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May 15, 2015

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 2015 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 2015 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 2015 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

2014

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,235,652
2	Total Wages Expense	p354.28b	\$ 34,313,374
3	Less A&G Wages Expense	p354.27b	\$ 3,377,539
4	Total	(Line 2 - 3)	30,935,835
5	Wages & Salary Allocator	(Line 1 / 4)	7.2267%
Plant Allocation Factors			
6	Electric Plant In Service	(Note B) p207.104g (see attachment 5)	\$ 3,192,117,914
7	Common Plant In Service - Electric	(Line 24)	82,032,638
8	Total Plant In Service	(Sum Lines 6 & 7)	3,274,150,552
9	Accumulated Depreciation (Total Electric Plant)	p219.29c (see attachment 5)	\$ 887,220,973
10	Accumulated Intangible Amortization	p200.21c	\$ 16,730,843
11	Accumulated Common Amortization - Electric	(Note A) p356	14,756,945
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356	\$ 50,295,314
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	969,004,075
14	Net Plant	(Line 8 - 13)	2,305,146,477
15	Transmission Gross Plant	(Line 29 - Line 28)	1,159,115,438
16	Gross Plant Allocator	(Line 15 / 8)	35.4020%
17	Transmission Net Plant	(Line 39 - Line 28)	835,403,954
18	Net Plant Allocator	(Line 17 / 14)	36.2408%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 1,106,861,017
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	34,972,552
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	1,141,833,569
23	General & Intangible	p205.5.g & p207.99.g (see attachment 5)	157,105,239
24	Common Plant (Electric Only)	(Notes A & B) p356	82,032,638
25	Total General & Common	(Line 23 + 24)	239,137,877
26	Wage & Salary Allocation Factor	(Line 5)	7.22674%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	17,281,870
28	Plant Held for Future Use (Including Land)	(Note C) p214	0
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	1,159,115,438
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 315,157,898
31	Accumulated General Depreciation	p219.28.c (see attachment 5)	\$ 36,577,148
32	Accumulated Intangible Amortization	(Line 10)	16,730,843
33	Accumulated Common Amortization - Electric	(Line 11)	14,756,945
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	50,295,314
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	118,360,250
36	Wage & Salary Allocation Factor	(Line 5)	7.22674%
37	General & Common Allocated to Transmission	(Line 35 * 36)	8,553,586
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	323,711,484
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	835,403,954

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	-218,839,378
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative p266.h	-3,565,147
42	Net Plant Allocation Factor	(Notes A & I) (Line 18)	36.24%
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * 42) + Line 40	-220,131,416
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	-3,256,349
Prepayments			
45	Prepayments	(Note A) Attachment 5	14,108,076
46	Total Prepayments Allocated to Transmission	(Line 45)	14,108,076
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	\$ 1,337,066
48	Wage & Salary Allocation Factor	(Line 5)	7.227%
49	Total Transmission Allocated	(Line 47 * 48)	96,626
50	Transmission Materials & Supplies	p227.8c	2,393,774
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + 50)	2,490,400
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 85)	17,856,240
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * 53)	2,232,030
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)	-204,557,259
59	Rate Base	(Line 39 + 58)	630,846,696

O&M

Transmission O&M			
60	Transmission O&M	p321.112.b (see attachment 5)	\$ 13,510,520
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)	13,510,520
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b (see attachment 5)	\$ 63,403,531
69	Less Property Insurance Account 924	p323.185b	428,408
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	5,526,205
71	Less General Advertising Exp Account 930.1	p323.191b	54,489
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	6,301,065
73	Less EPRI Dues	(Note D) p352-353	135,782
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	50,957,582
75	Wage & Salary Allocation Factor	(Line 5)	7.2267%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	3,682,571
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	507,890
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	507,890
80	Property Insurance Account 924	p323.185b	428,408
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	428,408
83	Net Plant Allocation Factor	(Line 18)	36.24%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	155,259
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	17,856,240

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	25,643,218
86a	Amortization of Abandoned Transmission Plant	Attachment 5	0
87	General Depreciation	p336.10b&c	6,020,028
88	Intangible Amortization	(Note A) p336.1d&e	28,053
89	Total	(Line 87 + 88)	6,048,081
90	Wage & Salary Allocation Factor	(Line 5)	7.2267%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	437,079
92	Common Depreciation - Electric Only	(Note A) p336.11.b	3,347,736
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	0
94	Total	(Line 92 + 93)	3,347,736
95	Wage & Salary Allocation Factor	(Line 5)	7.2267%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	241,932
97	Total Transmission Depreciation & Amortization	(Line 86 + 91 + 96)	26,322,229

Taxes Other than Income

98	Taxes Other than Income	Attachment 2	6,737,756
99	Total Taxes Other than Income	(Line 98)	6,737,756

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest	p117.62c through 67c	\$ 49,729,877
101	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
102	Long Term Interest	*(Line 100 - line 101)*	49,729,877
103	Preferred Dividends	enter positive p118.29c	-
Common Stock			
104	Proprietary Capital	p112.16c	1,165,514,531
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)	1,167,692,310
Capitalization			
108	Long Term Debt	p112.17c through 21c	1,173,230,000
109	Less Loss on Reacquired Debt	p111.81c	-11,518,147
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	1,171,979
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Sum Lines 108 to 112)	1,162,883,832
114	Preferred Stock	p112.3c	0
115	Common Stock	(Line 107)	1,167,692,310
116	Total Capitalization	(Sum Lines 113 to 115)	2,330,576,142
117	Debt %	Total Long Term Debt (Line 113 / 116)	49.90%
118	Preferred %	Preferred Stock (Line 114 / 116)	0.00%
119	Common %	Common Stock (Line 115 / 116)	50.10%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0428
121	Preferred Cost	(Line 103 / 114)	0.0000
122	Common Cost	(Note J) Fixed	0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0213
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0566
126	Total Return (R)	(Sum Lines 123 to 125)	0.0780
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	49,177,396

