

Amy L. Blauman
Assistant General Counsel

Edison Place
701 Ninth Street NW
Washington, DC 20068-0001

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

May 12, 2017

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

Re: Atlantic City Electric Company (“Atlantic City”), Docket No. ER09-1156
Informational Filing of 2017 Formula Rate Annual Update;
Notice of Annual Update

Dear Ms. Bose,

Atlantic City hereby submits electronically, for informational purposes, its 2017 Annual Formula Rate Update. On November 3, 2015, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. EL13-48, *et al.*¹. Formula Rate implementation protocols contained in the Settlement provide that:

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

- (i) cause such Annual Update to be posted at a publicly accessible location on PJM’s internet website;
- (ii) cause notice of such posting to be provided to PJM’s membership; and
- (iii) file such Annual Update with the FERC as an informational filing.²

The same information contained in this informational filing has been transmitted to PJM for posting on its website as required by the Formula Rate implementation

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

² See Settlement, Exhibit A containing PJM Tariff Attachment H1-B, Section 2.b.

protocols. Thus, all interested parties should have ample notice of and access to the Annual Update. The protocols provide specific procedures for notice, review, exchanges of information and potential challenges to aspects of the Annual Update. Consequently, and as the Commission has concluded, there is no need for the Commission to notice this informational filing for comment.³

Atlantic City's 2017 Annual Update contains no expenses or costs that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as defined in 18 C.F.R. § 35.13(b)(7).

Atlantic City has made no accounting changes as defined in the Settlement (and any accounting changes, including accounting policy harmonization changes related to the merger between Exelon and Pepco Holdings, Inc., are discussed in applicable disclosure statements filed within the Securities and Exchange Commission Form 10-K and within the FERC Form No. 1).⁴ Atlantic City has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.⁵

Thank you for your attention to this informational filing. Please direct any questions to the undersigned.

Very truly yours,

/s/ Amy L. Blauman
Amy L. Blauman

Enclosures

cc: All parties on Service Lists in Docket Nos. ER05-515, EL13-48 and EL15-27.

³ See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1156 (February 17, 2010).

⁴ See Settlement, Exhibit A containing PJM Tariff Attachment H-1B, Section 2.f.(iii)(d). Accounting entries related to the merger between Exelon and Pepco Holdings, Inc. were approved by FERC in Docket AC16-203 on March 17, 2017 and April 11, 2017.

⁵ See Settlement, Exhibit A containing PJM Tariff Attachment H-1B, Section 2.h.

ATTACHMENT H-1A

Atlantic City Electric Company

Formula Rate - Appendix A
Shaded cells are input cells

Notes FERC Form 1 Page # or Instruction

2016

Allocators

1	Wages & Salary Allocation Factor			
	Transmission Wages Expense		p354.21.b	\$ 2,935,059
2	Total Wages Expense		p354.28b	\$ 34,528,085
3	Less A&G Wages Expense		p354.27b	\$ 1,327,463
4	Total		(Line 2 - 3)	33,200,622
5	Wages & Salary Allocator		(Line 1 / 4)	8.8404%
Plant Allocation Factors				
6	Electric Plant In Service	(Note B)	p207.104g (see Attachment 5)	\$ 3,340,259,698
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	3,340,259,698
9	Accumulated Depreciation (Total Electric Plant)		p219.29c (see Attachment 5)	\$ 734,424,845
10	Accumulated Intangible Amortization		p200.21c	\$ 15,119,930
11	Accumulated Common Amortization - Electric	(Note A)	p356	\$ -
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	\$ -
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	749,544,775
14	Net Plant		(Line 8 - 13)	2,590,714,923
15	Transmission Gross Plant		(Line 29 - Line 28)	1,150,457,660
16	Gross Plant Allocator		(Line 15 / 8)	34.4422%
17	Transmission Net Plant		(Line 39 - Line 28)	910,994,675
18	Net Plant Allocator		(Line 17 / 14)	35.1638%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 1,124,448,196
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	14,359,330
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	1,138,807,526
23	General & Intangible		p205.5.g & p207.99.g (see Attachment 5)	\$ 131,783,286
24	Common Plant (Electric Only)	(Notes A & B)	p356	\$ -
25	Total General & Common		(Line 23 + 24)	131,783,286
26	Wage & Salary Allocation Factor		(Line 5)	8.84037%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	11,650,135
28	Plant Held for Future Use (Including Land)	(Note C)	p214	782,029
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	1,151,239,689
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 234,966,564
31	Accumulated General Depreciation		p219.28.c (see Attachment 5)	\$ 35,742,413
32	Accumulated Intangible Amortization		(Line 10)	15,119,930
33	Accumulated Common Amortization - Electric		(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12)	0
35	Total Accumulated Depreciation		(Sum Lines 31 to 34)	50,862,343
36	Wage & Salary Allocation Factor		(Line 5)	8.84037%
37	General & Common Allocated to Transmission		(Line 35 * 36)	4,496,421
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	239,462,985
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	911,776,704

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-293,036,751
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	0
42	Net Plant Allocation Factor		(Line 18)	35.16%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-293,036,751
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B)	p216.43.b as Shown on Attachment 6	0
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-2,251,848
Prepayments				
45	Prepayments	(Note A)	Attachment 5	7,568,786
46	Total Prepayments Allocated to Transmission		(Line 45)	7,568,786
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0
48	Wage & Salary Allocation Factor		(Line 5)	8.84%
49	Total Transmission Allocated		(Line 47 * 48)	0
50	Transmission Materials & Supplies		p227.8c	\$ 1,943,868
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	1,943,868
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	25,079,904
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	3,134,988
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)	-282,640,957
59	Rate Base		(Line 39 + 58)	629,135,747

