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April 24, 2020

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: *PJM Interconnection, L.L.C.*
Potomac Electric Power Company
Docket No. ER19-1475-002
Settlement Agreement**

Dear Secretary Bose:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.602 (2019), Potomac Electric Power Company (“Pepco”) submits for filing on behalf of the Parties¹ in these proceedings an executed Settlement Agreement (“Settlement Agreement” or “Settlement”) and related documents that resolve, upon the Commission’s approval of this Settlement Agreement without condition or modification unacceptable to the Parties,

¹ The Parties are: Pepco; Southern Maryland Electric Cooperative, Inc.; Maryland Office of People’s Counsel; and Office of the People’s Counsel of the District of Columbia (each a “Party” and all collectively, the “Parties”).

all issues in Docket No. ER19-1475 and all sub-dockets thereto.² The Settlement Agreement has been executed by all parties to this proceeding.³

I. INFORMATION SUBMITTED WITH THIS FILING

This submission includes, along with this transmittal letter, the following documents in addition to the Tariff Records:

- Explanatory Statement;
- Settlement Agreement;
- Clean Tariff Attachments;
- Marked Tariff Attachments; and
- Certificate of Service.

II. COMMENTS

Pursuant to Rule 602(f) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602(f)(2019), initial comments on the Settlement Agreement are due May 14, 2020, and reply comments are due May 26, 2020. Pursuant to Rule 602(f)(3),

² Concurrently with the filing of this Settlement Agreement, Pepco is joining with other parties in the filing of a settlement agreement in FERC Docket Nos. ER19-5, *et al.* that settles other issues relating to Pepco's rates. Both settlements are being filed on the same day and apply to overlapping rate periods. The tariff amendments included here incorporate both the agreed changes relating to this Settlement and the settlement of the ER19-5, *et al.* proceeding. Pursuant to Section 3.2 of the Settlement Agreement, the settlement tariff sheets will be formally filed through eTariff in this docket in a compliance filing. The filing of those tariff sheets will also satisfy Pepco's eTariff obligation in the ER19-5, *et al.* Proceeding. Pepco and the parties that are in both dockets are agreeable to this approach.

³ Pursuant to Order No. 714, this filing is being submitting by PJM Interconnection, L.L.C. ("PJM") on behalf of Pepco as part of an XML filing package that conforms with the Commission's regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Open Access Transmission Tariff ("OATT").

18 C.F.R. § 385.602(f)(3), any failure to file a comment constitutes a waiver of all objections to the Settlement Agreement.

III. SERVICE

Pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d) and 385.2010 (2019)), Pepco has served, either by paper or electronic service, the Settlement Agreement and all related documents listed above on all parties listed on the official service list compiled by the Secretary in this proceeding and on all other persons required to be served by operation of Rule 602(d).

In addition, PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,⁴ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁵ alerting them that this filing has been made by PJM and is available by following such link. If the

⁴ See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

⁵ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing.⁶

IV. REQUESTED RELIEF

The Parties request that the Settlement be certified to the Commission for its approval, and that the Commission approve the Settlement Agreement without condition or modification. In accordance with Section 3.1 of the Settlement Agreement, the Settlement Agreement will have an effective date of June 1, 2020 upon issuance of an order approving this Settlement Agreement without modification or condition, or if the Commission issues an order conditioning or modifying the Settlement Agreement, sixteen days after such order if no Party gives notice of termination pursuant to Section 3.1 of the Settlement Agreement.

Thank you for your assistance in this matter.

Respectfully submitted,

/s/ Richard L. Roberts

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Counsel for Potomac Electric Power Company

cc: Hon. Stephanie Nagel
All Parties

⁶ Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.
Potomac Electric Power Company

Docket No. ER19-1475-000

EXPLANATORY STATEMENT

The Parties in this proceeding submit this Explanatory Statement in support of the enclosed Settlement Agreement (“Settlement” or “Settlement Agreement”) that resolves Docket No. ER19-1475-000 (the “Proceeding”). As set forth in the Settlement Agreement, the Parties are Potomac Electric Power Company (“Pepco”); Southern Maryland Electric Cooperative, Inc. (“SMECO”); Maryland Office of People’s Counsel (“MD OPC”); and Office of the People’s Counsel of the District of Columbia (“DC OPC”) (each a “Party” and all collectively, the “Parties”).¹

I. Background

On March 29, 2019, pursuant to Section 205(d) of the Federal Power Act,² Pepco submitted revisions to the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”), including a formula rate template and protocols to establish a forward-looking formula rate and “adjust the Company’s reconciliation (or “true-up”) mechanism to better align incurrence of actual transmission costs with the recovery of those costs through rates.”³ The proposed change in rates was to be accomplished by replacing the current Attachment H-9A and

¹ This Explanatory Statement is provided solely to comply with Rule 602(c)(1)(ii) of the Commission’s Rules of Practice and Procedure and is not intended, and does not, alter any of the provisions of the Settlement Agreement or Formula Rate. In the event of any inconsistency between the Explanatory Statement and the Settlement Agreement or Formula Rate, the Settlement Agreement and Formula Rate shall control.

² 16 U.S.C. § 824d(d) (2012).

³ Pepco’s Filing, Docket No. ER19-1475-000 (filed March 29, 2019), Transmittal Letter at 1-2.

H-9B of the PJM OATT with the Formula Rate set forth in revised versions of Attachments H-9A (Formula Rate Template) and H-9B (Protocols) of the PJM Tariff (“Formula Rate Tariffs”).

On April 19, 2019, SMECO, MD OPC and DC OPC filed protests opposing Pepco’s March 29, 2019 Filing. SMECO also filed a Motion to Reject as Deficient.

On May 31, 2019, the Commission issued an order on Pepco’s filing in which Pepco’s proposed revisions to the PJM OATT were accepted for filing and suspended for a nominal period, to become effective June 1, 2019, subject to refund, and set for hearing and settlement judge procedures. *PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,192 (2019).

On June 5, 2019, the Chief Administrative Law Judge designated Judge Nagel as the Settlement Judge.⁴ Judge Nagel convened multiple settlement conferences through which the Parties sought to settle their disputes. As a result of these efforts, the Parties have reached an agreement on the terms and conditions of a settlement that would resolve all issues in this Proceeding.

II. Items Included in the Settlement Package

Along with this Explanatory Statement, the Settling Parties include the following items representing the complete settlement package:

1. Transmittal Letter;
2. Settlement Agreement;
3. Exhibit A, revised OATT Attachment H-9A (Formula Rate Template);
4. Exhibit B, redline/strikeout showing the agreed upon changes to revised OATT Attachment H-9A (Formula Rate Template);

⁴ *PJM Interconnection, L.L.C.*, Order of Chief Judge Designating Settlement Judge, Docket No. ER19-1475-000 (June 5, 2019).

5. Exhibit C, OATT Attachment H-9B (Protocols);
6. Exhibit D, redline/strikeout showing the agreed upon changes to OATT Attachment H-9B (Protocols); and
7. Certificate of Service.

III. Summary of the Settlement

The Settlement establishes a forward-looking Formula Rate for Pepco and resolves numerous disputes between the Parties. A summary of the provisions of the Settlement is included below.

The Preamble describes the Parties and the effect of the Settlement on Docket No. ER19-1475 and all sub-dockets thereto.

Section 1.1 provides the definitions applicable to the Settlement.

Section 2.1 identifies the tariff records filed as part of the Settlement, noting that Exhibit A, B, C, and D include changes to the Formula Rates included in the following Attachment H-9A (Formula Rate Template) and Attachment H-9B (Protocols) to PJM's OATT, together with a redline/strikeout version of each of the attachments from the versions currently in PJM's OATT. This section also describes the submission of tariff records through eTariff with the Settlement Agreement. The redline/strikeout version of Attachment H-9A provided in Exhibit B to the Settlement show the changes in the Formula Rate Template. The redline/strikeout version of Attachment H-9B provided in Exhibit D to the Settlement shows the changes in Protocols.

The changes to the Formula Rate Template shown in Exhibits A and B include changes to add transparency and clarity. They also make certain agreed-upon rate changes, for example, to Pepco's calculation of its capital structure, which is to be based on gross long-term debt to calculate the debt ratio, rather than net long-term debt; using 13-month averages rather than year-end balances for certain rate base items; and clarifying which classifications of transmission

Materials and Supplies will be included in rate base and specifying that those Materials and Supplies amounts will be functionalized using the wages and salaries allocator.

The changes to the Protocols included in Exhibits C and D provide additional clarification and transparency regarding the implementation of Pepco forward-looking formula rate. In particular, the Protocols provide that each Annual Update shall include a populated formula rate template reflecting the Projected Annual Transmission Revenue Requirement (“PTRR”) and a populated formula rate template reflecting the True-Up Adjustment (“True-Up TRR”). It also provides details as to how the PTRR and True-Up TRR are to be completed, and identifies additional information that Pepco is to provide with the Annual Update, including the identification of any reclassifications, including mapping changes, among FERC accounts between calendar years. The Protocols also provide additional clarity as to how the period from June 2019 to December 2019 is to be treated in order to transition to the true-up mechanism provided in the Settlement.

Section 2.2 explains the relationship of the Settlement with the concurrently-filed settlement in Docket Nos. ER19-5, *et al.* All of the Parties to this Settlement are also parties to the settlement agreement in Docket Nos. ER19-5, *et al.* In order to provide a single version of Pepco’s Formula Rate Template for FERC’s eTariff system and posting by PJM, Pepco’s revised Formula Rate Template incorporates the changes in this proceeding and the Docket Nos. ER19-5, *et al.* proceedings.

Section 2.3 sets forth settlement terms in addition to those reflected in the revised Formula Rate Template and Protocols. Specifically, Pepco confirms that income tax overpayments will be excluded from the prepayment calculations pursuant to the Formula Rate Template. Also, Pepco will identify in a note in Attachment 12 of the Formula Rate Template

the docket number of the proceeding(s) wherein FERC accepted or approved the depreciation and amortization rates reflected in that Attachment 12. Pepco will begin including this information in the note to Attachment 12 in the Annual Update following FERC's next acceptance or approval of depreciation and/or amortization rates for Pepco after the Settlement becomes effective. The section further provides that neither this settlement nor the reference to this note in Schedule 12 shall be deemed as, or cited as evidence of, agreement by any party or participant to this proceeding as to the methodology or underlying study that produced these rates or that these rates will be appropriate in a future proceeding.

Section 2.4 provides that the Settlement resolves all issues set for hearing in Docket No. ER19-1475 and all sub-dockets thereto. This Settlement does not foreclose any of the Parties' rights with respect to issues not explicitly addressed in the Settlement, nor shall it be deemed to bind any Party (except in any proceeding to enforce this Settlement or as otherwise expressly provided for in the Settlement), in any future proceeding, and shall not be deemed precedential, or prejudicial to any Party's rights.

Article III and its subparts address procedural aspects of the Settlement. Section 3.1 sets forth that upon Commission approval of the Settlement, the Settlement becomes effective as of June 1, 2020. This section also sets forth what constitutes Commission approval of the Settlement.

Section 3.2 provides that within thirty days after Commission approval of the Settlement, a compliance filing will be made by Pepco in conjunction with PJM to submit the tariff records included in Exhibits A-D of the Settlement to be effective on the June 1, 2020. Additionally, this section provides that Parties shall not oppose or protest a filing made by Pepco in conformity with this Section 3.2.

Section 3.3 states that concurrent with the filing of the Settlement, Pepco will file with the Commission's Chief Administrative Law Judge a motion, pursuant to 18 C.F.R. § 375.307(a)(1)(iv)(2019), to implement the rates set forth in the Settlement pending Commission approval of the Settlement. This section outlines certain details about the filing, including the date by which a ruling will be requested.

Sections 4.1, 4.2, and 4.3 state that the Settlement constitutes a negotiated agreement and shall be inadmissible as evidence in any proceeding except a proceeding to enforce the Settlement; that the settlement discussions among the Parties are privileged and confidential; and that each Party shall cooperate with and not take any action inconsistent with the Settlement. Section 4.1 also states that the Settlement is inadmissible as evidence and does not constitute precedent. Section 4.4 discusses waiver requirements, and Sections 4.6 through 4.11 contain miscellaneous provisions regarding Settlement interpretation, successors and assigns, authorization, and notices. Section 4.12 states that nothing in the Settlement shall be construed as affecting Section 205 or Section 206 filing rights.

Section 4.5 discusses the standard of review to be applied for any proposed modification to the Settlement after it has become effective. Unless the Parties otherwise agree in writing, any modification to the Settlement Agreement proposed by one of the Parties after the Settlement Agreement has become effective in accordance with Section 3.1 shall, as between them, be subject to the "public interest" application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish County, Washington*, 128 S.Ct. 2733, 171 L. Ed. 2d 607 (2008) and refined in *NRG Power Mktg. v.*

Maine Pub. Utils. Comm'n, 130 S. Ct. 693, 700 (2010). The standard of review for any modifications to the Settlement Agreement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the most stringent standard permissible under applicable law. See *NRG Power Mktg. v. Maine Pub. Utils. Comm'n*, 130 S. Ct. 693, 700 (2010).