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		40.45%
132	T/(1-T)	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	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	36.2408%
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	-54,099
137	Income Tax Component =	$CIT=(T/(1-T) * Investment\ Return * (1-(WCLTD/R))) =$	24,265,058
138	Total Income Taxes	(Line 136 + 137)	24,210,958

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	835,403,954
140	Adjustment to Rate Base	(Line 58)	-204,557,259
141	Rate Base	(Line 59)	630,846,695
142	O&M	(Line 85)	17,856,240
143	Depreciation & Amortization	(Line 97)	26,322,229
144	Taxes Other than Income	(Line 99)	6,737,756
145	Investment Return	(Line 127)	49,177,396
146	Income Taxes	(Line 138)	24,210,958
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	124,304,579
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	1,106,861,017
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	1,106,861,017
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	124,304,579
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	124,304,579
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	7,923,085
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	116,381,494
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	116,381,494
158	Net Transmission Plant	(Line 19 - 30)	791,703,119
159	Net Plant Carrying Charge	(Line 157 / 158)	14.7001%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	11.4611%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.1915%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	42,993,140
163	Increased Return and Taxes	Attachment 4	78,696,445
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	121,689,586
165	Net Transmission Plant	(Line 19 - 30)	791,703,119
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	15.3706%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	12.1316%
168	Net Revenue Requirement	(Line 156)	116,381,494
169	True-up amount	Attachment 6	2,821,486
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	625,498
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	12,208,522
172	Net Zonal Revenue Requirement	(Line 168 + 169 +170+ 171+171a)	132,037,000
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	3,875
174	Rate (\$/MW-Year)	(Line 172 / 173)	34,074
175	Network Service Rate (\$/MW/Year)	(Line 174)	34,074

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{the percentage of federal income tax deductible for state income taxes}}{\text{FIT} + \text{SIT}}$. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$. A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income. 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	-	(682,359,489)	-	(682,359,489)
ADIT-283	(9,887,404)	(3,174,586)	(81,902,215)	(94,964,205)
ADIT-190	778,505	108,656,593	5,737,895	115,172,993
Subtotal	(9,108,899)	(576,877,482)	(76,164,320)	(662,150,701)
Wages & Salary Allocator				
Gross Plant Allocator		35.40202%	7.2267%	
Total	(9,108,899)	(204,226,282)	(5,504,190)	(218,839,378)

Note: ADIT associated with Gain or Loss on Recaptured Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111
Amount (1,171,979)

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
Allowance for Doubtful Accounts		4,447,323	4,447,323				Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year period. The reserve method is used for book purposes. Related to all revenues.
Charitable Contributions		1,462,799	1,462,799				PHI's consolidated return is in an NOL situation, therefore, Pepco's charitable contributions are carried forward until such time as PHI is in a taxable income position. For book purposes, the contributions are expensed when incurred. Related to all functions.
Claims Reserve		979,881	137,183		842,698		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. 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.
Deferred ITC		1,718,406	240,577		1,477,829		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Pursuant to the requirements of FAS 109, DPI'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		1,181,246	1,181,246				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.
Merrill Creek		6,576,642	6,576,642				These deferred taxes are the result of rent being recorded ratably over the life of the lease for book purposes. For tax, rent is deductible when economic performance occurs. This asset is Generation related. This contra account represents an adjustment to the Merrill Creek Rent deferred tax generated relating to rent deductible for tax purposes upon economic performance.
OPEB		9,991,433	1,398,801			8,592,634	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. 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.
Other (190)		(13,055)	10,084		(25,586)	2,447	Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. 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 VEBAs or 401(b) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
Other Labor Related Accruals		6,669,126	933,678			5,735,448	Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Affects company personnel across all functions.
Reg Liab - FERC Formula Adj.		778,505		778,505			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Reg Liab - Other		4,355,308	4,355,308				Represents various costs which we are, or will be through a future rate case, getting recovery through rate base.
Renewable Energy Credits		4,525,912	4,525,912				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.
FAS 109 Deferred Taxes - 190		1,309,796	183,371		1,126,424		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Pursuant to the requirements of FAS 109, DPI's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related entirely to plant. These items are removed below.
Federal and State NOL		125,394,743	17,555,264		107,839,481		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. 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. DPI also has stand alone state taxable losses for 2008 forward. Also includes MD NOL of 6.6M that was created from an amended return.
Subtotal - p234		169,378,069	43,008,188	778,505	111,260,846	14,330,530	
Less FASB 109 Above if not separately removed		3,028,201	423,948		2,604,253		
Less FASB 106 Above if not separately removed		9,991,433	1,398,801			8,592,634	
Total		156,358,432	41,185,439	778,505	108,656,593	5,737,895	

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. Rec Form I-F filter: 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

ADIT-282	A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission	E Plant	F Labor	G Justification
Plant Related - APB 11 Deferred Taxes		(749,142,191)	(66,782,702)		(682,359,489)		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
Plant Related - FAS109 Deferred Taxes		(28,676,767)	(4,014,746)		(24,662,021)		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
Subtotal - p275		(777,818,958)	(70,797,448)		(707,021,510)		
Less FASB 109 Above if not separately removed		(28,676,767)	(4,014,746)		(24,662,021)		
Less FASB 106 Above if not separately removed							
Total		(749,142,191)	(66,782,702)		(682,359,489)		