O&M

60	Transmission O&M				
61	Transmission O&M		p321.112.b (see Attachment 5)	\$	18,775,954
62	Less extraordinary property loss		Attachment 5		0
63	Plus amortized extraordinary property loss		Attachment 5		0
64	Less Account 565		p321.96.b	\$	-
65	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note Q)	PJM Data	\$	-
66	Plus Transmission Lease Payments	(Note A)	p200.3c	\$	-
66	Transmission O&M		(Lines 60 - 63 + 64 + 65)		18,775,954
Allocated General & Common Expenses					
67	Common Plant O&M	(Note A)	p356	\$	-
68	Total A&G		p323.197.b (see Attachment 5)	\$	73,069,738
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S)	Attachment 5	\$	1,000,545
69	Less Property Insurance Account 924		p323.185b	\$	468,644
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$	4,153,916
71	Less General Advertising Exp Account 930.1		p323.191b	\$	363,930
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	\$	-
73	Less EPRI Dues	(Note D)	p352-353	\$	138,757
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)		67,944,491
75	Wage & Salary Allocation Factor		(Line 5)		8.8404%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)		6,006,547
Directly Assigned A&G					
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b		132,610
78	General Advertising Exp Account 930.1	(Note F)	p323.191b		0
79	Subtotal - Transmission Related		(Line 77 + 78)		132,610
80	Property Insurance Account 924		p323.185b	\$	468,644
81	General Advertising Exp Account 930.1	(Note K)	p323.191b		0
82	Total		(Line 80 + 81)		468,644
83	Net Plant Allocation Factor		(Line 18)		35.16%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)		164,793
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)		25,079,904

Depreciation & Amortization Expense

86	Transmission Depreciation Expense		p336.7b&c		26,123,416
87	General Depreciation		p336.10b&c		6,240,883
88	Intangible Amortization	(Note A)	p336.1d&e		139,483
89	Total		(Line 87 + 88)		6,380,366
90	Wage & Salary Allocation Factor		(Line 5)		8.8404%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)		564,048
92	Common Depreciation - Electric Only	(Note A)	p336.11.b		0
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d		0
94	Total		(Line 92 + 93)		0
95	Wage & Salary Allocation Factor		(Line 5)		8.8404%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)		0
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)		26,687,464

Taxes Other than Income

98	Taxes Other than Income		Attachment 2		1,148,903
99	Total Taxes Other than Income		(Line 98)		1,148,903

Return / Capitalization Calculations

Long Term Interest					
100	Long Term Interest		p117.62c through 67c		65,599,295
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8		8,290,626
102	Long Term Interest		*(Line 100 - line 101)*		57,308,669
103	Preferred Dividends	enter positive	p118.29c	\$	-
Common Stock					
104	Proprietary Capital		p112.16c	\$	1,033,261,076
105	Less Preferred Stock	enter negative	(Line 114)		0
106	Less Account 216.1	enter negative	p112.12c	\$	-
107	Common Stock		(Sum Lines 104 to 106)		1,033,261,076
Capitalization					
108	Long Term Debt		p112.17c through 21c	\$	1,103,448,302
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	\$	(6,020,831)
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	\$	-
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1		2,459,510
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8		-66,433,302
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)		1,033,453,679
114	Preferred Stock		p112.3c	\$	-
115	Common Stock		(Line 107)		1,033,261,076
116	Total Capitalization		(Sum Lines 113 to 115)		2,066,714,755
117	Debt %	Total Long Term Debt	(Note Q)	(Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Note Q)	(Line 114 / 116)	0%
119	Common %	Common Stock	(Note Q)	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt		(Line 102 / 113)	0.0555
121	Preferred Cost	Preferred Stock		(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J)	Fixed	0.1050
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0277
124	Weighted Cost of Preferred	Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock		(Line 119 * 122)	0.0525
126	Total Return (R)			(Sum Lines 123 to 125)	0.0802
127	Investment Return = Rate Base * Rate of Return			(Line 59 * 126)	50,473,530

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite		(Note I)	9.00%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.85%
132	T / (1-T)			69.06%
ITC Adjustment				
133	Amortized Investment Tax Credit		(Note I)	
134	T/(1-T)	enter negative	p266.8f	\$ (378,101)
135	Net Plant Allocation Factor		(Line 132)	69.06%
136	ITC Adjustment Allocated to Transmission		(Line 18)	35.1638%
			(Line 133 * (1 + 134) * 135)	-224,776
137	Income Tax Component =	$CIT = (T/1-T) * Investment\ Return * (1 - (WCLTD/R)) =$	[Line 132 * 127 * (1 - (123 / 126))]	22,810,824
138	Total Income Taxes		(Line 136 + 137)	22,586,049

REVENUE REQUIREMENT

Summary				
139	Net Property, Plant & Equipment		(Line 39)	911,776,704
140	Adjustment to Rate Base		(Line 58)	-282,640,957
141	Rate Base		(Line 59)	629,135,747
142	O&M		(Line 85)	25,079,904
143	Depreciation & Amortization		(Line 97)	26,687,464
144	Taxes Other than Income		(Line 99)	1,148,903
145	Investment Return		(Line 127)	50,473,530
146	Income Taxes		(Line 138)	22,586,049
147	Gross Revenue Requirement		(Sum Lines 142 to 146)	125,975,850
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
148	Transmission Plant In Service		(Line 19)	1,124,448,196
149	Excluded Transmission Facilities		(Note M) Attachment 5	0
150	Included Transmission Facilities		(Line 148 - 149)	1,124,448,196
151	Inclusion Ratio		(Line 150 / 148)	100.00%
152	Gross Revenue Requirement		(Line 147)	125,975,850
153	Adjusted Gross Revenue Requirement		(Line 151 * 152)	125,975,850
Revenue Credits & Interest on Network Credits				
154	Revenue Credits		Attachment 3	2,509,943
155	Interest on Network Credits		(Note N) PJM Data	-
156	Net Revenue Requirement		(Line 153 - 154 + 155)	123,465,907
Net Plant Carrying Charge				
157	Net Revenue Requirement		(Line 156)	123,465,907
158	Net Transmission Plant		(Line 19 - 30)	889,481,632
159	Net Plant Carrying Charge		(Line 157 / 158)	13.8807%
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158	10.9437%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158	2.7300%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE				
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146)	50,406,328
163	Increased Return and Taxes		Attachment 4	78,377,717
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163)	128,784,045
165	Net Transmission Plant		(Line 19 - 30)	889,481,632
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165)	14.4786%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation		(Line 163 - 86) / 165	11.5416%
168	Net Revenue Requirement		(Line 156)	123,465,907
169	True-up amount		Attachment 6	12,398,602
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7	372,518
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)		Attachment 5	-
172	Net Zonal Revenue Requirement		(Line 168 - 169 + 171)	136,237,027
Network Zonal Service Rate				
173	1 CP Peak		(Note L) PJM Data	2,673
174	Rate (\$/MW-Year)		(Line 172 / 173)	50,960
175	Network Service Rate (\$/MW/Year)		(Line 174)	50,960