IV. Required Information

In accordance with the Chief Administrative Law Judge's December 15, 2016 Amended Notice to the Public on Information to be Provided with Settlement Agreements and Guidance on the Role of Settlement Judges, the Settling Parties provide the following information:

A. Does the settlement affect other pending cases?

The Settlement by its terms shall have no effect on other cases currently pending before the Commission.⁵

B. Does the settlement involve issues of first impression?

The Settlement does not involve issues of first impression.

C. Does the settlement depart from Commission precedent?

The Settlement does not depart from Commission precedent.

D. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*?

Section 4.7 of the Settlement provides that the standard of review for any modifications to the Settlement requested by a non-Party or initiated by the Commission acting *sua sponte* will

⁵ Note, however, as explained above, that Section 2.2 of the Settlement Agreement provides that Pepco's Formula Rate Template included with the Settlement Agreement as Attachment A incorporates the changes to Pepco's Formula Rate Template resulting from the concurrently-filed settlement in the Docket Nos. ER19-5, *et al.* Proceedings.

be the most stringent standard permissible under applicable law. *See NRG Power Mktg. v. Maine Pub. Utils. Comm'n*, 130 S. Ct. 693, 700 (2010).

V. Conclusion

For the foregoing reasons, the Settlement Agreement is in the public interest, and the Settling Parties respectfully request that the Commission approve it without condition or modification.

Respectfully submitted,

/s/ Richard L. Roberts

Richard L. Roberts

Steptoe & Johnson LLP

1330 Connecticut Avenue, NW

Washington, DC 20036

On Behalf of the Parties

cc: Hon. Stephanie Nagel
All Parties

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.
Potomac Electric Power Company

Docket No. ER19-1475-000

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement”) is made pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission” or “FERC”), 18 C.F.R. § 385.602 (2019), by and among Potomac Electric Power Company; Southern Maryland Electric Cooperative, Inc.; Maryland Office of People’s Counsel; and Office of the People’s Counsel of the District of Columbia (each a “Party” and all collectively, the “Parties”). The Parties enter into this Settlement Agreement to resolve all issues in this proceeding.

ARTICLE I

- 1.1** “Formula Rate Template” means the provisions contained in Attachments H-9A to PJM’s OATT.
- 1.2** “Formula Rate Protocols” means the provisions contained in Attachment H-9B to PJM’s OATT.
- 1.3** “Pepco” means Potomac Electric Power Company, a utility subsidiary of Pepco Holdings, Inc.
- 1.4** “PJM OATT” means the PJM Open Access Transmission Tariff.
- 1.5** “Settlement Effective Date” means the date this Settlement Agreement becomes effective in accordance with Section 3.1 of the Settlement Agreement.

- 1.6** “Interim Settlement Effective Date” means the date on which FERC’s Chief Administrative Law Judge permits the Formula Rate Template and Protocols agreed upon in this Settlement Agreement to be put into effect on an interim basis pursuant to the motion filed in accordance with Section 3.3.
- 1.7** “Annual Update” has the meaning set forth in the Formula Rate Protocols.
- 1.8** “Business Day” means any day excluding Saturday, Sunday and a holiday observed by FERC.

ARTICLE II

- 2.1** *Tariff Changes.* Effective as set forth in Article III, the Formula Rate Template included in Exhibit A to this Settlement Agreement and the Formula Rate Protocols included as Exhibit C to this Settlement Agreement shall replace and supersede the Formula Rate Template and Formula Rate Protocols currently included in the PJM OATT. Exhibit B to this Settlement Agreement shows in redline/strikeout the agreed-upon changes to the Formula Rate Template, and Exhibit D to the Settlement Agreement shows in redline/strikeout the agreed-upon changes to the Formula Rate Protocols.
- 2.2** *Relationship to Settlement in Docket ER19-5, et al. Proceedings.* Concurrent with the filing of this Settlement Agreement, Pepco and parties to the proceedings in FERC Docket Nos. ER19-5, ER19-6, ER19-10, ER19-14, and ER19-18 (“Docket ER19-5, et al. Proceedings”) are filing with FERC a settlement of the Docket ER19-5 et al. Proceedings. In order to provide a single version of Pepco’s Formula Rate Template for FERC’s eTariff system and posting by PJM, the changes to Pepco’s Formula Rate Template agreed to in the settlement of the

Docket ER19-5, *et al.* Proceedings are included in Exhibits A and B to this Settlement Agreement.

2.3 *Other Settlement Terms.* In addition to the agreed upon changes to the Formula Rate Template and the Formula Rate Protocols (that are included in Attachments A and C), the Parties agree to the following additional settlement terms.

2.3.1 Pepco confirms that income tax overpayments will be excluded from the prepayment calculations pursuant to the Formula Rate Template, on tab “9-Rate Base.” Any inadvertent errors in such calculations will be corrected.

2.3.2 Pepco will identify in a note in Attachment 12 to the Formula Rate Template the docket number of the proceeding(s) wherein FERC accepted or approved the depreciation and amortization rates reflected in that Attachment 12. Pepco will begin including this information in the note to Attachment 12 in the Annual Update following FERC’s next acceptance or approval of the depreciation and/or amortization rates for Pepco after this Settlement Agreement becomes effective. However, neither this Settlement nor the reference to this note in Schedule 12 shall be deemed as, or cited as evidence of, agreement by any party or participant to this proceeding as to the methodology or underlying study that produced these rates or that these rates will be appropriate in a future proceeding.

2.4 *Effect of Settlement.* This Settlement Agreement resolves all issues set for hearing in Docket No. ER19-1475 and all sub-dockets thereto. This Settlement does not foreclose any of the parties’ rights with respect to issues not explicitly addressed in the Settlement, nor shall it be deemed to bind any party (except in any proceeding

to enforce this Settlement or as otherwise expressly provided for in the Settlement), in any future proceeding, and shall not be deemed precedential, or prejudicial to any party's rights.

ARTICLE III

- 3.1** *Effectiveness of Settlement Agreement.* Upon Commission approval of this Settlement Agreement as set forth in this Section 3.1, the provisions of the Settlement Agreement shall be effective as of June 1, 2020. Commission approval of this Settlement Agreement will occur if (a) the Commission accepts or approves this Settlement Agreement without condition or modification by Final Order, or (b) the Commission accepts or approves this Settlement Agreement with condition(s) or modification(s) by Final Order, if no Party files notice with the Commission within fifteen (15) days of the acceptance or approval of the Settlement Agreement stating that it objects to such condition(s) or modification(s). If any Party files such notice, the Settlement Agreement shall be null and void and of no force or effect, and the Parties shall be deemed to have reserved all of their respective rights and remedies in this proceeding. For purposes of this Settlement Agreement, an order shall be deemed to be a "Final Order" as of the date rehearing is denied by the Commission, or if rehearing is not sought, the date on which the right to seek Commission rehearing expires.
- 3.2** *Compliance Filing.* Within 30 (thirty) days following Commission approval of the Settlement Agreement as set forth in Section 3.1, Pepco, in conjunction with PJM, shall submit the tariff records included in Exhibits A - D to the Commission through eTariff as a compliance filing, to be effective on the Settlement Effective

Date. The Parties shall not oppose or protest a filing made by Pepco in conformity with this Section 3.2.

- 3.3** *Motion for Interim Rates.* Concurrently with the filing of this Settlement Agreement, Pepco shall file with the Commission’s Chief Administrative Law Judge a motion, pursuant to 18 C.F.R. § 375.307(a)(1)(iv)(2019), to implement the rates set forth in the Settlement Agreement pending Commission approval of the Settlement Agreement (“Motion for Interim Rates”). The Motion for Interim Rates will request an order by April 30, 2020, that will allow the rates set forth in the Settlement Agreement to be used for the computations in the 2020 Annual Updates that are required by the Pepco Protocols to be submitted on an informational basis on or before May 15, 2020. In the event the Commission rejects this Settlement Agreement or a Party timely files a notice described in Section 3.1 objecting to a condition or modification ordered by the Commission, a correction will be applied in the next Annual Update to restore the originally filed rates, refunding or surcharging with interest any amounts that were collected or refunded that were different from the originally filed rate. The Motion for Interim Rates will request a shortened response time for answers to the motion. Pepco shall be authorized to represent that all Parties support granting the Motion for Interim Rates and the shortened response time for answers.

ARTICLE IV

- 4.1** *No Precedent.* This Settlement Agreement is submitted pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2019), and is inadmissible as evidence in any proceeding except a proceeding involving a claim of breach of, or an effort to enforce, this Settlement Agreement. No element of this

Settlement Agreement constitutes precedent or should be deemed “settled practice” as that term was interpreted in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980). It is further understood and agreed that this Settlement Agreement constitutes a negotiated agreement with multiple elements of consideration and, except as explicitly set forth herein, no Party shall be deemed to have approved, accepted, agreed or consented to any principle or position in this proceeding.

4.2 *Settlement Discussions.* The discussions between and among the Parties that have produced this Settlement Agreement have been conducted with the explicit understanding, pursuant to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2019), that all offers of settlement and discussions relating thereto shall be privileged and confidential, shall be without prejudice to the position of any Party or participant presenting any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any other proceeding, or otherwise, except to the extent necessary to enforce its terms.

4.3 *Further Assurances.* All Parties shall cooperate with, and shall not take any action inconsistent with: (i) the filing of this Settlement Agreement with the Commission, and (ii) efforts to obtain Commission acceptance or approval of this Settlement Agreement without change or condition. No Party shall take any action that is inconsistent with the provisions of this Settlement Agreement.

4.4 *Waiver.* No provision of this Settlement Agreement may be waived except through a writing signed by an authorized representative of the waiving Party or Parties.

Waiver of any particular provision of this Settlement Agreement shall not be deemed to waive any other provision or provisions hereof.

4.5 *Modifications/Standard of Review.* Unless the Parties otherwise agree in writing, any modification to this Settlement Agreement proposed by one of the Parties after the Settlement Agreement has become effective in accordance with Section 3.1 shall, as between them, be subject to the “public interest” application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra* doctrine), as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County, Washington*, 554 U.S. 527 (2008) and refined in *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 558 U.S. 165, 174-75 (2010). The standard of review for any modifications to this Settlement Agreement requested by a non-Party or initiated by the Commission acting *sua sponte* will be the most stringent standard permissible under applicable law. *See NRG Power Mktg., LLC v. Maine Pub. Utils. Comm’n*, 558 U.S. at 174-75.

4.6 *Successors and Assigns.* This Settlement Agreement is binding upon and for the benefit of the Parties and their successors and assigns.

4.7 *Captions and References to Sections.* The captions in this Settlement Agreement are for convenience of reference only and are not a part of this Settlement Agreement and do not in any way limit or amplify the terms and provisions of this Settlement Agreement and shall have no effect on its interpretation. Unless

otherwise indicated, references to “Sections” in this Settlement Agreement refer to sections in this Settlement Agreement.

- 4.8** *Ambiguities Neutrally Construed.* This Settlement Agreement is the result of negotiations among, and has been reviewed by, each Party and its respective counsel. Accordingly, this Settlement Agreement shall be deemed to be the product of each Party, and no ambiguity shall be construed in favor of or against any Party based on authorship of this Settlement Agreement.
- 4.9** *Authorization.* Each person executing this Settlement Agreement on behalf of a Party represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to authorize this Settlement Agreement to be executed on behalf of, the Party that he or she represents.
- 4.10** *Notices.* All notices, demands, and other communications hereunder shall be in writing and shall be delivered to each Party’s “Corporate Official” as found on the Commission’s website at <http://www.ferc.gov/docs-filing/corp-off.asp> or the representative(s) of each Party included on the official service list in Docket No. ER19-1475. Notices will also be provided to the persons on the Commission’s official service list in the referenced dockets.
- 4.11** *Counterparts.* This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
- 4.12** *Section 205 and 206 Filings.* Nothing contained herein shall be construed as affecting in any way the right of Pepco unilaterally to make an application of any type to the Commission to modify prospectively, in whole or in part, their Formula

Rates under Section 205 of the Federal Power Act (“FPA”), or to oppose any filing made or action taken under Section 206 of the FPA. Nothing contained herein shall be construed as affecting in any way the right of the Commission, any Party, or any other entity to unilaterally make an application of any type to the Commission to modify prospectively, in whole or in part, Pepco’s Formula Rates under Section 206 of the FPA, or to oppose any filing made under Section 205 of the FPA.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

POTOMAC ELECTRIC POWER COMPANY

By:  Date: 4/22/2020

SOUTHERN MARYLAND ELECTRIC COOPERATIVE, INC.