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

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

ADIT-283	A	B Total	C Gas, Prod Or Other Distribution Related	D Only Transmission	E Plant Related	F Labor Related	G Justification
Blueprint for the Future		(6,373,100)	(6,373,100)				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		(2,012,779)	(2,012,779)				Difference between actual fuel expense as compared to the fuel expense computed in accordance with fuel adjustment clause formulas as deferred on books. In accordance with Section 162 Ordinary and Necessary Business Expenses and Section 461 Rules for Taxable year of Deduction, fuel costs are deductible in the year incurred for federal tax purposes. Rate surcharges are includable in the taxable year the underlying monthly bill is adjusted. Refunds are deductible in the taxable year that the liability is fixed and economic performance has occurred. These deferred taxes are the result of this book/tax difference. Generation Related.
Deferred Fuel Interest		(7,468)	(7,468)				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.
Interest on Contingent Taxes		(1,268,490)	(177,589)		(1,090,901)		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Estimated book interest income on prior year taxes not included for tax purposes.
Materials Reserve		(559,988)	(78,397)			(481,588)	Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. 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.
Merger Costs		(6,569,285)	(6,569,285)				Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Pension		(89,335,198)	(12,506,928)			(76,828,270)	Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Affects company personnel across all functions.
Property Taxes		(2,422,889)	(339,204)		(2,083,685)		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Unregulated related.
Reacquired Debt		(1,171,979)	(1,171,979)				Reflects the deferred taxes generated as a result of the tax deductions taken for the cost to reacquire debt. For book purposes, these amounts were recorded as an asset in account 189 and are amortized over future periods.
Reg Asset - DSM		(30,290,749)	(30,290,749)				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
Reg Asset - FERC Formula Rate Adj.		(1,920,776)		(1,920,776)			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
Reg Asset- Other Reg Assets		(65,054,771)	(60,442,409)			(4,592,362)	Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Represents various costs which we are, or will be through a future rate case, getting recovery through rate base.
Reg Asset - Transmission MAPP		(7,966,628)		(7,966,628)			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- COPCO Acquisition Adjustment		(9,124,912)	(9,124,912)				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.
FAS 109 Deferred Taxes - 283		(20,284,485)	(2,839,828)		(17,444,657)		Gas, Prod or Other Distribution Related portions are identified in the Gas, Prod or Other Distribution Related column. Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant. These items are removed below.
Subtotal - p277 (Form 1-F filer: see note 6, below)		(244,343,490)	(131,934,628)	(9,887,404)	(20,619,243)	(81,902,215)	
Less FASB 109 Above if not separately removed		(20,284,485)	(2,839,828)		(17,444,657)		
Less FASB 106 Above if not separately removed							
Total		(224,059,005)	(129,094,800)	(9,887,404)	(3,174,586)	(81,902,215)	

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

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

ADITC-255	Item	Cumulative Balance	2014 Activity Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	3,565,147	476,426	Post 1980
Amortization				
Amortization to line 133 of Appendix A	Total	635,199	88,888	Pre 1981
Total		4,200,345	565,314	
Total Form No. 1 (p 266 & 267)		4,200,345	565,320	
Difference /1		check	0	(6)

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	18,409,705		
2 Personal property	-		
3 Federal/State Excise	19,923		
4			
5			
6			
Total Plant Related	18,429,628	35.4020%	6,524,461
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	2,858,435		
8 Unemployment	93,043		
9			
10			
11			
Total Labor Related	2,951,478	7.2267%	213,296
Other Included		Gross Plant Allocator	
12 Miscellaneous	-		
13			
14			
Total Other Included	0	35.4020%	0
Total Included	21,381,106		6,737,756
Excluded			
15 State Franchise Tax	7,967,238		
16 Gross Receipts	232,974		
17 Sales and Use	1,423,532		
18 Utility Tax for Delmarva	6,245,291		
19 City License	3,131		
20			
21 Total "Other" Taxes (included on p. 263)	37,253,271		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	37,253,271		
23 Difference			0

Criteria for Allocation:

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

Delmarva Power & Light Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	1,793,109
2	Total Rent Revenues (Sum Line 1)	1,793,109
Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	\$ 1,476,063
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)	1,487,707
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)	4,425,456
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-
11	Gross Revenue Credits (Sum Lines 2-10)	9,182,334
12	Less line 17g	(1,259,249)
13	Total Revenue Credits	7,923,085
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.	1,793,109
17b	Costs associated with revenues in line 17a	725,389
17c	Net Revenues (17a - 17b)	1,067,720
17d	50% Share of Net Revenues (17c / 2)	533,860
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)	533,860
17g	Line 17f less line 17a	(1,259,249)
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>	4,002,874
19	Amount offset in line 4 above	118,809,499
20	Total Account 454, 456 and 456.1	131,994,707
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)	78,696,445
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	630,846,696
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	49,729,877
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	49,729,877
103	Preferred Dividends	enter positive	p118.29c	-
Common Stock				
104	Proprietary Capital		p112.16c	1,165,514,531
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)	1,167,692,310
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,173,230,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-11,518,147
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	1,171,979
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,162,883,832
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,167,692,310
116	Total Capitalization		(Sum Lines 113 to 115)	2,330,576,142
117	Debt %	Total Long Term Debt	(Line 113 / 116)	49.90%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	50.10%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0428
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)	0.0213
124	Weighted Cost of Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost of Common Stock		(Line 119 * 122)	0.0616
126	Total Return (R)		(Sum Lines 123 to 125)	0.0830
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	52,338,137

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)	36.2408%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-54,099
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	26,412,408
138	Total Income Taxes		(Line 136 + 137)	26,358,308

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	35,429,777	16,730,843	18,698,934	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,457,635	14,756,945	2,700,690	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	60,060,313	50,295,314	9,764,999	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	101,362,459	82,032,638	19,329,821	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	4,200,345	3,805,532	394,813	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,380,425	1,337,066	43,359	96.859% Electric, 3.141% 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	3,347,736	3,347,736	0	See Form 1, electric only.
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	See Form 1, electric only.