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T). A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- The ROE is 10.5% which includes a base ROE of 10.0% ROE per FERC order in Docket No. EL13-48 and a 50 basis point RTO membership adder as authorized by FERC; provided, that the projects identified in Docket Nos. ER08-686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.
- J 686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT and the PJM established billing determinants will not be revised or updated in the annual rate reconciliations per settlement in ER05-515.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M. If they are booked to Acct 565, they are included in on line 64
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.
- S See Attachment 5 - Cost Support, section entitled "PBOP Expense in FERC Account 926" for additional information per FERC orders in Docket Nos. EL13-48 , EL15-27 and ER16-456.

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	-	(859,350,629)	-	-
ADIT-283	(2,677,716)	(18,810)	(39,070,805)	-
ADIT-190	1,702,752	19,543,357	7,312,797	-
Subtotal	(974,964)	(839,826,082)	(31,758,008)	-
Wages & Salary Allocator			8.8404%	
Gross Plant Allocator		34.4422%		
ADIT	(974,964)	(289,254,261)	(2,807,527)	(293,036,751)

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111.
Amount (2,459,510)

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 Related	D Only Transmission Related	E Plant	F Labor	G Justifications
190 1999 AMT		364,878	-	-	364,878	-	Reflects the deferred tax asset related to New Jersey Alternative Minimum Assessment (AMA) credit. Related to both Transmission and Distribution.
190 Accrual Labor Related		7,207,952	-	-	-	7,207,952	Represents deferred income taxes on labor related book accruals that are only deductible for tax purposes as economic performance occurs. The deferred taxes are related to Company personnel across all functions. These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for Auto liability claims. For tax, no deduction is permitted until the "all events" test is met, typically when payment is made. The deferred taxes related to Company personnel across all functions.
190 Accrued Liab - Auto		105,853	-	-	-	105,853	Represents accrued book liabilities that can not be deducted for tax purposes until the "all events" test is met. Amounts in Gas, Production or Other Related represent deferred taxes on Unbilled Revenues which are retail related. Deferred taxes on Other Miscellaneous Accrued Liabilities relate to both Transmission and Distribution and are being allocated using both the Plant and Labor allocators.
190 Accrued Liab - Misc.		10,155,988	8,846,865	-	1,310,131	(1,008)	Amounts in Gas, Production or Other Related represent deferred income taxes on Accrued Merger Commitments made as part of the 2016 merger with Exelon that have not been paid to date. These amounts are excluded from Rate Base. Other General Accrued Liabilities are related to both Transmission and Distribution and are being allocated using the Plant Allocator.
190 Accrued Liability - General		9,023,000	8,191,010	-	831,990	-	Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the deferred taxes on the Investment Tax Credit regulatory liability. Related to all plant. These amounts are removed below.
190 Accumulated Deferred Investment Tax Credit		1,658,779	-	-	1,658,779	-	Under the Tax Reform Act of 1986, taxpayers were required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. The amount represents the deferred tax asset related to the add-back of book reserves for tax purposes. The deferred tax asset is retail related.
190 BAD DEBT RESERVE		13,075,318	13,075,318	-	-	-	ACE accrued Charitable Contribution Commitments made as part of the 2016 merger with Exelon that have not been paid to date. In addition, ACE has deducted Charitable Contributions for book purposes that could not be used in ACE's federal income tax return because of limitations caused by its tax net operating losses. Charitable Contributions are not included in Operating Income and any related deferred income taxes are excluded from Rate Base.
190 Charitable Contribution Limit		5,051,297	5,051,297	-	-	-	These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for environmental site clean-up expenses. For tax, no deduction is permitted until the "all events" test is met, typically when economic performance has occurred. This book reserve is primarily related to Deepwater and BL England sites which should not be in transmission service. It is Generation related.
190 ENVIRONMENTAL EXPENSE		276,963	276,963	-	-	-	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects Company personnel across all functions.
190 OPEB		13,737,414	-	-	-	13,737,414	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. The deferred tax asset is 100% Transmission related.
190 Reg Asset - FERC Formula Rate Adj. Trans. Svc		1,702,752	-	1,702,752	-	-	Stranded Costs incurred when Generation was deregulated were deferred for book purposes pending collection from/refund to customers in the future. These amounts were included for tax purposes when incurred. The deferred tax asset is Generation related.
190 Stranded Costs		1,231,720	1,231,720	-	-	-	Represents the deferred tax asset related to federal net operating loss carryforwards (offset by the federal benefit of state NOL carryforwards) available to offset future federal taxable income. Related to both Transmission and Distribution.
190 Federal NOL		(2,644,331)	(2,547,383)	-	(96,948)	-	Represents the deferred tax asset related to state net operating loss carryforwards available to offset future state taxable income. Related to both Transmission and Distribution.
190 State NOL		24,411,544	7,278,238	-	17,133,306	-	Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the tax gross-up necessary for full recovery of the prior flow-through amounts. Related to all plant.
190 FAS 109 Deferred Taxes - 190		1,145,580	-	-	1,145,580	-	
190 Subtotal - p234		86,504,707	41,404,028	1,702,752	22,347,716	21,050,211	
Less FASB 109 Above if not separately removed		2,804,359	-	-	2,804,359	-	
190 Less FASB 106 Above if not separately removed		13,737,414	-	-	-	13,737,414	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 Total		69,962,934	41,404,028	1,702,752	19,543,357	7,312,797	

Instructions for Account 190:
 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 2. ADIT items related only to Transmission are directly assigned to Column D
 3. ADIT items related to Plant and not in Columns C & D are included in Column E
 4. ADIT items related to labor and not in Columns C & D are included in Column F
 5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.
 6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