By: _____ Date: _____

MARYLAND OFFICE OF PEOPLE'S COUNSEL

By: _____ Date: _____

OFFICE OF THE PEOPLE'S COUNSEL OF THE DISTRICT OF COLUMBIA

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

POTOMAC ELECTRIC POWER COMPANY

By: _____ Date: _____

SOUTHERN MARYLAND ELECTRIC COOPERATIVE, INC.

By: Mark A. McDonald Date: 04/22/2020

MARYLAND OFFICE OF PEOPLE'S COUNSEL

By: _____ Date: _____

OFFICE OF THE PEOPLE'S COUNSEL OF THE DISTRICT OF COLUMBIA

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

POTOMAC ELECTRIC POWER COMPANY

By: _____ Date: _____

SOUTHERN MARYLAND ELECTRIC COOPERATIVE, INC.

By: _____ Date: _____

MARYLAND OFFICE OF PEOPLE'S COUNSEL

By:  _____ Date: 4-22-20

Joseph G. Cleaver Senior Assistant People's Counsel

OFFICE OF THE PEOPLE'S COUNSEL OF THE DISTRICT OF COLUMBIA

By: _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be duly executed.

POTOMAC ELECTRIC POWER COMPANY

By: _____ Date: _____

SOUTHERN MARYLAND ELECTRIC COOPERATIVE, INC.

By: _____ Date: _____

MARYLAND OFFICE OF PEOPLE'S COUNSEL

By: _____ Date: _____

OFFICE OF THE PEOPLE'S COUNSEL OF THE DISTRICT OF COLUMBIA

By: /s/ Sandra Mattavous-Frye Date: 4/22/20

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 24th day of April, 2020.

/s/ Thomas C. Kirby _____

Thomas C. Kirby
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036

EXHIBIT A
Revised OATT Attachment H-9A (Formula Rate Template)

ATTACHMENT H-9A

Potomac Electric Power Company		
Formula Rate -- Appendix A		
	Notes	FERC Form 1 Page # or Instruction

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense		p354.21b
2	Total Wages Expense		p354.28b
3	Less A&G Wages Expense		p354.27b
4	Total		(Line 2 - 3)
5	Wages & Salary Allocator		(Line 1 / 4)

Plant Allocation Factors			
6	Electric Plant in Service	(Note B)	p207.104g (See Attachment 9A, line 14, column j)
6a	Less Merger Costs to Achieve		Attachment 10, line 80, column b
7	Common Plant In Service - Electric		(Line 24 -24a)
8	Total Plant In Service		(Line 6 - 6a + 7)
9	Accumulated Depreciation (Total Electric Plant)		p219.29c (See Attachment 9A, line 42, column b)
9a	Less Merger Costs to Achieve		Attachment 10, line 39, column b
10	Accumulated Intangible Amortization	(Note A)	p200.21c (See Attachment 9, line 14, column h)
10a	Less Merger Costs to Achieve		Attachment 9, line 15, column h
11	Accumulated Common Amortization - Electric	(Note A)	p356 (See Attachment 9, line 14, column i)
11a	Less Merger Costs to Achieve		Attachment 9, line 15, column i
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356 (See Attachment 9, line 14, column g)
12a	Less Merger Costs to Achieve		Attachment 9, line 15, column g
13	Total Accumulated Depreciation		(Line 9 - 9a + 10 - 10a + 11 - 11a + 12 - 12a)
14	Net Plant		(Line 8 - 13)
15	Transmission Gross Plant		(Line 29 - Line 28)
16	Gross Plant Allocator		(Line 15 / 8)
17	Transmission Net Plant		(Line 39 - Line 28)
18	Net Plant Allocator		(Line 17 / 14)

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B)	p207.58.g (See Attachment 9, line 14, column b)
19a	Less Merger Costs to Achieve		Attachment 9, line 15, column b
20	This line Intentionally Left Blank		

21	This line Intentionally Left Blank		
22	Total Transmission Plant In Service		(Line 19 - 19a)
23	General & Intangible		p205.5.g & p207.99.g (See Attachment 9, line 14, column c)
23a	Less Merger Costs to Achieve		Attachment 9, line 15, column c
24	Common Plant (Electric Only)	(Notes A & B)	p356 (See Attachment 9, line 14, column d)
24a	Less Merger Costs to Achieve		Attachment 9, line 15, column d
25	Total General & Common		(Line 23 – 23a + 24 – 24a)
26	Wage & Salary Allocation Factor		(Line 5)
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)
28	Plant Held for Future Use (Including Land)	(Note C)	p214 (See Attachment 9, line 30, column c)
29	TOTAL Plant In Service		(Line 22 + 27 + 28)

Accumulated Depreciation

30	Transmission Accumulated Depreciation	(Note B)	p219.25.c (See Attachment 9, line 14, column e)
30a	Less Merger Costs to Achieve		Attachment 9, line 15, column e
30b	Transmission Accumulated Depreciation Less Merger Costs to Achieve		(Line 30 - 30a)
31	Accumulated General Depreciation		p219.28.c (See Attachment 9, line 14, column f)
31a	Less Merger Costs to Achieve		Attachment 9, line 15, column f
32	Accumulated Intangible Amortization		(Line 10 – 10a)
33	Accumulated Common Amortization - Electric		(Line 11 – 11a)
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12 – 12a)
35	Total Accumulated Depreciation		(Sum Lines 31 – 31a + 32 + 33 + 34)
36	Wage & Salary Allocation Factor		(Line 5)
37	General & Common Allocated to Transmission		(Line 35 * 36)
38	TOTAL Accumulated Depreciation		(Line 30b + 37)
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)

Adjustment To Rate Base

Accumulated Deferred Income Taxes (ADIT)

40a	Account No. 190 (ADIT)	Projected Activity	(Note V)	Attachment 1A - ADIT Summary, Line 23
40b	Account No. 281 (ADIT - Accel. Amort)	Projected Activity	(Note V)	Attachment 1A - ADIT Summary, Line 46
40c	Account No. 282 (ADIT - Other Property)	Projected Activity	(Note V)	Attachment 1A - ADIT Summary, Line 69
40d	Account No. 283 (ADIT - Other)	Projected Activity	(Note V)	Attachment 1A - ADIT Summary, Line 92
40e	Account No. 255 (Accum. Deferred Investment Tax Credits)	Projected Activity	(Note U)	Attachment 1A - ADIT Summary, Line 115
40f	Accumulated Deferred Income Taxes Allocated To Transmission			(Line 40a+40b + 40c + 40d + 40e)

Unamortized Deficient / (Excess) ADIT

41a	Unamortized Deficient / (Excess) ADIT - (Federal)	Projected Activity	(Note W)	Attachment 1D - ADIT Rate Base Adjustment, Line 73
41b	Unamortized Deficient / (Excess) ADIT - (State)	Projected Activity	(Note W)	Attachment 1D - ADIT Rate Base Adjustment, Line 146
42	Unamortized Deficient / (Excess) ADIT Allocated to Transmission			(Line 41a + 41b)

43	Adjusted Accumulated Deferred Income Taxes Allocated To Transmission		(Line 40f +42)
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B)	p216.43.b (See Attachment 9, line 30, column b)
43b	Unamortized Abandoned Transmission Plant		Attachment - 9, line 30, column h
44	Transmission O&M Reserves		
	Total Balance Transmission Related Account -Reserves	Enter Negative	Attachment 5
45	Prepayments		
	Prepayments	(Note A)	Attachment 9, line 30, column f
46	Total Prepayments Allocated to Transmission		(Line 45)
47	Materials and Supplies		
	Undistributed Stores Exp	(Note A)	p227.6c & 16.c (See Attachment 9, line 30, column e)
48	Wage & Salary Allocation Factor		(Line 5)
49	Total Transmission Allocated		(Line 47 * 48)
50	Transmission Materials & Supplies	(Note AA)	p227.8c + p227.5c (See Attachment 9, line 30, column d)
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)
52	Cash Working Capital		
	Operation & Maintenance Expense		(Line 85)
53	1/8th Rule		x 1/8
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)
55	Network Credits		
	Outstanding Network Credits	(Note N)	From PJM
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM
57	Net Outstanding Credits		(Line 55 - 56)
58	TOTAL Adjustment to Rate Base		(Line 43 + 43a + 43b + 44 + 46 + 51 + 54 - 57)
59	Rate Base		(Line 39 + 58)
O&M			
60	Transmission O&M		
	Transmission O&M		Attachment 11A, line 27, column c
61	Less extraordinary property loss		Attachment 5
62	Plus amortized extraordinary property loss		Attachment 5
63	Less Account 565		p321.96.b
63a	Less Merger Costs to Achieve		Attachment 10, line 1, column x
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 - 61 + 62 - 63 - 63a + 64 + 65)
67	Allocated General & Common Expenses		
	Common Plant O&M	(Note A)	p356
68	Total A&G		Attachment 11B, line 15, column a
68a	For informational purposes: PBOP expense in FERC Account 926	(Note S)	Attachment 5
68b	Less Merger Costs to Achieve		Attachment 10, line 2, column b
68c	Less Other		Attachment 5
69	Less Property Insurance Account 924		p323.185b

70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b
71	Less General Advertising Exp Account 930.1		p323.191b
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b
73	Less EPRI Dues	(Note D)	p352-353
74	General & Common Expenses		(Lines 67 + 68) - Sum (68b to 73)
75	Wage & Salary Allocation Factor		(Line 5)
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b
78	General Advertising Exp Account 930.1	(Note K)	p323.191b
79	Subtotal - Transmission Related		(Line 77 + 78)
80	Property Insurance Account 924		p323.185b
81	General Advertising Exp Account 930.1	(Note F)	p323.191b
82	Total		(Line 80 + 81)
83	Net Plant Allocation Factor		(Line 18)
84	A&G Directly Assigned to Transmission		(Line 82 * 83)
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense		P336.7b&c (See Attachment 5)
86a	Amortization of Abandoned Transmission Plant		Attachment 5
87	General Depreciation		p336.10b&c (See Attachment 5)
87a	Less Merger Costs to Achieve		Attachment 10, line 8, column b
88	Intangible Amortization	(Note A)	p336.1d&e (See Attachment 5)
88a	Less Merger Costs to Achieve		Attachment 10, line 9, column b
89	Total		(Line 87 – 87a + 88 – 88a)
90	Wage & Salary Allocation Factor		(Line 5)
91	General Depreciation Allocated to Transmission		(Line 89 * 90)
92	Common Depreciation - Electric Only	(Note A)	p336.11.b (See Attachment 5)
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d (See Attachment 5)
94	Total		(Line 92 + 93)
95	Wage & Salary Allocation Factor		(Line 5)
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)
97	Total Transmission Depreciation & Amortization		(Line 86 + 86a + 91 + 96)

Taxes Other than Income

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

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest		p117.62c through 67c
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8

102	Long Term Interest			"(Line 100 - line 101)"
103	Preferred Dividends		enter positive	p118.29c
	Common Stock			
104	Proprietary Capital			p112.16c
105	Less Preferred Stock		enter negative	(Line 114)
106	Less Account 216.1		enter negative	p112.12c
106a	Less Account 219		enter negative	p112.15c
107	Common Stock		(Note Z)	(Sum Lines 104 to 106a)
	Capitalization			
108	Long Term Debt			p112.18c through 21c
109	Less Loss on Reacquired Debt		enter negative	p111.81c
110	Plus Gain on Reacquired Debt		enter positive	p113.61c
111	Less ADIT associated with Gain or Loss		enter negative	Attachment 1B - ADIT EOY, Line 7
112	Less LTD on Securitization Bonds	(Note P)	enter negative	Attachment 8
113	Total Long Term Debt		(Note X)	(Sum Lines 108 to 112)
114	Preferred Stock		(Note Y)	p112.3c
115	Common Stock			(Line 107)
116	Total Capitalization			(Sum Lines 113 to 115)
117	Debt %	Total Long Term Debt	(Note Q)	(Line 108 / (108+114+115))
118	Preferred %	Preferred Stock		(Line 114 / (108+114+115))
119	Common %	Common Stock	(Note Q)	(Line 115 / (108+ 114+115))
120	Debt Cost	Total Long Term Debt		(Line 102 / 113)
121	Preferred Cost	Preferred Stock		(Line 103 / 114)
122	Common Cost	Common Stock	(Note J)	Fixed
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 117 * 120)
124	Weighted Cost of Preferred	Preferred Stock		(Line 118 * 121)
125	Weighted Cost of Common	Common Stock		(Line 119 * 122)
126	Total Return (R)			(Sum Lines 123 to 125)
127	Investment Return = Rate Base * Rate of Return			(Line 59 * 126)