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land)	(Note C)	p214	3,050,685	0	3,050,685	Specific identification based on plant records: The following plant investments are included: 1 2 3 4 5

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	3,192,265,902	0	0	See ARO Exclusion - Cost Support section below for Electric Plant In Service without AROs
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	1,106,861,017	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	82,032,638	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	315,157,898	0	0	See Form 1

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details
73	Allocated General & Common Expenses Less EPRI Dues	(Note D)	p352-353	135,782	135,782	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
Allocated General & Common Expenses							
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	5,526,205	507,890	5,018,315	FERC Form 1 page 351 lines 7 (h) and 8 (h)
Directly Assigned A&G							
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b	5,526,205	507,890	5,018,315	FERC Form 1 page 351 lines 7 (h) and 8 (h)

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	54,489	0	54,489	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)	8.39%	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
Directly Assigned A&G							
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	54,489	0	54,489	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	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					
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

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				Enter \$	
55	Outstanding Network Credits	(Note N)	From PJM	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

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	35,461,746	7.227%	2,562,728	
	Plant Related	1,959,269	35.402%	693,621	
	Other		0.00%	-	
	Total Transmission Related Reserves	37,421,015		3,256,349	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments
45	Prepayments	Allocator	To Line 45	
	Pension Liabilities, if any, in Account 242	-	6.070%	-
	Prepayments	\$ 12,179,032	6.070%	739,323
	Prepaid Pensions if not included in Prepayments	\$ 220,226,332	6.070%	13,368,753
		232,405,364	6.07%	14,108,076
	Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).			
5	Wages & Salary Allocator	7.227%		
	Electric vs Gas	84% Based on Modified Wisconsin Method		
	Modified Wages & Salaries Allocator	6.070%		
				Add more lines if necessary

Extraordinary Property Loss

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

Interest on Outstanding Network Credits Cost Support

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

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

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate	(Note L) PJM Data	3,875.0	See Form 1
	1 CP Peak			

Statements BG/BH (Present and Proposed Revenues)

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

Delmarva Power & Light Company

Attachment 5 - Cost Support

Abandoned Transmission Plant

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

MAPP Abandonment recovery pursuant to ER13-607

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

Supporting documentation for FERC Form 1 reconciliation

Compliance with FERC Order on the Exelon Merger				Form 1 Amount	Merger Costs	Non Merger Related
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						
60	Transmission O&M		p321.112.b	13,511,928	1,408	13,510,520
68	Total A&G		p323.197.b	64,649,616	1,246,085	63,403,531

ARO Exclusion - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's
6	Electric Plant in Service		p207.104g	3,192,265,902	147,988	3,192,117,914
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	887,299,590	78,617	887,220,973
23	General & Intangible		p205.5.g & p207.99.g	157,253,227	147,988	157,105,239
31	Accumulated General Depreciation		p219.28.c	36,655,765	78,617	36,577,148

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 13,882,162	\$ 11,785,623	\$ 24,382,713	\$ 5,667,656	\$ 55,718,155
Procurement & Administrative Services	7,001,366	4,598,470	10,475,398	343,584	22,418,818
Financial Services & Corporate Expenses	13,502,547	10,768,241	20,331,591	2,392,152	46,994,531
Insurance Coverage and Services	2,519,625	2,187,093	3,305,370	887,190	8,899,278
Human Resources	3,653,925	2,428,050	5,847,877	1,046,090	12,975,941
Legal Services	2,651,005	2,242,024	6,008,665	1,200,772	12,102,467
Audit Services	980,075	750,029	1,750,164	234,556	3,714,825
Customer Services	50,507,172	38,945,027	33,693,424	59,420	123,205,044
Utility Communication Services	56,240	-	87,358	-	143,598
Information Technology	15,350,317	11,421,231	34,068,152	334,163	61,173,863
External Affairs	3,329,577	2,605,534	5,487,511	670,032	12,092,654
Environmental Services	1,774,836	1,370,486	1,976,135	117,173	5,238,631
Safety Services	380,152	421,829	615,823	-	1,417,804
Regulated Electric & Gas T&D	33,672,104	25,702,737	45,555,831	330,416	105,261,089
Internal Consulting Services	699,514	376,268	1,019,829	1,904	2,097,515
Interns	208,653	118,776	144,867	180	472,476
Cost of Benefits	12,791,136	7,921,448	21,384,267	1,993,351	44,090,202
Building Services	4,513	110,543	4,224,537	-	4,339,592
Total	\$ 162,964,920	\$ 123,753,411	\$ 220,359,512	\$ 15,278,638	\$ 522,356,481