ADIT-282	A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
282 Plant Related - APB 11 Deferred Taxes		(859,350,629)	-	-	(859,350,629)	-	This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
282 CIAC		52,779,814	52,779,814	-	-	-	Contributions in Aid of Construction (CIAC) are a reduction to Plant for book accounting purposes, but are included in taxable income and depreciated for income tax purposes. This different book/tax treatment results in deferred income taxes which must be recorded in accordance with SFAS 109. The Company collects an income tax gross-up from the customer which is reimbursement for the time value of money on the additional tax liability incurred until such time as the amounts are fully depreciated for tax purposes. The deferred income tax asset on CIAC's is excluded from Rate Base because the underlying plant is not included in Rate Base. The Company leases its vehicles under arrangements that are treated as Operating Leases for book purposes, but financing leases for tax purposes. The differing income tax treatment between Rent Expense deducted for book purposes and tax depreciation expense deducted for income tax purposes, results in deferred income taxes being recorded on the books. Since Leased Vehicles are not included in Rate Base, the deferred income taxes are being excluded as well.
282 Leased Vehicles		(7,794,621)	(7,794,621)	-	-	-	
282 Plant Related - FAS109 Deferred Taxes		(32,010,736)	-	-	(32,010,736)	-	Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the deferred taxes on prior flow-through items. Related to all plant. These amounts are removed below.
Subtotal - p275		(846,376,172)	44,985,193	-	(891,361,365)	-	
Less FASB 109 Above if not separately removed		(32,010,736)	-	-	(32,010,736)	-	
Less FASB 106 Above if not separately removed		-	-	-	-	-	
282 Total		(814,365,436)	44,985,193	-	(859,350,629)	-	

Instructions for Account 282:
 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 2. ADIT items related only to Transmission are directly assigned to Column D
 3. ADIT items related to Plant and not in Columns C & D are included in Column E
 4. ADIT items related to labor and not in Columns C & D are included in Column F
 5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.
 6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

	A	B	C	D	E	F	G
ADIT-283		Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
283 Accrual Labor Related		(4,269,783)	-	-	-	(4,269,783)	Represents deferred income tax liability on Vacation Accrual Regulatory Asset. The deferred taxes are related to Company personnel across all functions.
283 BGS Deferred Related - Retail		(14,428,575)	(14,428,575)	-	-	-	Relates to deferred costs associated with Basic Generation Service. Retail related.
283 Interest on Contingent Taxes		(18,810)	-	-	(18,810)	-	Estimated book interest income on prior year taxes not included in taxable income for tax purposes. Related to both Transmission and Distribution.
283 Loss on Reacquired Debt		(2,459,510)	(2,459,510)	-	-	-	The cost of bond redemption is deductible currently for tax purposes and is amortized over the life of the new bond issue for book purposes. Excluded here since included in Cost of Debt.
283 Misc. Deferred Debits - Retail		(23,042)	(23,042)	-	-	-	Represents deferred taxes on miscellaneous deferred debits deducted for tax purposes in advance of book purposes. Retail related.
283 NUUG BUYOUT		(11,558,142)	(11,558,142)	-	-	-	These deferred taxes relate to Regulatory Assets created during Generation deregulation. The underlying costs were deducted for tax purposes as incurred. Amortization Expense recorded for book purposes as amounts are collected from customers is reversed for tax purposes. It is Generation related.
283 PENSION PAYMENT RESERVE		(34,801,022)	-	-	-	(34,801,022)	The Company claims tax deductions for payments made to fund its Retirement Income Plan to the extent permitted under the IRC Section 415 contribution limitations. For book purposes, Pension Plan expense is recorded in accordance with SFAS 158. This deferred tax liability reflects the difference between the tax versus book deductions. It affects Company personnel across all functions.
283 Req Asset - FERC Formula Rate Adj. Trans. Svc		(2,677,716)	-	(2,677,716)	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. The deferred tax asset is 100% Transmission related.
283 Req Asset-NJ Rec Base		(8,726,472)	(8,726,472)	-	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. This deferred tax liability is retail related.
283 Regulatory Asset - NJ RGGI		(173,383)	(173,383)	-	-	-	When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization. This deferred tax liability is retail related.
283 Regulatory Asset - SREC Program		(870,712)	(870,712)	-	-	-	Represents deferred income tax liability on the Solar Renewable Energy Certificate Program. Retail related.
283 Stranded Costs		(39,198,946)	(39,198,946)	-	-	-	These deferred taxes relate to Regulatory Assets created during Generation deregulation. The underlying costs were deducted for tax purposes as incurred. Amortization Expense recorded for book purposes as amounts are collected from customers is reversed for tax purposes. It is Generation related.
283 Use Tax reserve		768,182	768,182	-	-	-	For book purposes, SFAS 5 reserves are established for potential prior year sales and use tax liabilities. For tax purposes, these liabilities can only be deducted when the amounts become fixed liabilities and are paid. Related to the retail function.
283 Gross up on FAS 109 Deferred Taxes		(22,088,802)	-	-	(22,088,802)	-	Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the tax gross-up necessary for full recovery of the prior flow-through amounts. Related to all plant. These amounts are removed below.
283 Subtotal - p277 (Form 1-F filer: see note 6, below)		(140,526,733)	(76,670,600)	(2,677,716)	(22,107,612)	(39,070,805)	
283 Less FASB 109 Above if not separately removed		(22,088,802)	-	-	(22,088,802)	-	
283 Less FASB 106 Above if not separately removed		-	-	-	-	-	
283 Total		(118,437,931)	(76,670,600)	(2,677,716)	(18,810)	(39,070,805)	

check

Instructions for Account 283:

- ADIT Items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT Items related only to Transmission are directly assigned to Column D
- ADIT Items related to Plant and not in Columns C & D are included in Column E
- ADIT Items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

ADITC-255		Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A	Total	
3	Amortization		
4	Amortization to line 133 of Appendix A	Total	4,060,657 378,101
5	Total		4,060,657 378,101
6	Form No. 1 balance (p.266) for amortization	Total Form No. 1 (p.266 & 267)	4,060,657 378,101
7	Difference /1		-