Composite Income Taxes**Income Tax Rates**

128	FIT=Federal Income Tax Rate		(Note I)	
129	SIT=State Income Tax Rate or Composite		(Note I)	
130	P	(percent of federal income tax deductible for state purposes)		Per State Tax Code
131	T	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		
132a	T/(1-T)			
132b	Tax Gross-Up Factor	$1*1/(1-T)$		

ITC Adjustment

133	Amortized Investment Tax Credit		(Note U)	enter negative	Attachment 1B - ADIT EOY
134	Tax Gross-Up Factor				(Line 132b)

135 **ITC Adjustment Allocated to Transmission** (Line 133 * + 134 * 135)

Other Income Tax Adjustment

136a	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense		(Note T)		Attachment 5, Line 136a
136b	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component		(Note T)		Attachment 5, Line 136b
136c	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component		(Note T)		Attachment 5, Line 136c
136d	Amortization of Other Flow-Through Items - Transmission Component		(Note T)		Attachment 5, Line 136d
136e	Other Income Tax Adjustments - Expense / (Benefit)				(Line 136a + 136b + 136c +136d)
136f	Tax Gross-Up Factor				(Line 132b)
136g	Other Income Tax Adjustment				(Line 136e * 136f)
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$			[Line 132a * 127 * (1-(123 / 126))]

138 **Total Income Taxes** (Line 135 + 136g + 137)

REVENUE REQUIREMENT**Summary**

139	Net Property, Plant & Equipment				(Line 39)
140	Adjustment to Rate Base				(Line 58)
141	Rate Base				(Line 59)
142	O&M				(Line 85)
143	Depreciation & Amortization				(Line 97)
144	Taxes Other than Income				(Line 99)
145	Investment Return				(Line 127)
146	Income Taxes				(Line 138)

147 **Gross Revenue Requirement** (Sum Lines 142 to 146)

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

148	Transmission Plant In Service				(Line 19)
149	Excluded Transmission Facilities		(Note M)		Attachment 5
150	Included Transmission Facilities				(Line 148 - 149)
151	Inclusion Ratio				(Line 150 / 148)
152	Gross Revenue Requirement				(Line 147)

153	Adjusted Gross Revenue Requirement		(Line 151 * 152)
	Revenue Credits & Interest on Network Credits		
154	Revenue Credits		Attachment 3
155	Interest on Network Credits	(Note N)	PJM Data
156	Net Revenue Requirement		(Line 153 - 154 + 155)
	Net Plant Carrying Charge		
157	Net Revenue Requirement		(Line 156)
158	Net Transmission Plant		(Line 19 - 30)
159	Net Plant Carrying Charge		(Line 157 / 158)
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158
	Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE		
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146)
163	Increased Return and Taxes		Attachment 4
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163)
165	Net Transmission Plant		(Line 19 - 30)
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165)
167	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 163 - 86) / 165
168	Net Revenue Requirement		(Line 156)
169	True-up amount		Attachment 6A, line 4, column j
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 6, line 18, column 12
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515		Attachment 5
171a	MAPP Abandonment recovery pursuant to ER13-607		Attachment 5
172	Net Zonal Revenue Requirement		(Line 168 + 169 + 170 + 171 + 171a)
	Network Zonal Service Rate		
173	1 CP Peak	(Note L)	PJM Data
174	Rate (\$/MW-Year)		(Line 172 / 173)
175	Network Service Rate (\$/MW/Year)		(Line 174)

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) detailed on Attachments 9 or 9A. 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.
- J 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%.
- 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 Pepco capital structure is derived from gross debt.
- 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.
- T See Attachment 5 - Cost Support, section entitled "Other Income Tax Adjustment" for additional information.
- U Potomac Electric Power Company elected to amortize investment tax credits against recoverable income tax expense, rather than to reduce rate base by unamortized investment tax credit. Amortization reduces income tax expense and reduces the revenue requirement by the amount of the Investment Tax Credit Amortization (Form 1, 266.8.f) multiplied by (1/1-T).
- V The Accumulated Deferred Income Tax (ADIT) balances in Accounts 190, 281, 282, and 283 are measured using the enacted tax rate that is expected to apply when the underlying temporary differences are expected to be settled or realized. To preserve rate base neutrality, these balances appropriately exclude ADIT amounts associated with income tax related regulatory assets and liabilities. The balances in Accounts 190, 281, 282 and 283 are adjusted in accordance with Treasury regulation Section 1.167(l)-1(h)(6) and averaged in accordance with IRC Section 168(i)(9)(B) in the calculations of rate base in the projected revenue requirement and in the true-up adjustment. Differences attributable to over-projection of ADIT in the projected revenue requirement will result in a proportionate reversal of the projected prorated ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly ADIT activity is an increase and actual monthly ADIT activity is a decrease, 50 percent of the actual monthly ADIT activity will be used. Likewise, when projected monthly ADIT activity is a decrease and actual monthly ADIT activity is an increase, 50 percent of actual monthly ADIT activity will be used. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1A - ADIT Summary, Column M for inputs.
- W These balances represent the unamortized federal and state deficient / (excess) deferred income taxes. For the Annual Update (Projected) filing, see Attachment 1D - ADIT Rate Base Adjustment, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1D - ADIT Rate Base Adjustment, Column M for inputs.

X Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).

Y Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).

Z Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).

AA Only the transmission portion of amounts reported at Form 1, page 227, line 5 is used. The transmission portion is derived by applying the wages and salary allocator to the total of line 5 and specified in a footnote to the Form 1, page 227.

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Rate Year =

Accumulated Deferred Income Taxes (Account No. 190)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A) Month	(B) Days Per Month	(C) Remaining Days Per Month	(D) Total Days in Future Test Period	(E) Proration Amount (Column C / Column D) Note 1	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
1	ADIT Subject to Proration						-					-
2	January	31	-	214	50.00%	-	-	-	-	-	-	-
3	February	28	-	214	50.00%	-	-	-	-	-	-	-
4	March	31	-	214	50.00%	-	-	-	-	-	-	-
5	April	30	-	214	50.00%	-	-	-	-	-	-	-
6	May	31	-	214	50.00%	-	-	-	-	-	-	-
7	June	30	185	214	86.45%	-	-	-	-	-	-	-
8	July	31	154	214	71.96%	-	-	-	-	-	-	-
9	August	31	123	214	57.48%	-	-	-	-	-	-	-
10	September	30	93	214	43.46%	-	-	-	-	-	-	-
11	October	31	62	214	28.97%	-	-	-	-	-	-	-
12	November	30	32	214	14.95%	-	-	-	-	-	-	-
13	December	31	1	214	0.47%	-	-	-	-	-	-	-
14	Total (Sum of Lines 2 - 13)				365	-	-	-	-	-	-	-
15	Beginning Balance - ADIT Not Subject to Proration					(Note F)		-				-
16	Beginning Balance - ADIT Depreciation Adjustment											-
17	Beginning Balance - DTA / (DTL)					Col. (H), Line 15 + Line 16		Col. (M), Line 15 + Line 16				-
18	Ending Balance - ADIT Not Subject to Proration					(Note F)						-
19	Ending Balance - ADIT Depreciation Adjustment											-

20	Ending Balance - DTA / (DTL)	(Col. (H), Line 18 + Line 19)	(Col. (M), Line 18 + Line 19)	-
21	Average Balance as adjusted (non-prorated)	((Col. (H), Line 17 + Line 20) / 2)	((Col. (M), Line 17 + Line 20) / 2)	-
22	Prorated ADIT	(Col. (H), Line 13)	(Col. (M), Line 13)	-
23	Amount for Attachment H-9A, Line 40a	(Col. (H), Line 21 + Line 22)	(Col. (M), Line 21 + Line 22)	-

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary**

Accumulated Deferred Income Taxes - Property (Account No. 281)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)	Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
24	ADIT Subject to Proration						-					-
25	January	31	-	214	50.00%							
26	February	28	-	214	50.00%							
27	March	31	-	214	50.00%							
28	April	30	-	214	50.00%							
29	May	31	-	214	50.00%							
30	June	30	185	214	86.45%							
31	July	31	154	214	71.96%							
32	August	31	123	214	57.48%							
33	September	30	93	214	43.46%							
34	October	31	62	214	28.97%							
35	November	30	32	214	14.95%							
36	December	31	1	214	0.47%							
37	Total (Sum of Lines 25 - 36)	365				-	-	-	-	-	-	-
38	Beginning Balance - ADIT Not Subject to Proration											-
39	Beginning Balance - ADIT Depreciation Adjustment											-
40	Beginning Balance - DTA / (DTL)											-
41	Estimated Ending Balance - ADIT Not Subject to Proration											-
42	Ending Balance - ADIT Depreciation Adjustment											-

43	Ending Balance - DTA / (DTL)	(Col. (H), Line 41 + Line 42)		(Col. (M), Line 41 + Line 42)	-
44	Average Balance as adjusted (non-prorated)	([Col. (H), Line 40+ Line 43] / 2)		([Col. (M), Line 40+ Line 43] / 2)	-
45	Prorated ADIT	(Col. (H), Line 36)	<hr/>	(Col. (M), Line 36)	<hr/>
46	Amount for Attachment H- 9A, Line 40b	(Col. (H), Line 44 + Line 45)	<hr/>	(Col. (M), Line 44 + Line 45)	<hr/>

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary**

Accumulated Deferred Income Taxes - Other (Account No. 282)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A) Month	(B) Days Per Month	(C) Prorated Days Per Month	(D) Total Days Per Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
47	ADIT Subject to Proration						-					-
48	January	31	-	214	50.00%		-		-	-	-	-
49	February	28	-	214	50.00%		-		-	-	-	-
50	March	31	-	214	50.00%		-		-	-	-	-
51	April	30	-	214	50.00%		-		-	-	-	-
52	May	31	-	214	50.00%		-		-	-	-	-
53	June	30	185	214	86.45%		-		-	-	-	-
54	July	31	154	214	71.96%		-		-	-	-	-
55	August	31	123	214	57.48%		-		-	-	-	-
56	September	30	93	214	43.46%		-		-	-	-	-
57	October	31	62	214	28.97%		-		-	-	-	-
58	November	30	32	214	14.95%		-		-	-	-	-
59	December	31	1	214	0.47%		-		-	-	-	-
60	Total (Sum of Lines 51 - 62)		365			-	-	-	-	-	-	-
61	Beginning Balance - ADIT Not Subject to Proration											-
62	Beginning Balance - ADIT Depreciation Adjustment					(Note F)						-
63	Beginning Balance - DTA / (DTL)					(Col. (H), Line 61 + Line 62)			(Col. (M), Line 61 + Line 62)			-
64	Estimated Ending Balance - ADIT Not Subject to Proration											-
65	Ending Balance - ADIT Depreciation Adjustment					(Note F)						-
66	Ending Balance - DTA / (DTL)					(Col. (H), Line 64 + Line 65)			(Col. (M), Line 64 + Line 65)			-
67	Average Balance as adjusted (non-prorated)					[(Col. (H), Line 63 + Line 66) / 2]			[(Col. (M), Line 63 + Line 66) / 2]			-
68	Prorated ADIT					(Col. (H), Line 59)			(Col. (M), Line 59)			-
69	Amount for Attachment H-9A, Line 40c					(Col. (H), Line 67 + Line 68)			(Col. (M), Line 67 + Line 68)			-

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary**

Accumulated Deferred Investment Tax Credits (Account No. 255)

Days in Period				
(A)	(B)	(C)	(D)	(E)
Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)

Projection - Proration of Deferred ITC Activity (Note A)		
(F)	(G)	(H)
Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Column G Plus Column H, Preceding Balance)

Actual - Proration of Deferred ITC Activity (Note B)				
(I)	(J)	(K)	(L)	(M)
Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)

93	ADIT Subject to Proration														
94	January	31	-	214	50.00%	-	-	-	-	-	-	-	-	-	-
95	February	28	-	214	50.00%	-	-	-	-	-	-	-	-	-	-
96	March	31	-	214	50.00%	-	-	-	-	-	-	-	-	-	-
97	April	30	-	214	50.00%	-	-	-	-	-	-	-	-	-	-
98	May	31	-	214	50.00%	-	-	-	-	-	-	-	-	-	-
99	June	30	185	214	86.45%	-	-	-	-	-	-	-	-	-	-
100	July	31	154	214	71.96%	-	-	-	-	-	-	-	-	-	-
101	August	31	123	214	57.48%	-	-	-	-	-	-	-	-	-	-
102	September	30	93	214	43.46%	-	-	-	-	-	-	-	-	-	-
103	October	31	62	214	28.97%	-	-	-	-	-	-	-	-	-	-
104	November	30	32	214	14.95%	-	-	-	-	-	-	-	-	-	-
105	December	31	1	214	0.47%	-	-	-	-	-	-	-	-	-	-
106	Total (Sum of Lines 51 - 62)	365				-	-	-	-	-	-	-	-	-	-
107	Beginning Balance - ADIT Not Subject to Proration					(Note F)									-
108	Beginning Balance - ADIT Depreciation Adjustment														-
109	Beginning Balance - DTA / (DTL)					(Col. (H), Line 107 + Line 108)			(Col. (M), Line 107 + Line 108)						-
110	Estimated Ending Balance - ADIT Not Subject to Proration					(Note F)									-
111	Ending Balance - ADIT Depreciation Adjustment														-
112	Ending Balance - DTA / (DTL)					(Col. (H), Line 110 + Line 111)			(Col. (M), Line 110 + Line 111)						-
113	Average Balance as adjusted (non-prorated)					([Col. (H), Line 109 + Line 112] / 2)			([Col. (M), Line 109 + Line 112] / 2)						-
114	Prorated ADIT					(Col. (H), Line 105)			(Col. (M), Line 105)						-
115	Amount for Attachment H-9A, Line 40e					(Col. (H), Line 113 + Line 114)			(Col. (M), Line 113 + Line 114)						-

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Instructions

1. For purposes of calculating projected activity, use Columns (F), (G), and (H) and set the "Rate Year" below to "Projected Activity". For purposes of calculating the "True-Up" adjustment, use Columns (I), (J), (K), (L), and (M) and set the "Rate Year" below to "True-Up Adjustment".

