	7,346,824	301,924	7,044,899	1,130,473	\$	8,873,307	\$	8,873,307	
146,144	6,219	139,926	22,676	3,394,099	144,430	3,249,669	526,622	11,226,811	467,784	10,759,027	1,839,650	7,346,824	301,924	7,044,899	1,130,473	\$	9,304,269	\$	9,304,269	
139,926	6,219	133,707	21,944	3,249,669	144,430	3,105,239	509,636	10,759,027	467,784	10,291,244	1,678,134	7,044,899	301,924	6,742,975	1,094,964	\$	8,576,260	\$	8,576,260	
139,926	6,219	133,707	21,944	3,249,669	144,430	3,105,239	509,636	10,759,027	467,784	10,291,244	1,780,004	7,044,899	301,924	6,742,975	1,094,964	\$	8,986,701	\$	8,986,701	
133,707	6,219	127,488	21,213	3,105,239	144,430	2,960,810	492,650	10,291,244	467,784	9,823,460	1,623,118	6,742,975	301,924	6,441,051	1,059,454	\$	8,279,213	\$	8,279,213	
133,707	6,219	127,488	21,213	3,105,239	144,430	2,960,810	492,650	10,291,244	467,784	9,823,460	1,720,357	6,742,975	301,924	6,441,051	1,059,454	\$	8,669,133	\$	8,669,133	
127,488	6,219	121,269	20,481	2,960,810	144,430	2,816,380	475,663	9,823,460	467,784	9,355,676	1,568,102	6,441,051	301,924	6,139,127	1,023,945	\$	7,982,166	\$	7,982,166	
127,488	6,219	121,269	20,481	2,960,810	144,430	2,816,380	475,663	9,823,460	467,784	9,355,676	1,660,711	6,441,051	301,924	6,139,127	1,023,945	\$	8,351,564	\$	8,351,564	
.....	\$	-	\$	-
.....	\$	-	\$	-
																\$	233,464,711	\$	223,984,684	

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