/1 Difference must be zero

Atlantic City Electric Company

Attachment 2 - Taxes Other Than Income Worksheet

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	2,718,030		
2 Personal property	-		
3 City License	-		
4 Federal Excise	15,339		
Total Plant Related	2,733,369	34.4422%	941,431
Labor Related		Wages & Salary Allocator	
5 Federal FICA & Unemployment	2,040,419		
6 Unemployment(State)	295,904		
Total Labor Related	2,336,323	8.8404%	206,540
Other Included		Gross Plant Allocator	
7 Miscellaneous	2,706		
Total Other Included	2,706	34.4422%	932
Total Included			1,148,903
Excluded			
8 State Franchise tax	-		
9 TEFA	-		
10 Use & Sales Tax	1,203,283		
10.1 Excluded merger costs in line 5	1,454		
11 Total "Other" Taxes (included on p. 263)	6,277,135		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	6,277,135		
13 Difference	-		

Criteria for Allocation:

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

Atlantic City Electric Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1 Rent from Electric Property - Transmission Related (Note 3)		949,422
2 Total Rent Revenues	(Sum Line 1)	949,422

Account 456 - Other Electric Revenues (Note 1)

3 Schedule 1A		\$ 848,650
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)		761,122
6 PJM Transitional Revenue Neutrality (Note 1)		-
7 PJM Transitional Market Expansion (Note 1)		-
8 Professional Services (Note 3)		-
9 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		619,380
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11 Gross Revenue Credits	(Sum Lines 2-10)	3,178,574
12 Less line 17g		(668,630)
13 Total Revenue Credits		2,509,943

Revenue Adjustment to determine Revenue Credit

- 14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 173 of Appendix A.
- 15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.
- 16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

17a Revenues included in lines 1-11 which are subject to 50/50 sharing.		949,422
17b Costs associated with revenues in line 17a	Attachment 5 - Cost Support	387,839
17c Net Revenues (17a - 17b)		561,583
17d 50% Share of Net Revenues (17c / 2)		280,791
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)		280,791
17g Line 17f less line 17a		(668,630)
18 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.		10,660,859
19 Amount offset in line 4 above		111,505,353
20 Total Account 454, 456 and 456.1		125,344,786
21 Note 4: SECA revenues booked in Account 447.		

Atlantic City Electric Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	78,377,717
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	629,135,747
	Long Term Interest			
100	Long Term Interest		p117.62c through 67c	65,599,295
101	Less LTD Interest on Securitization B _i (Note P)		Attachment 8	8,290,626
102	Long Term Interest		"(Line 100 - line 101)"	57,308,669
103	Preferred Dividends	enter positive	p118.29c	0
	Common Stock			
104	Proprietary Capital		p112.16c	1,033,261,076
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	0
107	Common Stock		(Sum Lines 104 to 106)	1,033,261,076
	Capitalization			
108	Long Term Debt		p112.17c through 21c	1,103,448,302
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-6,020,831
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	2,459,510
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-66,433,302
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)	1,033,453,679
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,033,261,076
116	Total Capitalization		(Sum Lines 113 to 115)	2,066,714,755
117	Debt %	(Note Q from Appendix A) Total Long Term Debt	(Line 113 / 116)	50%
118	Preferred %	(Note Q from Appendix A) Preferred Stock	(Line 114 / 116)	0%
119	Common %	(Note Q from Appendix A) Common Stock	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0555
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	Appendix A % plus 100 Basis Pts	0.1150
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0277
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0575
126	Total Return (R)		(Sum Lines 123 to 125)	0.0852
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	53,619,209

Composite Income Taxes

(Note L)

	Income Tax Rates			
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			9.00%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.85%
132	T / (1-T)			69.06%
	ITC Adjustment			
133	Amortized Investment Tax Credit	enter negative	p266.8f	-378,101
134	T/(1-T)		(Line 132)	69.06%
135	Net Plant Allocation Factor		(Line 18)	35.1638%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-224,776
137	Income Tax Component =	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		24,983,284
138	Total Income Taxes			24,758,508

Atlantic City Electric Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	15,119,930	15,119,930	0	Respondent is Electric Utility only.
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	0	0	0	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	4,060,657	4,060,657	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0	0	0	Respondent is Electric Utility only.
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3c	0			
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	139,483	139,483	0	Respondent is Electric Utility only.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	0	0	0	
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land)	(Note C)	p214	12,757,399	782,029	11,975,370	Transmission Right of Way - Carll's Corner to Landis

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	3,341,206,653	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	1,124,448,196	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	234,966,564	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	138,757	138,757		See Form 1

Atlantic City Electric Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	4,153,916	132,610	4,021,306	FERC Form 1 page 351 line 3 (h) through 6 (h)
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	4,153,916	132,610	4,021,306	FERC Form 1 page 351 line 3 (h) through 6 (h)

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	363,930	-	363,930	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)	9.0000%	NJ 9.00%	PA 9.990%				Enter Calculation Apportioned: NJ 100.0000%, PA 0.0000%

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 F)	p323.191b	363,930	-	363,930	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	-	General Description of the Facilities
Instructions:				Enter \$	None
1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process					
2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:				Or	
Example				Enter \$	
A Total investment in substation				1,000,000	
B Identifiable investment in Transmission (provide workpapers)				500,000	
C Identifiable investment in Distribution (provide workpapers)				400,000	
D Amount to be excluded (A x (C / (B + C)))				444,444	
Add more lines if necessary					

Atlantic City Electric Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

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	0	100%	-	
	Labor Related, General plant related or Common Plant related	12,977,141	8.84%	1,147,228	
	Plant Related	3,207,174	34.44%	1,104,620	
	Other		0.00%	-	
	Total Transmission Related Reserves	16,184,315		2,251,848	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Description of the Prepayments
45 Prepayments					
5	Wages & Salary Allocator		8.840%	To Line 45	
	Pension Liabilities, if any, in Account 242	-	8.840%	-	
	Prepayments	\$ 423,912	8.840%	37,475	
	Prepaid Pensions if not included in Prepayments	\$ 85,192,220	8.840%	7,531,310	Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
		85,616,132		7,568,786	
<i>Add more lines if necessary</i>					