Rate Year **Projected Activity** **Check**

2. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1A - ADIT Summary, Column M for inputs.

Notes

- A** The computations on this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) to the annual activity of accumulated deferred income taxes subject to the normalization requirements. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For accumulated deferred income taxes subject to the normalization requirements, activity for months prior to the future portion of the test period is averaged rather than prorated. This section is used to prorate the projected ADIT balance.
- B** The balances in Accounts 190, 281, 282 and 283 are adjusted in accordance with Treasury regulation Section 1.167(l)-1(h)(6) and averaged in accordance with IRC Section 168(i)(9)(B) in the calculations of rate base in the projected revenue requirement and in the true-up adjustment. Differences attributable to over-projection of ADIT in the projected revenue requirement will result in a proportionate reversal of the projected prorated ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly ADIT activity is an increase and actual monthly ADIT activity is a decrease, 50 percent of the actual monthly ADIT activity will be used. Likewise, when projected monthly ADIT activity is a decrease and actual monthly ADIT activity is an increase, 50 percent of actual monthly ADIT activity will be used. This section is used to calculate ADIT activity in the true-up adjustment only.
- C** Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).
- D** Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.
- E** Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.
- F** IRS normalization adjustment for timing when accelerated tax depreciation should affect rate base.

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1B - ADIT Worksheet – End of Year**

Line ADIT (Not Subject to Proration)	Total	Gas, Production, Distribution or Other Related	Only Transmission Related	Plant Related	Labor Related
1	ADIT-190				
2	ADIT-281				
3	ADIT-282				
4	ADIT-283				
5	ADITC-255				

6 Subtotal - Transmission ADIT

Line	Description	Total
7	ADIT (Required Debt)	

Note: ADIT associated with Gain or Loss on Reacquired Debt included in ADIT-283, Column A is excluded from rate base and instead included in Cost of Debt on Attachment H-9A, Line 111. A deferred tax (liability) should be reported as a positive balance and a deferred tax asset should be reported as a negative balance on Attachment H-9A, Line 111.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B - F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

(A) ADIT-190 (Not Subject to Proration)	(B) Total	(C) Gas, Production, Distribution or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Subtotal: ADIT-190 (Not Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-190 (Not Subject to Proration)						
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission						

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1B - ADIT Worksheet - End of Year**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADIT-190 (Subject to Proration)	Total	Gas, Production, Distribution Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Subtotal: ADIT-190 (Subject to Proration)	-	-	-	-	-	
Less: ASC 740 ADIT Adjustments excluded from rate base	-	-	-	-	-	
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed	-	-	-	-	-	
Total: ADIT-190 (Subject to Proration)	-	-	-	-	-	
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission	-					

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADIT-190 (Subject to Proration)	Total	Gas, Production, Distribution Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Not Subject to Proration)	-	-	-	-	-	
ADIT-190 (Subject to Proration)	-	-	-	-	-	
Total - FERC Form 1, Page 234	-	-	-	-	-	

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer), Production or Distribution Only 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. ADIT items subject to the proration under the "normalization" rules will be included in ADIT-190 (Subject to Proration)

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1B - ADIT Worksheet - End of Year**

(A)	(B) Total	(C) Gas, Production, Distribution, Or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
ADIT- 282 (Not Subject to Proration)						
Subtotal: ADIT-282 (Not Subject to Proration)	-	-	-	-	-	
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-282 (Not Subject to Proration)						
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission						

(A)	(B) Total	(C) Gas, Production, Distribution, Or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
ADIT-282 (Subject to Proration)						
Subtotal: ADIT-282 (Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-282 (Subject to Proration)						
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission						

(A) (B) (C) (D) (E) (F) (G)
Total Gas, Production, Only

ADIT-282

Distribution, Or Other Related Transmission Related Plant Related Labor Related Justification

ADIT-282 (Not Subject to Proration)			-	-	-	-	
ADIT-282 (Subject to Proration)			-	-	-	-	
Total - Pg. 277 (Form 1-F filer: see note 7, below)			-	-	-	-	

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-282 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1B - ADIT Worksheet - End of Year**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 283 (Not Subject to Proration)							
Subtotal: ADIT-283 (Not Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-283 (Not Subject to Proration)							
Wages & Salary Allocator							
Gross Plant Allocator							
Transmission Allocator							
Other Allocator							
ADIT - Transmission							

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-283 (Subject to Proration)							
Subtotal: ADIT-283 (Subject to Proration)		-	-	-	-	-	
Less: ASC 740 ADIT Adjustments excluded from rate base		-	-	-	-	-	
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed		-	-	-	-	-	

Total: ADIT-283 (Subject to Proration)			-	-	-	-	-	
Wages & Salary Allocator							%	
Gross Plant Allocator						%		
Transmission Allocator					100.0000%			
Other Allocator				0.0000%				
ADIT - Transmission			-	-	-	-	-	

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADIT-283 (Subject to Proration)	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-283 (Not Subject to Proration)	-	-	-	-	-	
ADIT-283 (Subject to Proration)	-	-	-	-	-	
Total - Pg. 277 (Form 1-F filer: see note 7, below)	-	-	-	-	-	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-283 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1B - ADIT Worksheet - End of Year**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADITC- 255 (Unamortized Investment Tax Credits)	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Account No. 255 (Accum. Deferred Investment Tax Credits)						
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)						
Less: Adjustment to rate base						
Total : ADITC 255						
Wages & Salary Allocator					%	
Gross Plant Allocator				%		
Transmission Allocator			100%			
Other Allocator		%				
Investment Tax Credit - Transmission						

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Investment Tax Credit Amortization	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Investment Tax Credit Amortization						

Subtotal: (Form No. 1 p. 266 & 267)			-	-	-	-	-
Wages & Salary Allocator							0.00%
Gross Plant Allocator						0.00%	
Transmission Allocator					100.00%		
Other Allocator				0.00%			
Investment Tax Credit Amortization - Transmission			-	-	-	-	-

END

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1C - ADIT Worksheet - Beginning of Year**

Line ADIT (Not Subject to Proration)	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related
1 ADIT-190					
2 ADIT-281					
3 ADIT-282					
4 ADIT-283					
5 ADITC 255					
6 Subtotal - Transmission ADIT					

Line	Description	Total
7	ADIT (Required Debt)	

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B - F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-E and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Not Subject to Proration)						
Subtotal: ADIT-190 (Not Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-190 (Not Subject to Proration)						
Wages & Salary Allocator					%	
Gross Plant Allocator				%		
Transmission Allocator			%			
Other Allocator		%				
ADIT - Transmission						

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1C - ADIT Worksheet - Beginning of Year**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production Distribution , Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Subject to Proration)						
Subtotal: ADIT-190 (Subject to Proration)		-	-	-	-	
Less ASC 740 ADIT Adjustments excluded from rate base		-	-	-	-	

Less: ASC 740 ADIT Adjustments related to unamortized ITC								
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)								
Less: OPEB related ADIT, Above if not separately removed			-	-	-	-	-	
Total: ADIT-190 (Subject to Proration)			-	-	-	-	-	
Wages & Salary Allocator							%	
Gross Plant Allocator						%		
Transmission Allocator					%			
Other Allocator				%				
ADIT - Transmission			-					

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Subject to Proration)						
ADIT-190 (Not Subject to Proration)		-	-	-	-	
ADIT-190 (Subject to Proration)		-	-	-	-	
Total - FERC Form 1, Page 234		-	-	-	-	

- Instructions for Account 190:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) Production or Distribution Only 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.
 - ADIT items subject to the proration under the "normalization" rules will be included in ADIT-190 (Subject to Proration)

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1C - ADIT Worksheet - Beginning of Year**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Not Subject to Proration)						
Subtotal: ADIT-282 (Not Subject to Proration)		-	-	-	-	
Less ASC 740 ADIT Adjustments excluded from rate base						

Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-282 (Not Subject to Proration)							
Wages & Salary Allocator						%	
Gross Plant Allocator						%	
Transmission Allocator				%			
Other Allocator			%				
ADIT - Transmission							

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADIT-282 (Subject to Proration)	Total	Gas, Production Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification

Subtotal: ADIT-282 (Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-282 (Subject to Proration)						
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission						

(A)	(B)	(C)	(D)	(E)	(F)	(G)
ADIT-282	Total	Gas, Production, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification

ADIT-282 (Not Subject to Proration)		-	-	-	-	
ADIT-282 (Subject to Proration)		-	-	-	-	
Total - Pg. 277 (Form 1-F filer: see note 7, below)		-	-	-	-	

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-282 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 283 (Not Subject to Proration)							
Subtotal: ADIT-283 (Not Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-283 (Not Subject to Proration)							
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
ADIT - Transmission							

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-283 (Subject to Proration)							
Subtotal: ADIT-283 (Subject to Proration)		-	-	-	-	-	
Less ASC 740 ADIT Adjustments excluded from rate base		-	-	-	-	-	
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed		-	-	-	-	-	
Total: ADIT-283 (Subject to Proration)		-	-	-	-	-	
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
ADIT - Transmission		-	-	-	-	-	

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-283 (Subject to Proration)							
ADIT-283 (Not Subject to Proration)		-	-	-	-	-	
ADIT-283 (Subject to Proration)		-	-	-	-	-	
Total - Pg. 277 (Form 1-F filer: see note 7, below)		-	-	-	-	-	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-283 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1C - ADIT Worksheet - Beginning of Year**

ADITC- 255 (Unamortized Investment Tax Credits)	(A)	(B) Total	(C) Gas, Production, Distribution, or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Account No. 255 (Accum. Deferred Investment Tax Credits)							
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)							
Less: Adjustment to rate base							
Total : ADITC 255							
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
Unamortized Investment Tax Credits - Transmission							

ADITC-255	(A)	(B) Total	(C) Gas, Production, Distribution, Or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Investment Tax Credit Amortization							
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)			-	-	-	-	-
Wages & Salary Allocator							0.00%
Gross Plant Allocator						0.00%	
Transmission Allocator					100.00%		
Other Allocator				0.00%			
Investment Tax Credit Amortization - Transmission			-	-	-	-	-

END

Attachment 1D - ADIT Rate Base Adjustment

Rate _____
 Year = _____

Federal Deficient / (Excess) Deferred Income Taxes

**Deficient / (Excess)
 Accumulated Deferred
 Income Taxes (Account
 No. 190)**

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A) Month	(B) Days Per Month	(C) Remaining Days Per Month	(D) Total Days in Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
1	Deficient / (Excess) ADIT Subject to Proration							-					-
2	January	31	-	214	50.00%								
3	February	28	-	214	50.00%								
4	March	31	-	214	50.00%								
5	April	30	-	214	50.00%								
6	May	31	-	214	50.00%								
7	June	30	185	214	86.45%								
8	July	31	154	214	71.96%								
9	August	31	123	214	57.48%								
10	September	30	93	214	43.46%								
11	October	31	62	214	28.97%								
12	November	30	32	214	14.95%								
13	December	31	1	214	0.47%								
14	Total (Sum of Lines 2 - 13)					-	-		-	-	-	-	
15	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration												-
16	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)							-
17	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 15 + Line 16)							(Col. (M), Line 15 + Line 16)
18	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration												-
19	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)							-
20	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 18 + Line 19)							(Col. (M), Line 18 + Line 19)