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, 2014
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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	57,214,714	162,918,093	226,705	220,359,512
2	Delmarva Power & Light Company	39,247,411	123,549,735	157,774	162,954,920
3	Atlantic City Electric Company	24,854,235	98,773,234	125,942	123,753,411
4	Pepco Energy Services, Inc.	2,653,237	5,856,129	9,444	8,518,810
5	Connectiv, LLC	3,919	46,852	59	50,830
6	Potomac Capital Investment Corporation	146,353	120,086	661	267,100
7	Thermal Energy Limited Partnership	16,405	723,744	728	740,877
8	ATS Operating Services, Inc.	106	322,506	331	322,943
9	Atlantic Southern Properties, Inc.	7,201	184,696	197	192,094
10	Connectiv Energy Supply, Inc.	20,415	8,175	36	28,626
11	Pepco Holdings, Inc.	4,226,510	595,934	1,568	4,824,012
12	Connectiv Properties and Investments, Inc.	694	156,517	166	157,377
13	Connectiv Thermal Systems, Inc.	4,666	108,488	117	113,271
14	Connectiv Communications, Inc.	53	10,556	10	10,619
15	Atlantic City Electric Transition Funding LLC	31,698	5,736	35	37,469
16	Connectiv North East, LLC	253	4,677	5	4,935
17	Delaware Operating Services Company, LLC	177	118	8	303
18	ATE Investment, Inc.	773	1,097	3	1,873
19	Atlantic Generation, Inc.	80	13	1	94
20	Connectiv Services II, Inc.	33	7,227	7	7,267
21	Connectiv Solutions LLC	136	2		136
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	128,429,069	393,393,615	533,797	522,356,481

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2014
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	25,452,371	16,528,974	35,163,211	-	77,144,556	Not Included
182.3	Other Regulatory Assets	7,284,203	200,422	10,839,283	-	18,323,908	Not Included
184	Clearing Accounts - Other	(4,608)	(24,809)	126,528	(66,205)	30,906	Not Included
408.1	Taxes other than inc taxes, utility operating inc	1,811	15,040	1,849	-	18,699	Not Included
416-421	Other Income -Below the Line	266,750	465,608	570,194	15,344,844	16,647,396	Not Included
426.1-426.5	Other Income Deductions - Below the Line	3,271,318	2,695,930	5,494,225	-	11,461,373	Not Included
430	Interest-Debt to Associated Companies	346,840	260,349	468,738	-	1,075,927	Not Included
431	Interest-Short Term Debt	(179,066)	(134,408)	(242,033)	-	(555,506)	Not Included
556	System cont & load dispatch	2,177,755	1,891,923	1,705,407	-	5,775,084	Not Included
557	Other expenses	1,173,401	1,130,377	1,461,250	-	3,765,028	Not Included
560	Operation Supervision & Engineering	2,417,695	2,277,855	3,665,108	-	8,360,658	100% Included
561	Load dispatching	-	11	-	-	11	100% Included
561.1	Load Dispatching - Reliability	13,206	11,642	-	-	24,847	100% Included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	69,383	23,030	1,008,010	-	1,100,423	100% Included
561.3	Load Dispatch - Transmission Service & Scheduling	39,057	34,330	28,667	-	102,053	100% Included
561.5	Reliability, Planning and Standards	257,243	232,961	132,446	-	622,650	100% Included
563	Overhead line expenses	-	-	345	-	345	100% Included
562	Station expenses	-	-	8,533	-	8,533	100% Included
564	Underground Line Expenses - Transmission	-	-	6,641	-	6,641	100% Included
566	Miscellaneous transmission expenses	412,227	313,802	334,811	-	1,060,840	100% Included
568	Maintenance Supervision & Engineering	158,431	130,076	258,084	-	546,591	100% Included
569	Maint of structures	-	-	-	-	-	100% Included
569.2	Maintenance of Computer Software	571,924	291,641	454,366	-	1,317,931	100% Included
569.4	Maintenance of Transmission Plant	-	-	940	-	940	100% Included
570	Maintenance of station equipment	156,492	86,339	378,208	-	621,039	100% Included
571	Maintenance of overhead lines	146,461	170,076	249,124	-	565,660	100% Included
572	Maintenance of underground lines	35	272	9,974	-	10,281	100% Included
573	Maintenance of miscellaneous transmission plant	26,096	33,049	155,743	-	214,887	100% Included
580	Operation Supervision & Engineering	730,625	350,609	623,416	-	1,704,650	Not Included
581	Load dispatching	838,385	546,354	1,547,494	-	2,932,233	Not Included
582	Station expenses	837,194	-	115,333	-	952,527	Not Included
583	Overhead line expenses	77,312	125,967	29,052	-	233,131	Not Included
584	Underground line expenses	23,803	-	282,831	-	306,634	Not Included
585	Street lighting	11,177	-	41	-	11,218	Not Included
586	Meter expenses	786,669	575,817	1,622,146	-	2,984,632	Not Included
587	Customer installations expenses	69,822	341,159	487,591	-	898,572	Not Included
588	Miscellaneous distribution expenses	4,998,231	5,390,134	8,479,619	-	18,867,983	Not Included
589	Rents	30,570	6,315	20,959	-	57,844	Not Included
590	Maintenance Supervision & Engineering	865,163	720,247	338,570	-	1,923,980	Not Included
591	Maintain structures	-	-	1,937	-	1,937	Not Included
592	Maintain equipment	535,979	522,925	975,362	-	2,034,266	Not Included
593	Maintain overhead lines	1,107,894	653,471	1,798,778	-	3,560,142	Not Included
594	Maintain underground line	97,908	64,967	692,235	-	855,111	Not Included
595	Maintain line transformers	67	1,811	220,800	-	222,677	Not Included
596	Maintain street lighting & signal systems	44,641	37,249	8,246	-	90,136	Not Included
597	Maintain meters	27,120	31,452	41,070	-	99,642	Not Included
598	Maintain distribution plant	61,416	18,767	854,752	-	934,935	Not Included
800-894	Total Gas Accounts	2,210,101	-	-	-	2,210,101	Not Included
902	Meter reading expenses	188,544	49,162	49,142	-	286,847	Not Included
903	Customer records and collection expenses	41,899,731	39,033,339	33,166,986	-	114,100,056	Not Included
907	Supervision - Customer Svc & Information	82,458	10,418	108,745	-	201,620	Not Included
908	Customer assistance expenses	2,073,545	590,689	903,301	-	3,567,535	Not Included
909	Informational & instructional advertising	66,371	19,518	64,417	-	150,306	Not Included
912	Demonstrating and selling expense	7,962	-	-	-	7,962	Not Included
913	Advertising expense	30,520	-	-	-	30,520	Not Included
920	Administrative & General salaries	325,663	95,547	645,155	-	1,066,365	Wage & Salary Factor
921	Office supplies & expenses	14,314	12,513	24,279	-	51,106	Wage & Salary Factor
923	Outside services employed	48,702,231	40,630,932	84,352,816	-	173,685,978	Wage & Salary Factor
924	Property insurance	2,246	1,684	3,080	-	7,010	Net Plant Factor
925	Injuries & damages	2,046,510	1,624,059	3,293,661	-	6,964,230	Wage & Salary Factor
926	Employee pensions & benefits	6,990,629	3,656,906	11,806,837	-	22,454,372	Wage & Salary Factor
928	Regulatory commission expenses	1,280,938	532,794	1,787,129	-	3,600,860	Direct Transmission Only
929	Duplicate charges-Credit	240,484	131,613	1,078,264	-	1,450,360	Wage & Salary Factor
930.1	General ad expenses	273	-	13,789	-	14,062	Direct Transmission Only
930.2	Miscellaneous general expenses	1,268,142	1,121,501	2,354,056	-	4,743,699	Wage & Salary Factor
931	Rents	0	-	1	-	1	Wage & Salary Factor
935	Maintenance of general plant	331,262	221,104	287,172	-	839,538	Wage & Salary Factor
Total		162,964,920	123,753,411	220,359,512	15,278,638	522,356,481	