Extraordinary Property Loss

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

Atlantic City Electric Company

Attachment 5 - Cost Support

Interest on Outstanding Network Credits Cost Support

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

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

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	2,673.4	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

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				Form 1 Amount	Merger Costs	Non Merger Related
60	Transmission O&M		p321.112.b	19,188,113	412,159	18,775,954
68	Total A&G		p323.197.b	92,346,183	19,276,445	73,069,738

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	3,341,206,653	946,955	3,340,259,698	Distribution ARO-\$850,400 and General & Intangible ARO-\$96,555
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	734,520,209	95,364	734,424,845	Distribution ARO-\$47,086 and General ARO-\$48,278
23	General & Intangible		p205.5.g & p207.99.g	131,879,841	96,555	131,783,286	General & Intangible ARO-\$96,555
31	Accumulated General Depreciation		p219.28.c	35,790,691	48,278	35,742,413	General ARO-\$48,278

PBOP Expense in FERC 926

--	--	--	--	--	--	--

Atlantic City Electric Company

Attachment 5 - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total A&G Form 1 Amount	Account 926 Form 1 Amount	PBOP in FERC 926 current rate year	PBOP in FERC 926 prior rate year	Explanation of change in PBOP in FERC 926
68	Total A&G	Total: p.323.197.b Account 926: p.323.187.b and c		92,346,183	12,070,521	1,000,545	877,444	The actuarially determined amount of OPEB expense in FERC 926 increased \$.129 million from the prior year; the increase primarily represents a \$0.1 million increase in amortization of unrecognized gain/loss from assumption changes, primarily a change in the census data and decrease in the discount rate from 4.15% in 2015 to 3.80% in 2016, \$0.4 million decrease in expected return on plan assets, offset by (\$0.4 million) decrease in interest cost.

Attachment 3 - Revenue Credit Workpaper

17b	Costs associated with revenues in line 17a	\$	387,839
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$	949,422
	Federal Income Tax Rate		35.00%
	Federal Tax on Revenue subject to 50/50 sharing		332,298
	Net Revenue subject to 50/50 sharing		617,124
	Composite State Income Tax Rate		9.000%
	State Tax on Revenue subject to 50/50 sharing		55,541
	Total Tax on Revenue subject to 50/50 sharing	\$	<u>387,839</u>

Atlantic City Electric Company

Attachment 5a - Allocations of Costs to Affiliate

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

Name of Respondent PHI Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2016
---	---	--	---------------------------------------

Schedule XVII - Analysis of Billing – Associate Companies (Account 457)

1. For services rendered to associate companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Potomac Electric Power Company	55,777,848	207,249,778	207,839	263,235,465
2	Delmarva Power & Light Company	45,668,170	147,785,802	155,156	193,609,128
3	Atlantic City Electric Company	29,420,467	125,724,641	124,050	155,269,158
4	Exelon Business Services Company, LLC	42,660,634			42,660,634
5	Pepco Energy Services, Inc.	4,221,075	1,906,663	4,801	6,132,539
6	Pepco Holdings LLC	979,497	1,972,619	5,708	2,957,824
7	Thermal Energy Limited Partnership	4,232	407,746	522	412,500
8	ATS Operating Services, Inc.	26	167,526	192	167,744
9	Atlantic Southern Properties, Inc.	3,079	158,479	142	161,700
10	Conectiv Properties & Investments, Inc.	57	121,639	103	121,799
11	Conectiv Thermal Systems, Inc.	1,447	95,441	67	96,955
12	Conectiv, LLC	6,529	79,114	62	85,705
13	Potomac Capital Investment Corporation	29,039	36,778	114	65,931
14	Atlantic City Electric Transition Funding, LLC	37,069	7,509	40	44,618
15	ATE Investment, Inc.	87			87
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	178,809,256	485,713,735	498,796	665,021,787