42	Ending Balance - Deficient / (Excess) ADIT Adjustment	(Note F)	-		-
43	Ending Balance - Deficient / (Excess) ADIT	(Col. (H), Line 41 + Line 42)	-		(Col. (M), Line 41 + Line 42)
44	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT	(Col. (H), Line 40 + Line 43] / 2)	-		(Col. (M), Line 40 + Line 43] / 2)
45	Deficient / (Excess) ADIT - Account 282	(Col. (H), Line 44 + Line 45)	-		(Col. (M), Line 36)
46	Deficient / (Excess) Accumulated Deferred Income Taxes - Other (Account No. 283)				

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A) Month	(B) Days Per Month	(C) Prorated Days Per Month	(D) Total Days Per Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)

47	ADIT Subject to Proration		-		-							
48	January	31	-	214	50.00%	-	-	-	-	-	-	-
49	February	28	-	214	50.00%	-	-	-	-	-	-	-
50	March	31	-	214	50.00%	-	-	-	-	-	-	-
51	April	30	-	214	50.00%	-	-	-	-	-	-	-
52	May	31	-	214	50.00%	-	-	-	-	-	-	-
53	June	30	185	214	86.45%	-	-	-	-	-	-	-
54	July	31	154	214	71.96%	-	-	-	-	-	-	-
55	August	31	123	214	57.48%	-	-	-	-	-	-	-
56	September	30	93	214	43.46%	-	-	-	-	-	-	-
57	October	31	62	214	28.97%	-	-	-	-	-	-	-
58	November	30	32	214	14.95%	-	-	-	-	-	-	-
59	December	31	1	214	0.47%	-	-	-	-	-	-	-
60	Total (Sum of Lines 48 - 59)	365				-	-	-	-	-	-	-
61	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration						-					-
62	Beginning Balance - Deficient / (Excess) ADIT Adjustment	(Note F)					-					-
63	Beginning Balance -	(Col. (H),					-					(Col. (M), Line 61 + Line 62)

	Deficient / (Excess) ADIT	Line 61 + Line 62)			
64	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration		-		-
65	Ending Balance - Deficient / (Excess) ADIT Adjustment	(Note F)	-		-
		(Col. (H), Line 64 + Line 65)		(Col. (M), Line 64 + Line 65)	
66	Ending Balance - Deficient / (Excess) ADIT		-		-
		(Col. (H), Line 63 + Line 66] /2)		(Col. (M), Line 63 + Line 66] /2)	
67	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT		-		-
		(Col. (H), Line 59)		(Col. (M), Line 59)	
68	Deficient / (Excess) ADIT - Account 283		-		-
		(Col. (H), Line 67 + Line 68)		(Col. (M), Line 67 + Line 68)	
69					

Unamortized Deficient / (Excess) ADIT - Federal (Projected)

Unamortized Deficient / (Excess) ADIT - Federal (Actual)

Line	(A)	(B)	(C)	(D)	(E)	(A)	(B)	(C)	(D)	(E)
	Deficient / (Excess) Deferred Income Taxes	Reference	Project ed EOY Balance			Deficient / (Excess) Deferred Income Taxes	Reference	Project ed EOY Balance		
70	ADIT - 190	(Col. (H), Line 23)	\$ -			ADI T - 190	(Col. (M), Line 23)	\$ -		
71	ADIT - 282	(Col. (H), Line 46)	-			ADI T - 282	(Col. (M), Line 46)	-		
72	ADIT - 283	(Col. (H), Line 69)	-			ADI T - 283	(Col. (M), Line 69)	-		
73	Unamortized Deficient / (Excess) ADIT - Federal	(Entered in ATT H-9A, Line 41a)	\$ -			Unamortized Deficient / (Excess) ADIT - Federal	(Entered in ATT H-9A, Line 41a)	\$ -		

State Deficient / (Excess) Deferred Income Taxes

Deficient / (Excess) Accumulated Deferred Income Taxes (Account No. 190)

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Month	Days Per Month	Remaining Days Per Month	Total Days in Future Test Period	Proration Amount (Column C / Column D)	Project ed Monthly Activity	Prorat ed Project ed Monthly Activity (Column E x Column F)	Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	Actual Monthly Activity	Difference Project ed vs. Actual (Note C)	Preserve Prorati on (Actual vs Project ed) (Note D)	Preserve Prorati on (Actual vs Project ed) (Note E)	Preserved Prorate d Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
74	Deficient / (Excess) ADIT Subject to Proration						-						-

75	January	31	-	214	50.00%	-	-	-	-	-	-	-
76	February	28	-	214	50.00%	-	-	-	-	-	-	-
77	March	31	-	214	50.00%	-	-	-	-	-	-	-
78	April	30	-	214	50.00%	-	-	-	-	-	-	-
79	May	31	-	214	50.00%	-	-	-	-	-	-	-
80	June	30	185	214	86.45%	-	-	-	-	-	-	-
81	July	31	154	214	71.96%	-	-	-	-	-	-	-
82	August	31	123	214	57.48%	-	-	-	-	-	-	-
83	September	30	93	214	43.46%	-	-	-	-	-	-	-
84	October	31	62	214	28.97%	-	-	-	-	-	-	-
85	November	30	32	214	14.95%	-	-	-	-	-	-	-
86	December	31	1	214	0.47%	-	-	-	-	-	-	-
87	Total (Sum of Lines 75 - 86)					-	-	-	-	-	-	-
88	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration						-				-	
89	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	-				-	
90	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 88 + Line 89)	-		(Col. (M), Line 88 + Line 89)		-	
91	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration						-				-	
92	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	-				-	
93	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 91 + Line 92)	-		(Col. (M), Line 91 + Line 92)		-	
94	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT					(Col. (H), Line 90 + Line 93] / 2)	-		(Col. (M), Line 90 + Line 93] / 2)		-	
95	Deficient / (Excess) ADIT - Account 190					(Col. (H), Line 86)	-		(Col. (M), Line 86)		-	
96	Deficient / (Excess) ADIT - Account 190					(Col. (H), Line 94 + Line 95)	-		(Col. (M), Line 94 + Line 95)		-	

Deficient / (Excess) Accumulated Deferred Income Taxes - Property (Account No. 282)

Days in Period				
(A)	(B)	(C)	(D)	(E)
Line	Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period Proration Amount (Column C / Column D)

Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)		
(F)	(G)	(H)
Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)

Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
(I)	(J)	(K)	(L)	(M)
Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding)

			Future Test Period	n C / Column D)	Yearly Activity	Yearly Activity (Column E x Column F)	H, Preceding Balance)	(Note C)	vs Projected (Note D)	vs Projected (Note E)	Balance (Col. K + Col. L + Col. M, Preceding Balance)
120	ADIT Subject to Proration					-					-
121	January	31	-	214	50.00%	-	-	-	-	-	-
122	February	28	-	214	50.00%	-	-	-	-	-	-
123	March	31	-	214	50.00%	-	-	-	-	-	-
124	April	30	-	214	50.00%	-	-	-	-	-	-
125	May	31	-	214	50.00%	-	-	-	-	-	-
126	June	30	185	214	86.45%	-	-	-	-	-	-
127	July	31	154	214	71.96%	-	-	-	-	-	-
128	August	31	123	214	57.48%	-	-	-	-	-	-
129	September	30	93	214	43.46%	-	-	-	-	-	-
130	October	31	62	214	28.97%	-	-	-	-	-	-
131	November	30	32	214	14.95%	-	-	-	-	-	-
132	December	31	1	214	0.47%	-	-	-	-	-	-
133	Total (Sum of Lines 121 - 132)	365				-	-	-	-	-	-
134	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration						-				-
135	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	-				-
136	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 134 + Line 135)	-		(Col. (M), Line 134 + Line 135)		-
137	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration						-				-
138	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	-				-
139	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 137 + Line 138)	-		(Col. (M), Line 137 + Line 138)		-
140	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT					([Col. (H), Line 136 + Line 139] / 2)	-		([Col. (M), Line 136 + Line 139] / 2)		-
141	Deficient / (Excess) ADIT - Account 283					(Col. (H), Line 132)	-		(Col. (M), Line 132)		-
142	Deficient / (Excess) ADIT - Account 283					(Col. (H), Line 140 + Line 141)	-		(Col. (M), Line 140 + Line 141)		-
	Unamortized Deficient / (Excess) ADIT - State (Projected)					Unamortized Deficient / (Excess) ADIT - State (Actual)					
Line	(A)	(B)	(C)	(D)	(E)	(A)	(B)	(C)	(D)	(E)	

	Deficient / (Excess) Deferred Income Taxes	Reference	EOY Balance	Deficient / (Excess) Deferred Income Taxes	Reference	Projected EOY Balance
143	ADIT - 190	(Col. (H), Line 96)	\$ -	ADI T - 190	(Col. (M), Line 96)	\$ -
144	ADIT - 282	(Col. (H), Line 119)	-	ADI T - 282	(Col. (M), Line 119)	-
145	ADIT - 283	(Col. (H), Line 142)	-	ADI T - 283	(Col. (M), Line 142)	-
146	Unamortized Deficient / (Excess) ADIT - State	(Entered in ATT H-9A, Line 41b)	\$ -	Unamortized Deficient / (Excess) ADIT - State	(Entered in ATT H-9A, Line 41b)	\$ -

Instructions

1. For purposes of calculating projected activity, use Columns (F), (G), and (H) and set the "Rate Year" below to "Projected Activity". For purposes of calculating the "True-Up" adjustment, use Columns (I), (J), (K), (L), and (M) and set the "Rate Year" below to "True-Up Adjustment".

Rate Year **Projected Activity** Check

2. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1A - ADIT Summary, Column M for inputs.

Notes

- A** This section is used to calculate the projected deficient / (excess) ADIT balances. The computations in columns A-H of this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) to the projected annual activity of deficient / (excess) accumulated deferred income taxes subject to the normalization requirements. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For deficient (excess) accumulated deferred income taxes subject to the normalization requirements, projected activity for months prior to the future portion of the test period is averaged rather than prorated.
- B** This section is used to calculate the actual deficient / (excess) ADIT balances. The computations in columns A-M of this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) and averaging in accordance with IRC Section 168(i)(9)(B) consistency requirement to the actual annual activity of deficient / (excess) accumulated deferred income taxes subject to the normalization requirements. Differences attributable to over-projection of deficient / (excess) ADIT amortization in the projected revenue requirement will result in a proportionate reversal of the projected prorated deficient / (excess) ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of deficient / (excess) ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly deficient / (excess) ADIT activity is an increase and actual monthly deficient / (excess) ADIT activity is a decrease, 50 percent of the actual monthly deficient / (excess) ADIT activity will be used. Likewise, when projected monthly deficient / (excess) ADIT activity is a decrease and actual monthly deficient / (excess) ADIT activity is an increase, 50 percent of actual monthly deficient / (excess) ADIT activity will be used. This section is used to calculate deficient / (excess) ADIT activity in the true-up adjustment only. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For deficient (excess) accumulated deferred income taxes subject to the normalization requirements, actual activity for months prior to the future portion of the test period is averaged rather than prorated.
- C** Column (J) is the difference between projected monthly and actual monthly activity (Column (I) minus Column (F)). Specifically, if projected and actual activity are both positive, a negative in Column (J) represents over-projection (amount of projected activity that did not occur) and a positive in Column (J) represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column (J) represents under-projection (excess of actual activity over projected activity) and a positive in Column (J) represents over-projection (amount of projected activity that did not occur).
- D** Column (K) preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column (J) is over-projected, enter Column (G) x [Column (I)/Column (F)]. If Column (J) is under-projected, enter the amount from Column (G) and complete Column (L). In other situations, enter zero.
- E** Column (L) applies when (1) Column (J) is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column (J). In other situations, enter zero.
- F** IRS normalization adjustment

Attachment 1E - Deficient / (Excess) Deferred Income Tax Amortization Worksheet

Federal Deficient / (Excess) Deferred Income Taxes

Tax Cuts and Jobs Act of 2017

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) December 31, 2017 ADIT Deficient / (Excess)	(E) December 31, 2017 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
1	Unprotected Non-Property						
2	ADIT - 190	(Note A)	4 Years	\$ -	\$ -	\$ -	\$ -
3	ADIT - 281	(Note A)	4 Years	-	-	-	-
4	ADIT - 282	(Note A)	4 Years	-	-	-	-
5	ADIT - 283	(Note A)	4 Years	-	-	-	-
6	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
7	Unprotected Property						
8	ADIT - 190	(Note A)	5 Years	\$ -	\$ -	\$ -	\$ -
9	ADIT - 281	(Note A)	5 Years	-	-	-	-
10	ADIT - 282	(Note A)	5 Years	-	-	-	-
11	ADIT - 283	(Note A)	5 Years	-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
13	Protected Property						
14	ADIT - 190	(Note A)	ARAM	\$ -	-	-	-
15	ADIT - 281	(Note A)	ARAM	-	-	-	-
16	ADIT - 282	(Note A)	ARAM	-	-	-	-
17	ADIT - 283	(Note A)	ARAM	-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
19	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Tax Reform Act of 1986