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)
118,062,101 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	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	-	-	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!

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
 \$ 29,145,949 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site
121,126,876 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)
 \$ 121,126,876

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
128,137,506 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)

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		
120,063,737	-	117,338,718	=	2,725,019

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	227,085	0.2800%	11.5	7,312	234,397
Jul	Year 1	227,085	0.2800%	10.5	6,676	233,761
Aug	Year 1	227,085	0.2800%	9.5	6,040	233,125
Sep	Year 1	227,085	0.2800%	8.5	5,405	232,490
Oct	Year 1	227,085	0.2800%	7.5	4,769	231,854
Nov	Year 1	227,085	0.2800%	6.5	4,133	231,218
Dec	Year 1	227,085	0.2800%	5.5	3,497	230,582
Jan	Year 2	227,085	0.2800%	4.5	2,861	229,946
Feb	Year 2	227,085	0.2800%	3.5	2,225	229,310
Mar	Year 2	227,085	0.2800%	2.5	1,590	228,675
Apr	Year 2	227,085	0.2800%	1.5	954	228,039
May	Year 2	227,085	0.2800%	0.5	318	227,403
Total		2,725,019				2,770,799

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	2,770,799	0.2800%	235,124	2,543,434
Jul	Year 2	2,543,434	0.2800%	235,124	2,315,431
Aug	Year 2	2,315,431	0.2800%	235,124	2,086,791
Sep	Year 2	2,086,791	0.2800%	235,124	1,857,510
Oct	Year 2	1,857,510	0.2800%	235,124	1,627,587
Nov	Year 2	1,627,587	0.2800%	235,124	1,397,020
Dec	Year 2	1,397,020	0.2800%	235,124	1,165,808
Jan	Year 3	1,165,808	0.2800%	235,124	933,949
Feb	Year 3	933,949	0.2800%	235,124	701,440
Mar	Year 3	701,440	0.2800%	235,124	468,280
Apr	Year 3	468,280	0.2800%	235,124	234,467
May	Year 3	234,467	0.2800%	235,124	-
Total with interest				2,821,486	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 2,821,486
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 129,215,514
 Revenue Requirement for Year 3 132,037,000

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 132,037,000 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)
 \$ 132,037,000

ic 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.