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

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	26,805,795	19,873,552	37,468,781	-	84,148,128	Not included
182.3	Other Regulatory Assets	4,175,575	259,524	8,595,791	-	13,030,891	Not included
184	Clearing Accounts - Other	348,794	92,274	638,660	(253,174)	826,555	Not included
408.1	Taxes other than inc taxes, utility operating inc	2,313	784	1,997	-	5,093	Not included
416-421.2	Other Income -Below the Line	892,977	789,210	1,313,427	53,161,209	56,156,823	Not included
426.1-426.5	Other Income Deductions - Below the Line	1,753,265	1,341,072	2,592,346	-	5,686,683	Not included
430	Interest-Debt to Associated Companies	182,125	145,629	244,108	-	571,862	Not included
431	Interest-Short Term Debt	(26,965)	(21,576)	(36,264)	-	(84,805)	Not included
556	System cont & load dispatch	2,775,119	2,378,381	2,624,428	-	7,777,928	Not included
557	Other expenses	1,275,792	1,012,311	1,550,758	-	3,838,861	Not included
560	Operation Supervision & Engineering	3,003,550	2,801,852	5,088,055	-	10,893,458	100% included
561	Load dispatching	-	299	-	-	299	100% included
561.1	Load Dispatching - Reliability	15,313	13,623	-	-	28,936	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	54,585	28,734	849,068	-	932,386	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	45,300	38,036	50,977	-	134,313	100% included
561.5	Reliability, Planning and Standards	340,515	334,220	131,940	-	806,676	100% included
563	Overhead line expenses	-	-	301	-	301	100% included
562	Station expenses	-	-	11,428	-	11,428	100% included
564	Underground Line Expenses - Transmission	-	-	3,084	-	3,084	100% included
566	Miscellaneous transmission expenses	1,333,901	1,161,236	1,290,926	-	3,786,062	100% included
568	Maintenance Supervision & Engineering	66,861	84,785	507,686	-	659,332	100% included
569.2	Maintenance of Computer Software	840,498	353,031	449,960	-	1,643,489	100% included
570	Maintenance of station equipment	182,130	92,896	379,724	-	654,749	100% included
571	Maintenance of overhead lines	234,450	231,176	548,094	-	1,013,720	100% included
572	Maintenance of underground lines	667	950	11,117	-	12,735	100% included
573	Maintenance of miscellaneous transmission plant	32,488	56,182	171,684	-	260,354	100% included
575.5	Ancillary services market administration	-	-	17,401	-	17,401	Not included
580	Operation Supervision & Engineering	1,001,036	471,740	1,212,741	-	2,685,517	Not included
581	Load dispatching	1,179,197	535,514	1,475,555	-	3,190,266	Not included
582	Station expenses	897,139	-	105,767	-	1,002,906	Not included
583	Overhead line expenses	95,393	229,072	47,265	-	371,730	Not included
584	Underground line expenses	34,878	-	208,396	-	243,274	Not included
585	Street lighting	4,028	-	43	-	4,071	Not included
586	Meter expenses	800,246	411,127	1,108,564	-	2,319,937	Not included
587	Customer installations expenses	346,745	299,963	893,846	-	1,540,554	Not included
588	Miscellaneous distribution expenses	5,474,825	5,527,826	9,099,689	-	20,102,340	Not included
589	Rents	60,620	2,757	64,590	-	127,967	Not included
590	Maintenance Supervision & Engineering	1,014,077	543,084	431,373	-	1,988,535	Not included
591	Maintain structures	-	-	102	-	102	Not included
592	Maintain equipment	567,892	615,945	1,111,695	-	2,295,532	Not included
593	Maintain overhead lines	1,499,072	1,123,689	1,646,212	-	4,268,974	Not included
594	Maintain underground line	195,257	80,020	610,137	-	885,414	Not included
595	Maintain line transformers	550	200	199,373	-	200,122	Not included
596	Maintain street lighting & signal systems	41,368	40,213	15,904	-	97,486	Not included
597	Maintain meters	110,587	33,666	157,207	-	301,460	Not included
598	Maintain distribution plant	32,930	13,967	560,761	-	607,659	Not included
800-894	Total Gas Accounts	2,419,540	-	-	-	2,419,540	Not included
902	Meter reading expenses	144,919	46,153	123,280	-	314,351	Not included
903	Customer records and collection expenses	51,327,401	49,920,892	48,002,627	-	149,250,920	Not included
907	Supervision - Customer Svc & Information	93,109	89,900	135,212	-	318,221	Not included
908	Customer assistance expenses	2,108,200	754,281	876,429	-	3,738,910	Not included
909	Informational & instructional advertising	204,733	204,651	306,902	-	716,286	Not included
912	Demonstrating and selling expense	140,748	-	-	-	140,748	Not included
913	Advertising expense	43,946	-	-	-	43,946	Not included
920	Administrative & General salaries	367,453	98,423	639,618	-	1,105,493	Wage & Salary Factor
921	Office supplies & expenses	5,082	4,300	6,549	-	15,931	Wage & Salary Factor
923	Outside services employed	67,081,017	56,928,796	110,924,582	-	234,934,395	Wage & Salary Factor
924	Property insurance	(3,103)	(2,499)	(4,305)	-	(9,908)	Net Plant Factor
925	Injuries & damages	467,041	359,075	751,897	-	1,578,013	Wage & Salary Factor
926	Employee pensions & benefits	7,900,160	4,233,882	12,532,015	-	24,666,057	Wage & Salary Factor
928	Regulatory commission expenses	2,081,126	592,263	2,541,328	-	5,214,716	Direct Transmission Only
929	Duplicate charges-Credit	472,389	232,352	1,387,280	-	2,092,021	Wage & Salary Factor
930.1	General ad expenses	-	-	33	-	33	Direct Transmission Only
930.2	Miscellaneous general expenses	643,418	590,393	1,134,900	-	2,368,711	Wage & Salary Factor
935	Maintenance of general plant	421,060	219,332	422,422	-	1,062,814	Wage & Salary Factor
Total		193,609,128	155,269,158	263,235,465	52,908,036	665,021,787	

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 \$ 170,292,241 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	12,706,474				11.5	146,124,447	-	-	-	12,177,037	-	-	-	
Feb	3,246,053				10.5	34,083,555	-	-	-	2,840,296	-	-	-	
Mar	1,511,631				9.5	14,360,493	-	-	-	1,196,708	-	-	-	
Apr	26,556,388				8.5	225,729,299	-	-	-	18,810,775	-	-	-	
May	52,012,666				7.5	390,094,996	-	-	-	32,507,916	-	-	-	
Jun	45,875,408				6.5	298,190,155	-	-	-	24,849,180	-	-	-	
Jul	92,900				5.5	510,950	-	-	-	42,579	-	-	-	
Aug	804,570				4.5	3,620,565	-	-	-	301,714	-	-	-	
Sep	1,103,039				3.5	3,860,636	-	-	-	321,720	-	-	-	
Oct	4,192,134				2.5	10,480,335	-	-	-	873,361	-	-	-	
Nov	1,095,520				1.5	1,643,280	-	-	-	136,940	-	-	-	
Dec	21,095,458				0.5	10,547,729	-	-	-	878,977	-	-	-	
Total	170,292,241					1,139,246,440	-	-	-	94,937,203	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										94,937,203	-	-	-	
										Input to Line 21 of Appendix A	94,937,203	-	-	94,937,203
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWIP	5.31	#DIV/0!	#DIV/0!	#DIV/0!

115,988,462 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 & line 20
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

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

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)	
Jan					11.5	-	-	-	-	-	-	-	-	
Feb					10.5	-	-	-	-	-	-	-	-	
Mar	6,321,892				9.5	60,057,974	-	-	-	5,004,831	-	-	-	
Apr	4,268,041				8.5	36,278,349	-	-	-	3,023,196	-	-	-	
May					7.5	-	-	-	-	-	-	-	-	
Jun	11,688,559				6.5	75,975,634	-	-	-	6,331,303	-	-	-	
Jul					5.5	-	-	-	-	-	-	-	-	
Aug					4.5	-	-	-	-	-	-	-	-	
Sep					3.5	-	-	-	-	-	-	-	-	
Oct					2.5	-	-	-	-	-	-	-	-	
Nov					1.5	-	-	-	-	-	-	-	-	
Dec					0.5	-	-	-	-	-	-	-	-	
Total	22,278,492					172,311,956	-	-	-	14,359,330	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										14,359,330	-	-	-	
										Input to Line 21 of Appendix A	14,359,330	-	-	14,359,330
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWIP	4.27	#DIV/0!	#DIV/0!	#DIV/0!