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) September 30, 2018 ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
20	Protected Property						
21	ADIT - 190	(Note B)	ARAM	\$ -	\$ -	\$ -	\$ -
22	ADIT - 281	(Note B)	ARAM	-	-	-	-
23	ADIT - 282	(Note B)	ARAM	-	-	-	-
24	ADIT - 283	(Note B)	ARAM	-	-	-	-
25	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
26	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Total Federal Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2017 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
1	Unprotected Non-Property						
2	ADIT - 190			\$ -	\$ -	\$ -	\$ -
3	ADIT - 281			-	-	-	-
4	ADIT - 282			-	-	-	-
5	ADIT - 283			-	-	-	-
6	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
7	Unprotected Property						
8	ADIT - 190			\$ -	\$ -	\$ -	\$ -
9	ADIT - 281			-	-	-	-
10	ADIT - 282			-	-	-	-
11	ADIT - 283			-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
13	Protected Property						
14	ADIT - 190			\$ -	\$ -	\$ -	\$ -
15	ADIT - 281			-	-	-	-
16	ADIT - 282			-	-	-	-
17	ADIT - 283			-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
19	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Total Federal Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
27	ADIT - 190			\$ -	\$ -	\$ -	\$ -
28	ADIT - 281			-	-	-	-
29	ADIT - 282			-	-	-	-
30	ADIT - 283			-	-	-	-
31	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
32	Tax Gross-Up Factor	ATT H- 9A, Line 132b		1.00	1.00	1.00	1.00
33	Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

Federal Income Tax Regulatory Asset / (Liability)

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
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34	Account 182.3 (Other Regulatory Assets)	\$	\$	\$	\$
35	Account 254 (Other Regulatory Liabilities)	-	-	-	-
36	Total - Transmission Regulatory Asset / (Liability)	\$	\$	\$	\$

State Deficient / (Excess) Deferred Income Taxes

Maryland (2018 Apportionment Weighting Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
37	Unprotected Non-Property						
38	ADIT - 190	(Note C)	4 Years	\$ -	\$ -	\$ -	\$ -
39	ADIT - 281	(Note C)	4 Years	-	-	-	-
40	ADIT - 282	(Note C)	4 Years	-	-	-	-
41	ADIT - 283	(Note C)	4 Years	-	-	-	-
42	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
43	Unprotected Property						
44	ADIT - 190	(Note C)	5 Years	\$ -	\$ -	\$ -	\$ -
45	ADIT - 281	(Note C)	5 Years	-	-	-	-
46	ADIT - 282	(Note C)	5 Years	-	-	-	-
47	ADIT - 283	(Note C)	5 Years	-	-	-	-
48	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
49	Protected Property						
50	ADIT - 190	(Note C)	NA	\$ -	-	-	-
51	ADIT - 281	(Note C)	NA	-	-	-	-
52	ADIT - 282	(Note C)	NA	-	-	-	-
53	ADIT - 283	(Note C)	NA	-	-	-	-
54	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
55	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Washington, D.C. (2018 Apportionment Weighting Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
56	Unprotected Non-Property						
57	ADIT - 190	(Note D)	4 Years	\$ -	\$ -	\$ -	\$ -
58	ADIT - 281	(Note D)	4 Years	-	-	-	-
59	ADIT - 282	(Note D)	4 Years	-	-	-	-
60	ADIT - 283	(Note D)	4 Years	-	-	-	-

61	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
62	Unprotected Property						
63	ADIT - 190	(Note D)	5 Years	\$	\$	\$	\$
				-	-	-	-
64	ADIT - 281	(Note D)	5 Years	-	-	-	-
65	ADIT - 282	(Note D)	5 Years	-	-	-	-
66	ADIT - 283	(Note D)	5 Years	-	-	-	-
67	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
68	Protected Property						
69	ADIT - 190	(Note D)	NA	\$	-	-	-
				-	-	-	-
70	ADIT - 281	(Note D)	NA	-	-	-	-
71	ADIT - 282	(Note D)	NA	-	-	-	-
72	ADIT - 283	(Note D)	NA	-	-	-	-
73	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
74	Total - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-

Washington, D.C. (2017 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
75	Unprotected Non-Property						
76	ADIT - 190	(Note E)	4 Years	\$	\$	\$	\$
				-	-	-	-
77	ADIT - 281	(Note E)	4 Years	-	-	-	-
78	ADIT - 282	(Note E)	4 Years	-	-	-	-
79	ADIT - 283	(Note E)	4 Years	-	-	-	-
80	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
81	Unprotected Property						
82	ADIT - 190	(Note E)	5 Years	\$	\$	\$	\$
				-	-	-	-
83	ADIT - 281	(Note E)	5 Years	-	-	-	-
84	ADIT - 282	(Note E)	5 Years	-	-	-	-
85	ADIT - 283	(Note E)	5 Years	-	-	-	-
86	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
87	Protected Property						
88	ADIT - 190	(Note E)	NA	\$	-	-	-
				-	-	-	-
89	ADIT - 281	(Note E)	NA	-	-	-	-
90	ADIT - 282	(Note E)	NA	-	-	-	-
91	ADIT - 283	(Note E)	NA	-	-	-	-
92	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-
93	Total - Deficient / (Excess) ADIT			\$	\$	\$	\$
				-	-	-	-

Washington, D.C. (2016 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
94	Unprotected Non-Property						
95	ADIT - 190	(Note F)	4 Years	\$ -	\$ -	\$ -	\$ -
96	ADIT - 281	(Note F)	4 Years	-	-	-	-
97	ADIT - 282	(Note F)	4 Years	-	-	-	-
98	ADIT - 283	(Note F)	4 Years	-	-	-	-
99	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
100	Unprotected Property						
101	ADIT - 190	(Note F)	5 Years	\$ -	\$ -	\$ -	\$ -
102	ADIT - 281	(Note F)	5 Years	-	-	-	-
103	ADIT - 282	(Note F)	5 Years	-	-	-	-
104	ADIT - 283	(Note F)	5 Years	-	-	-	-
105	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
106	Protected Property						
107	ADIT - 190	(Note F)	NA	\$ -	-	-	-
108	ADIT - 281	(Note F)	NA	-	-	-	-
109	ADIT - 282	(Note F)	NA	-	-	-	-
110	ADIT - 283	(Note F)	NA	-	-	-	-
111	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
112	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Washington, D.C. (2015 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
113	Unprotected Non-Property						
114	ADIT - 190	(Note G)	4 Years	\$ -	\$ -	\$ -	\$ -
115	ADIT - 281	(Note G)	4 Years	-	-	-	-
116	ADIT - 282	(Note G)	4 Years	-	-	-	-
117	ADIT - 283	(Note G)	4 Years	-	-	-	-
118	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
119	Unprotected Property						
120	ADIT - 190	(Note G)	5 Years	\$ -	\$ -	\$ -	\$ -
121	ADIT - 281	(Note G)	5 Years	-	-	-	-
122	ADIT - 282	(Note G)	5 Years	-	-	-	-
123	ADIT - 283	(Note G)	5 Years	-	-	-	-
124	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

125	Protected Property						
126	ADIT - 190	(Note G)	NA	\$ -	-	-	-
127	ADIT - 281	(Note G)	NA	-	-	-	-
128	ADIT - 282	(Note G)	NA	-	-	-	-
129	ADIT - 283	(Note G)	NA	-	-	-	-
130	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
131	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Maryland (2007 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
132	Unprotected Non-Property						
133	ADIT - 190	(Note H)	4 Years	\$ -	\$ -	\$ -	\$ -
134	ADIT - 281	(Note H)	4 Years	-	-	-	-
135	ADIT - 282	(Note H)	4 Years	-	-	-	-
136	ADIT - 283	(Note H)	4 Years	-	-	-	-
137	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
138	Unprotected Property						
139	ADIT - 190	(Note H)	5 Years	\$ -	\$ -	\$ -	\$ -
140	ADIT - 281	(Note H)	5 Years	-	-	-	-
141	ADIT - 282	(Note H)	5 Years	-	-	-	-
142	ADIT - 283	(Note H)	5 Years	-	-	-	-
143	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
144	Protected Property						
145	ADIT - 190	(Note H)	NA	\$ -	-	-	-
146	ADIT - 281	(Note H)	NA	-	-	-	-
147	ADIT - 282	(Note H)	NA	-	-	-	-
148	ADIT - 283	(Note H)	NA	-	-	-	-
149	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
150	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Total State Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2017 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
1	Unprotected Non-Property						
2	ADIT - 190			\$ -	\$ -	\$ -	\$ -
3	ADIT - 281			-	-	-	-
4	ADIT - 282			-	-	-	-

5	ADIT - 283	-	-	-	-
6	Subtotal - Deficient / (Excess) ADIT	\$ -	\$ -	\$ -	\$ -
7	Unprotected Property				
8	ADIT - 190	\$ -	\$ -	\$ -	\$ -
9	ADIT - 281	-	-	-	-
10	ADIT - 282	-	-	-	-
11	ADIT - 283	-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT	\$ -	\$ -	\$ -	\$ -
13	Protected Property				
14	ADIT - 190	\$ -	\$ -	\$ -	\$ -
15	ADIT - 281	-	-	-	-
16	ADIT - 282	-	-	-	-
17	ADIT - 283	-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT	\$ -	\$ -	\$ -	\$ -
19	Total - Deficient / (Excess) ADIT	\$ -	\$ -	\$ -	\$ -

Total State Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
151	ADIT - 190			\$ -	\$ -	\$ -	\$ -
152	ADIT - 281			-	-	-	-
153	ADIT - 282			-	-	-	-
154	ADIT - 283			-	-	-	-
155	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
156	Tax Gross-Up Factor	ATT H-9A, Line 132b		1.00	1.00	1.00	1.00
157	Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

State Income Tax Regulatory Asset / (Liability)

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
158	Account 182.3 (Other Regulatory Assets)			\$ -	\$ -	\$ -	\$ -
159	Account 254 (Other Regulatory Liabilities)			-	-	-	-
160	Total - Transmission Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

Federal and State Income Tax Regulatory Asset / (Liability)

Federal and State Income Tax Regulatory Asset / (Liability) related to Excess / Deficient Deferred Income Taxes

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
161	Account 182.3 (Other Regulatory Assets)			\$ -	\$ -	\$ -	\$ -
162	Account 254 (Other Regulatory Liabilities)			-	-	-	-
163	Total - Transmission Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

Instructions

- For transmission allocated deficient / (excess) deferred income taxes related to rate changes occurring after September 30, 2018, insert new amortization table that delineate the deficient and excess deferred taxes by protected property, unprotected property, and unprotected non-property by ADIT category.
- Set the amortization period for unprotected property to 5 years and unprotected non-property to 4 years. The amortization of deficient and (excess) ADIT designated as protected will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements.
- Update applicable formulas in the "Total Federal Deficient / (Excess) Deferred Income Taxes" and "Total State Deficient / (Excess) Deferred Income Taxes" sections to ensure appropriate inclusion of deficient / (excess) ADIT deferred income taxes related to rate changes occurring after September 30, 2018.
- Insert note explaining the event giving rise to the deficient / (excess) ADIT including the start and end date for the amortization. The amortization ceases after the related regulatory asset / liability is drawn down to zero.