B0483.1-3 Oak Hall-Wattsville				B0320 Cool Springs				B0568 3rd Indian River				B0272.1 Keeney 500KV Sub				B0751 Keeney - Additional Breakers on 500KV Bus			
No 35				No 35				No 35				Yes 35				Yes 35			
No 150				No 150				No 150				No 0				No 0			
11.4611%				11.4611%				11.4611%				11.4611%				11.4611%			
12.4668%				12.4668%				12.4668%				11.4611%				11.4611%			
8,379,558				14,504,530				6,681,345				217,662				5,055,041			
239,416				414,415				190,896				6,219				144,430			
12				9				8				6				6			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
7,421,894	239,416	7,182,478	1,062,610	12,743,266	414,415	12,328,851	1,827,443	6,045,026	190,896	5,854,131	861,846	202,115	6,219	195,896	28,671	4,693,967	144,430	4,549,537	665,859
7,421,894	239,416	7,182,478	1,134,844	12,743,266	414,415	12,328,851	1,951,434	6,045,026	190,896	5,854,131	920,721	202,115	6,219	195,896	28,671	4,693,967	144,430	4,549,537	665,859
7,182,478	239,416	6,943,062	1,035,171	12,328,851	414,415	11,914,435	1,779,946	5,854,131	190,896	5,663,235	839,966	195,896	6,219	189,677	27,958	4,549,537	144,430	4,405,107	649,306
7,182,478	239,416	6,943,062	1,104,997	12,328,851	414,415	11,914,435	1,899,770	5,854,131	190,896	5,663,235	896,922	195,896	6,219	189,677	27,958	4,549,537	144,430	4,405,107	649,306
6,943,062	239,416	6,703,646	1,007,731	11,914,435	414,415	11,500,020	1,732,450	5,663,235	190,896	5,472,340	818,089	189,677	6,219	183,458	27,245	4,405,107	144,430	4,260,677	632,752
6,943,062	239,416	6,703,646	1,075,149	11,914,435	414,415	11,500,020	1,848,105	5,663,235	190,896	5,472,340	873,124	189,677	6,219	183,458	27,245	4,405,107	144,430	4,260,677	632,752
6,703,646	239,416	6,464,230	980,291	11,500,020	414,415	11,085,605	1,684,953	5,472,340	190,896	5,281,444	796,210	183,458	6,219	177,239	26,533	4,260,677	144,430	4,116,248	616,199
6,703,646	239,416	6,464,230	1,045,302	11,500,020	414,415	11,085,605	1,796,441	5,472,340	190,896	5,281,444	849,325	183,458	6,219	177,239	26,533	4,260,677	144,430	4,116,248	616,199
6,464,230	239,416	6,224,815	952,851	11,085,605	414,415	10,671,190	1,637,456	5,281,444	190,896	5,090,549	774,331	177,239	6,219	171,020	25,820	4,116,248	144,430	3,971,818	599,646
6,464,230	239,416	6,224,815	1,015,454	11,085,605	414,415	10,671,190	1,744,776	5,281,444	190,896	5,090,549	825,526	177,239	6,219	171,020	25,820	4,116,248	144,430	3,971,818	599,646
6,224,815	239,416	5,985,399	925,411	10,671,190	414,415	10,256,775	1,589,959	5,090,549	190,896	4,899,653	752,452	171,020	6,219	164,801	25,107	3,971,818	144,430	3,827,388	583,092
6,224,815	239,416	5,985,399	985,606	10,671,190	414,415	10,256,775	1,693,112	5,090,549	190,896	4,899,653	801,728	171,020	6,219	164,801	25,107	3,971,818	144,430	3,827,388	583,092
5,985,399	239,416	5,745,983	897,972	10,256,775	414,415	9,842,360	1,542,463	4,899,653	190,896	4,708,757	730,573	164,801	6,219	158,582	24,394	3,827,388	144,430	3,682,958	566,539
5,985,399	239,416	5,745,983	955,759	10,256,775	414,415	9,842,360	1,641,447	4,899,653	190,896	4,708,757	777,929	164,801	6,219	158,582	24,394	3,827,388	144,430	3,682,958	566,539
5,745,983	239,416	5,506,567	870,532	9,842,360	414,415	9,427,944	1,494,447	4,708,757	190,896	4,517,862	708,694	158,582	6,219	152,363	23,682	3,682,958	144,430	3,538,529	549,986
5,745,983	239,416	5,506,567	925,911	9,842,360	414,415	9,427,944	1,589,783	4,708,757	190,896	4,517,862	754,130	158,582	6,219	152,363	23,682	3,682,958	144,430	3,538,529	549,986
5,506,567	239,416	5,267,151	843,092	9,427,944	414,415	9,013,529	1,447,469	4,517,862	190,896	4,326,966	686,816	152,363	6,219	146,144	22,969	3,538,529	144,430	3,394,099	533,432
5,506,567	239,416	5,267,151	896,064	9,427,944	414,415	9,013,529	1,538,118	4,517,862	190,896	4,326,966	730,332	152,363	6,219	146,144	22,969	3,538,529	144,430	3,394,099	533,432
5,267,151	239,416	5,027,735	815,652	9,013,529	414,415	8,599,114	1,399,972	4,326,966	190,896	4,136,071	664,937	146,144	6,219	139,926	22,256	3,394,099	144,430	3,249,669	516,879
5,267,151	239,416	5,027,735	866,216	9,013,529	414,415	8,599,114	1,486,454	4,326,966	190,896	4,136,071	706,533	146,144	6,219	139,926	22,256	3,394,099	144,430	3,249,669	516,879
5,027,735	239,416	4,788,319	788,212	8,599,114	414,415	8,184,699	1,352,476	4,136,071	190,896	3,945,175	643,058	139,926	6,219	133,707	21,543	3,249,669	144,430	3,105,239	500,326
5,027,735	239,416	4,788,319	836,368	8,599,114	414,415	8,184,699	1,434,789	4,136,071	190,896	3,945,175	682,735	139,926	6,219	133,707	21,543	3,249,669	144,430	3,105,239	500,326
4,788,319	239,416	4,548,903	760,772	8,184,699	414,415	7,770,284	1,304,979	3,945,175	190,896	3,754,280	621,179	133,707	6,219	127,488	20,830	3,105,239	144,430	2,960,810	483,773
4,788,319	239,416	4,548,903	806,521	8,184,699	414,415	7,770,284	1,383,125	3,945,175	190,896	3,754,280	658,936	133,707	6,219	127,488	20,830	3,105,239	144,430	2,960,810	483,773