123,838,424

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	=	
115,988,462	- 104,043,298		11,945,164

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of 0.3000%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	995,430	0.3000%	11.5	34,342	1,029,773
Jul	Year 1	995,430	0.3000%	10.5	31,356	1,026,786
Aug	Year 1	995,430	0.3000%	9.5	28,370	1,023,800
Sep	Year 1	995,430	0.3000%	8.5	25,383	1,020,814
Oct	Year 1	995,430	0.3000%	7.5	22,397	1,017,827
Nov	Year 1	995,430	0.3000%	6.5	19,411	1,014,841
Dec	Year 1	995,430	0.3000%	5.5	16,425	1,011,855
Jan	Year 2	995,430	0.3000%	4.5	13,438	1,008,869
Feb	Year 2	995,430	0.3000%	3.5	10,452	1,005,882
Mar	Year 2	995,430	0.3000%	2.5	7,466	1,002,896
Apr	Year 2	995,430	0.3000%	1.5	4,479	999,910
May	Year 2	995,430	0.3000%	0.5	1,493	996,923
Total		11,945,164				12,160,176

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	12,160,176	0.3000%	1,033,217	11,163,440
Jul	Year 2	11,163,440	0.3000%	1,033,217	10,163,714
Aug	Year 2	10,163,714	0.3000%	1,033,217	9,160,988
Sep	Year 2	9,160,988	0.3000%	1,033,217	8,155,254
Oct	Year 2	8,155,254	0.3000%	1,033,217	7,146,503
Nov	Year 2	7,146,503	0.3000%	1,033,217	6,134,726
Dec	Year 2	6,134,726	0.3000%	1,033,217	5,119,913
Jan	Year 3	5,119,913	0.3000%	1,033,217	4,102,056
Feb	Year 3	4,102,056	0.3000%	1,033,217	3,081,145
Mar	Year 3	3,081,145	0.3000%	1,033,217	2,057,172
Apr	Year 3	2,057,172	0.3000%	1,033,217	1,030,126
May	Year 3	1,030,126	0.3000%	1,033,217	-
Total with interest				12,398,602	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest	12,398,602
Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)	\$ 123,838,424
Revenue Requirement for Year 3	136,237,027

10 May Year 3 lts of Step 9 on PJM web site
\$ 136,237,027

11 June Year 3 r the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
\$ 136,237,027

Final	B1600 Upgrade Mill T2 138/69 kV Transformer			
	Yes			
	35			
	No			
	0			
	10.9437%			
	10.9437%			
	14,841,978			
	424,057			
	6			

Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
1,670,931	14,647,390	424,057	14,223,334	1,980,620	\$ 12,713,063	\$	\$ 12,713,063
1,670,931	14,647,390	424,057	14,223,334	1,980,620	\$ 13,085,580	\$ 13,085,580	\$
1,629,732	14,223,334	424,057	13,799,277	1,934,212	\$ 12,369,439	\$	\$ 12,369,439
1,629,732	14,223,334	424,057	13,799,277	1,934,212	\$ 12,727,547	\$ 12,727,547	\$
1,588,532	13,799,277	424,057	13,375,221	1,887,805	\$ 12,025,815	\$	\$ 12,025,815
1,588,532	13,799,277	424,057	13,375,221	1,887,805	\$ 12,369,514	\$ 12,369,514	\$
1,547,333	13,375,221	424,057	12,951,164	1,841,397	\$ 11,682,191	\$	\$ 11,682,191
1,547,333	13,375,221	424,057	12,951,164	1,841,397	\$ 12,011,481	\$ 12,011,481	\$
1,506,134	12,951,164	424,057	12,527,107	1,794,990	\$ 11,338,567	\$	\$ 11,338,567
1,506,134	12,951,164	424,057	12,527,107	1,794,990	\$ 11,653,448	\$ 11,653,448	\$
1,464,935	12,527,107	424,057	12,103,051	1,748,582	\$ 10,994,943	\$	\$ 10,994,943
1,464,935	12,527,107	424,057	12,103,051	1,748,582	\$ 11,295,414	\$ 11,295,414	\$
1,423,736	12,103,051	424,057	11,678,994	1,702,174	\$ 10,651,319	\$	\$ 10,651,319
1,423,736	12,103,051	424,057	11,678,994	1,702,174	\$ 10,937,381	\$ 10,937,381	\$
1,382,537	11,678,994	424,057	11,254,938	1,655,767	\$ 10,307,695	\$	\$ 10,307,695
1,382,537	11,678,994	424,057	11,254,938	1,655,767	\$ 10,579,348	\$ 10,579,348	\$
1,341,338	11,254,938	424,057	10,830,881	1,609,359	\$ 9,964,070	\$	\$ 9,964,070
1,341,338	11,254,938	424,057	10,830,881	1,609,359	\$ 10,221,315	\$ 10,221,315	\$
1,300,139	10,830,881	424,057	10,406,825	1,562,952	\$ 9,620,446	\$	\$ 9,620,446
1,300,139	10,830,881	424,057	10,406,825	1,562,952	\$ 9,863,282	\$ 9,863,282	\$
1,258,940	10,406,825	424,057	9,982,768	1,516,544	\$ 9,276,822	\$	\$ 9,276,822
1,258,940	10,406,825	424,057	9,982,768	1,516,544	\$ 9,217,839	\$ 9,217,839	\$
....	\$	\$	\$
....	\$	\$	\$
					\$	217,852,030	\$ 210,914,295

Atlantic City Electric Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest	
101	Less LTD Interest on Securitization Bonds	8,290,626
	Capitalization	
112	Less LTD on Securitization Bonds	66,433,302

Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2016 FERC Form 1
Pages 256-257 "Long Term Debt (Account 221, 222, 223, and 224)"
Line 17 "Note Payable to ACE Transition Funding - variable"
LTD Interest on Securitization Bonds in column (i)
LTD on Securitization Bonds in column (h)