4,548,903	239,416	4,309,487	733,333	7,770,284	414,415	7,355,869	1,257,482	3,754,280	190,896	3,563,384	599,300	127,488	6,219	121,269	20,118	2,960,810	144,430	2,816,380	467,219
4,548,903	239,416	4,309,487	776,673	7,770,284	414,415	7,355,869	1,331,460	3,754,280	190,896	3,563,384	635,137	127,488	6,219	121,269	20,118	2,960,810	144,430	2,816,380	467,219
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B0566 Trappe Tap - Todd				B0733 Harmony Add 2nd 230/138 Auto Tr				B1247 Glasgow - Cecil 138 kV Circuit Rebuild							
No				No				No							
35				35				35							
No				No				No							
150				0				0							
11.4611%				11.4611%				11.4611%							
12.4668%				11.4611%				11.4611%							
16,372,433				10,567,349				6,694,564							
467,784				301,924				191,273							
12				4				5							
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit	
15,436,865	467,784	14,969,082	2,183,413	10,064,142	301,924	9,762,218	1,420,787	6,694,564	111,576	6,582,988	614,567	\$ 11,931,325	\$	11,931,325	
15,436,865	467,784	14,969,082	2,333,956	10,064,142	301,924	9,762,218	1,420,787	6,694,564	111,576	6,582,988	614,567	\$ 12,556,823	\$	12,556,823	
14,969,082	467,784	14,501,298	2,129,799	9,762,218	301,924	9,460,293	1,386,183	6,582,988	191,273	6,391,715	923,837	\$ 11,027,284	\$	11,027,284	
14,969,082	467,784	14,501,298	2,275,638	9,762,218	301,924	9,460,293	1,386,183	6,582,988	191,273	6,391,715	923,837	\$ 11,631,932	\$	11,631,932	
14,501,298	467,784	14,033,514	2,076,186	9,460,293	301,924	9,158,369	1,351,579	6,391,715	191,273	6,200,442	901,915	\$ 10,737,809	\$	10,737,809	
14,501,298	467,784	14,033,514	2,217,320	9,460,293	301,924	9,158,369	1,351,579	6,391,715	191,273	6,200,442	901,915	\$ 11,321,608	\$	11,321,608	
14,033,514	467,784	13,565,730	2,022,572	9,158,369	301,924	8,856,445	1,316,975	6,200,442	191,273	6,009,169	879,993	\$ 10,448,335	\$	10,448,335	
14,033,514	467,784	13,565,730	2,159,003	9,158,369	301,924	8,856,445	1,316,975	6,200,442	191,273	6,009,169	879,993	\$ 11,011,284	\$	11,011,284	
13,565,730	467,784	13,097,946	1,968,959	8,856,445	301,924	8,554,521	1,282,371	6,009,169	191,273	5,817,895	858,071	\$ 10,158,860	\$	10,158,860	
13,565,730	467,784	13,097,946	2,100,685	8,856,445	301,924	8,554,521	1,282,371	6,009,169	191,273	5,817,895	858,071	\$ 10,700,960	\$	10,700,960	
13,097,946	467,784	12,630,163	1,915,346	8,554,521	301,924	8,252,596	1,247,767	5,817,895	191,273	5,626,622	836,149	\$ 9,869,386	\$	9,869,386	
13,097,946	467,784	12,630,163	2,042,367	8,554,521	301,924	8,252,596	1,247,767	5,817,895	191,273	5,626,622	836,149	\$ 10,390,637	\$	10,390,637	
12,630,163	467,784	12,162,379	1,861,732	8,252,596	301,924	7,950,672	1,213,163	5,626,622	191,273	5,435,349	814,227	\$ 9,579,911	\$	9,579,911	
12,630,163	467,784	12,162,379	1,984,049	8,252,596	301,924	7,950,672	1,213,163	5,626,622	191,273	5,435,349	814,227	\$ 10,080,313	\$	10,080,313	
12,162,379	467,784	11,694,595	1,808,119	7,950,672	301,924	7,648,748	1,178,559	5,435,349	191,273	5,244,075	792,305	\$ 9,290,437	\$	9,290,437	
12,162,379	467,784	11,694,595	1,925,731	7,950,672	301,924	7,648,748	1,178,559	5,435,349	191,273	5,244,075	792,305	\$ 9,769,989	\$	9,769,989	
11,694,595	467,784	11,226,811	1,754,505	7,648,748	301,924	7,346,824	1,143,955	5,244,075	191,273	5,052,802	770,382	\$ 9,000,962	\$	9,000,962	
11,694,595	467,784	11,226,811	1,867,413	7,648,748	301,924	7,346,824	1,143,955	5,244,075	191,273	5,052,802	770,382	\$ 9,459,665	\$	9,459,665	
11,226,811	467,784	10,759,027	1,700,892	7,346,824	301,924	7,044,899	1,109,351	5,052,802	191,273	4,861,529	748,460	\$ 8,711,488	\$	8,711,488	
11,226,811	467,784	10,759,027	1,809,095	7,346,824	301,924	7,044,899	1,109,351	5,052,802	191,273	4,861,529	748,460	\$ 9,149,341	\$	9,149,341	
10,759,027	467,784	10,291,244	1,647,279	7,044,899	301,924	6,742,975	1,074,747	4,861,529	191,273	4,670,256	726,538	\$ 8,422,013	\$	8,422,013	
10,759,027	467,784	10,291,244	1,750,777	7,044,899	301,924	6,742,975	1,074,747	4,861,529	191,273	4,670,256	726,538	\$ 8,839,017	\$	8,839,017	
10,291,244	467,784	9,823,460	1,593,665	6,742,975	301,924	6,441,051	1,040,143	4,670,256	191,273	4,478,982	704,616	\$ 8,132,539	\$	8,132,539	
10,291,244	467,784	9,823,460	1,692,459	6,742,975	301,924	6,441,051	1,040,143	4,670,256	191,273	4,478,982	704,616	\$ 8,528,693	\$	8,528,693	
9,823,460	467,784	9,355,676	1,540,052	6,441,051	301,924	6,139,127	1,005,539	4,478,982	191,273	4,287,709	682,694	\$ 7,843,065	\$	7,843,065	
9,823,460	467,784	9,355,676	1,634,142	6,441,051	301,924	6,139,127	1,005,539	4,478,982	191,273	4,287,709	682,694	\$ 8,218,370	\$	8,218,370	
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												\$	231,782,679	\$	222,200,267

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