Notes

- A Deficient and (excess) ADIT related to the Tax Cuts and Jobs Act of 2017 (TCJA) will be amortized beginning January 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments, tax return amendments, or new IRS guidance. The amortization of protected property related deficient and (excess) ADIT will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements and may vary by year depending on where each underlying asset resides in its individual life cycle. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 31, 2022. The unprotected non-property related excess and deficient ADIT will be fully amortized by December 31, 2021. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- B The remaining unamortized excess and deficient ADIT related to the Tax Reform Act of 1986 will be amortized using the Average Rate Assumption Method (ARAM) as provided in the Settlement in Docket No. ER19-5 et al. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- C The remaining unamortized deficient and (excess) ADIT related to the Maryland 2018 "Apportionment Weighting Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- D The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2018 "Apportionment Weighting Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- E The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2017 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- F The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2016 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- G The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2015 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed

if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

- H The remaining unamortized deficient and (excess) ADIT related to the Maryland 2007 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

Potomac Electric
Power Company
Accumulated
Deferred Income
Taxes
Remeasurement
Attachment F –
Deficient /
(Excess) Deferred
Income Taxes
Worksheet

Tax Cuts and Jobs Act of 2017

Line	Detailed Description	Description	Category	12/31/2017 ADIT - Pre Rate Change			12/31/2017 ADIT - Post Rate Change			12/31/17 Deficient / (Excess) Deferred Income Taxes										
				Federal Gross Timing Difference	Federal ADIT @ 35%	State ADIT	Federal Gross Timing Difference	Federal ADIT @ 21%	State ADIT	Rate Change Deferred Tax Impact	Non-Recoverable	FAS 109 Regulatory Asset / Liability	Total Deficient / (Excess) ADIT Balance	Jurisdiction Allocator	Electric Transmission	Allocator (Note B)	Transmission Allocated Deficient / (Excess) ADIT Balance	FERC Account		
(A)	(B)	(C)	(D)	(E) = (D) * 35%	(F)	(G)	(H) = (G) - (E)	(I)	(J) = (I) * 21%	(K)	(L)	(M) = (L) - (H)	(O)	(P)	(Q) = (N) - (O)	(R)	(S)	(T)	(U) = (Q) * (T)	(V)
	FERC Account 190 - Non-Current (Note A)																			
1	Accrued Payroll Taxes - Manual Other	Accrued Liabilities	Non-Property	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	Labor	Yes	10.09 0%	\$ -	190
2	Current Liabilities - General	Accrued Liabilities	Non-Property	-		-	-	-		-	-	-		-	-	100% DC	No	0.000 %	-	190
3	Accrued Liabilities - Required Health	Accrued Liabilities	Non-Property	-		-	-	-		-	-	-		-	-	Labor	Yes	10.09 0%	-	190

	Commitments)																		
	Deferred Credits- General (DC PLUG)	Accrued Liabilities	Non-Property	-										100% DC	No	0.000 %	-	190	
17	Accrued Liability - LTIP - Non-Current Payroll Taxes 481(a) Provision for uncollectible Accounts-Spec Billing Provision for uncollectible Accounts - MD Provision for uncollectible Accounts - DC Retail Provision for uncollectible POR - Pepco DC Provision for uncollectible POR - Pepco MD Maryland Capital Loss Carryforward	Accrued Liabilities	Non-Property	-										Labor	Yes	10.09 0%	-	190	
18		Accrued Liabilities	Non-Property	-										Labor	Yes	10.09 0%	-	190	
19		Accrued Liabilities	Non-Property	-										Labor	Yes	10.09 0%	-	190	
20		Allowance for Doubtful Accounts	Non-Property	-										Labor	No	0.000 %	-	190	
21		Allowance for Doubtful Accounts	Non-Property	-										100% MD	No	0.000 %	-	190	
22		Allowance for Doubtful Accounts	Non-Property	-										100% DC	No	0.000 %	-	190	
23		Allowance for Doubtful Accounts	Non-Property	-										100% DC	No	0.000 %	-	190	
24		Allowance for Doubtful Accounts	Non-Property	-										100% MD	No	0.000 %	-	190	
25		Capital Loss Limitation	Non-Property	-										Labor	No	0.000 %	-	190	

26	DC Capital Loss Carryfor ward	Capital Loss Limitatio n	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
27	Federal Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
28	Maryland Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
29	DC Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
30	Acc Liab - Deferred Comp LT -Old Plans	Deferred Compen sation	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.09 0%	-	190
31	Acc Liab - Deferred Comp LT - Active Plans	Deferred Compen sation	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.09 0%	-	190
32	Other Special Funds- Deferred Comp Accrued Liab- Environm ental Site Exp - Long- Term	Deferred Compen sation	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
33	Accrued Liab- OPEB	Environ mental Expense FAS 106 OPEB Adjustm ent	Non- Propert y	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
34				-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.09 0%	-	190

35	FIN 48 Interest Payable-MD-NonCurrent	Interest on Contingent Taxes	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
36	Accrued Charitable Contributions-MD-Current	Merger Commitment Deferrals	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
37	Accrued Charitable Contributions-DC-Current	Merger Commitment Deferrals	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
38	Merger Commitments Accrued Charitable Contributions-MD-Non-Current	Merger Commitment Deferrals	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
39	Accrued Charitable Contributions-DC-Non-Current	Merger Commitment Deferrals	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
40	Other Long-Term Liabilities	190 Other Deferred Taxes	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
41	Use Tax Payable-DC-Other	190 Other Deferred Taxes	Non-Property	-	-	-	-	-	-	-	-	-	100% DC	No	0.000%	-	190
42	Other Long-Term Liabilities	190 Other Deferred Taxes	Non-Property	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	190
43	Federal State Income Taxes Deductible	190 Other Deferred Taxes	Non-Property	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	190
44	Maryland 1/1/2000 Basis	190 Other Deferred Taxes	Non-Property	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	190

45	Carryforward Asset Retirement Obligation- Electric Utility Plant	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
46	Other Regulatory Liability - General Oth Reg Liab-	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
47	Asset Retirement Obligation- Electric Reg Liab-	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
48	Asset Retirement Oblig- Electric- Contra	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000 %	-	190
49	Regulatory Liability- MD Grid Resiliency Charge Reg Liab-MD	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	190
50	Dynamic Pricing/Cr itical Pk Rebate Cr	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	190
51	Regulatory Liability - MD - Base Reg Liab-Third Party	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	190
52	Supplier- DC Distributio n	Regulatory Liabilities	Non- Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000 %	-	190

53	Maryland Net Operating Loss Carryforward	State NOL	Non-Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	190
54	DC Net Operating Loss Carryforward	State NOL	Non-Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	190
55	Federal Net Operating Loss Carryforward	Federal NOL	Protected Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	190
56	Unamortized Investment Tax Credits Other Reg Assets - Income Tax Recov thru Rates	FAS 109 - Deferred Taxes on ITC	Protected Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	190
57	FAS 109 - Regulatory Asset Electric	FAS109 Non-TCJA	N/A	-	-	-	-	-	-	-	-	-	-	-	-	N/A	No	17.320%	-	190
58	SFAS109 - Regulatory Liability Electric	FAS109 Non-TCJA	N/A	-	-	-	-	-	-	-	-	-	-	-	-	N/A	No	17.320%	-	190
59	SFAS109 - Regulatory Liability Electric	FAS109 Non-TCJA	N/A	-	-	-	-	-	-	-	-	-	-	-	-	N/A	No	17.320%	-	190
60	SFAS109 - Regulatory Liability Electric	FAS109 TCJA	N/A	-	-	-	-	-	-	-	-	-	-	-	-	N/A	No	17.320%	-	190
61	Total FERC Account 190			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	

**FERC
Account
282 -
Property
(Note A)**

62	Fixed Asset Basis Differences (PowerTax) - Protected	Protected Property (PowerTax)	Protected Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Plant	Yes	17.320%	\$ -	282
63	Fixed Asset Basis Differences (PowerTax) - Non-Protected	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
64	Fixed Asset Basis Differences (PowerTax) - Non-Protected CIAC	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282
65	Fixed Asset Basis Differences (PowerTax FT) - Non-Protected Maryland	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
66	Fixed Asset Basis Differences (PowerTax) - Non-Protected Maryland	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
67	Fixed Asset Basis Differences (PowerTax)	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282

68	x) - Non-Protected CIAC Maryland Fixed Asset Differences (PowerTax FT) - Non-Protected Maryland Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC Maryland Fixed Asset Differences (Non-PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
69	DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (Non-PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
70	DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (Non-PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282
71	DC Fixed Asset Differences (PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
72	DC Fixed Asset Differences (PowerTax) - Non-Protected DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282
73	DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
74	DC Fixed Asset	Non-Protected	Unprot	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282

75	Differences (Non-PowerTax) - Non-Protected DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC Fixed Asset Basis Differences (Non-PowerTax) - Non-Protected CIAC	Protected Property (Non-PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282
76	Differences (Non-PowerTax) - Non-Protected CIAC Fixed Asset Basis Differences (Non-PowerTax) - Non-Protected CIAC	Protected Property (Non-PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	Yes	17.320%	-	282
77	Differences (Non-PowerTax) - Non-Protected CIAC	Protected Property (Non-PowerTax)	Unprotected Property	-	-	-	-	-	-	-	-	-	-	-	-	Plant	No	0.000%	-	282
78	Total FERC Account 282			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	
	<u>FERC Account 283 - Non-Current (Note A)</u>																			
79	Unamortized Loss on Reacquired Debt - General	Reacquired Debt	Non-Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Labor	Yes	10.090%	\$ -	283
80	Unamortized Loss - Pollution Bonds	Reacquired Debt	Non-Property	-	-	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283

81	Unamortized Loss - First Mortgage Bonds	Reacquired Debt	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283
82	Prepayments - Other Taxes	Maryland Property Taxes	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283
83	Prepayments - General	Prepaid Interest	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283
84	Prepayments - Workmen's Compensation - DSM - Energy Efficient Products - Community - MD	Prepayments	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283
85	Regulatory Assets - DSM - Direct Load Control - MD	Regulatory Asset - DSM	Non-Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000%	-	283
86	Regulatory Assets - FERC Formula Rate Adjustment - Transmission Svc	Regulatory Asset - FERC Formula Rate True-up	Non-Property	-	-	-	-	-	-	-	-	-	-	100% Transmission	Yes	100.000%	-	283
88	Regulatory Assets - Asset Retirement Obligation	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	No	0.000%	-	283
89	Regulatory Assets -	Regulatory	Non-Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000%	-	283

	DC Recovery - Base	Regulatory Assets																		
90	Regulatory Assets - MD Recovery - Base	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	283		
91	Regulatory Assets - DC	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000 %	-	283		
92	Regulatory Assets - MD	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	283		
93	Regulatory Assets - DC Power Line Undergrounding	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000 %	-	283		
94	Regulatory Assets-Third Party Supplier Recovery-MD Dist	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	283		
95	Regulatory Asset - Wks Comp/LT Disability Accrual	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.09 0%	-	283		
96	Regulatory Assets-DC Residential Aid	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000 %	-	283		
97	Regulatory Asset-Maryland Meters	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% MD	No	0.000 %	-	283		
98	AMI - Recoverable - DC	Regulatory Assets	Non-Property	-	-	-	-	-	-	-	-	-	-	100% DC	No	0.000 %	-	283		

	Prepaid Pension Costs	Pension Plan Contribution	Non-Property																		
99				-	-	-	-	-	-	-	-	-	-	-	-	-	Labor	Yes	10.090%	-	283
	Total FERC Account 283			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	
100																					
101	Grand Total			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	

Protected Property	-	-
Unprotected Property	-	-
Non-Property	-	-
Total Unprotected	-	-
Total (Excess) / Deficient ADIT	-	-

Instructions

1. In accordance with ASC 740, deferred tax assets and liabilities are adjusted (re-measured) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred income tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the effect of a future increase or decrease in taxes payable resulting from a change in tax law or rates will be recovered from or passed through to customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future revenue or reduction in future revenue. The amortization of deficient and (excess) deferred income taxes that will be recovered from or passed through to customers through future rates will be recorded in FERC Accounts 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) and 411.1 (Provision for Deferred Income Taxes—Credit, Utility Operating Income), as appropriate. Re-measurements of deferred tax balance sheet accounts may also result in re-measurements of tax-related regulatory assets or liabilities that had been recorded prior to the change in tax law. If it is not probable that the effect of a future increase or decrease in taxes payable resulting from a change in tax law or rates will be recovered from or passed through to customers through future rates, tax expense will be recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes-Credit, Other Income or Deductions), as appropriate.

2. For deficient and (excess) accumulated deferred income taxes (ADIT) related to change(s) to income tax rates occurring after September 30, 2018, insert calculations that support the re-measurement amount delineated by category (i.e., protected property, unprotected property, and unprotected non-property).

3. Set the allocation percentages equal to the applicable percentages at the date of the rate change.

Notes

- A Categorization of items as protected or non-protected will remain as originally agreed, absent a change in guidance from the Internal Revenue Service (IRS) with respect to that items. Balances associated with the tax rate change will not be adjusted (except for amortization each year) absent audit adjustments, tax return amendments, or a change in IRS guidance. Any resulting changes will be prominently disclosed including the basis for the change.
- B The allocation percentage in Column T are based on the applicable percentages at the date of the rate change and must remain fixed absent the Commission's express approval.

END

Potomac Electric Power 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			
1a			
2			
3			
4			
5		0	0
Total Plant Related			
Labor Related		Wages & Salary Allocator	
6			
Total Labor Related		0	0
		0.0000%	
Other Included		Gross Plant Allocator	
7			
Total Other Included		0	0
		0.0000%	
Total Included			
Currently Excluded			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17	Total "Other" Taxes (included on p.263)		
18	Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)		
19	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

Potomac Electric Power Company

Allocation of Property taxes to Transmission Function

<u>Plant</u>	<u>DC</u>	<u>Maryland</u>	<u>Virginia</u>	<u>PA</u>	<u>Total</u> <u>(from p. 263)</u>
Transmission					
Distribution					
General					
Total T,D, & General					
<u>Plant ratios by Jurisdiction</u>					
Transmission Ratio					
Distribution ratio					
General Ratio					
check					
<u>Property Taxes (Direct to Jurisdiction) Functionalization</u>					
Transmission Property Tax					
Distribution Property tax					
General Property Tax					
Total check					
<u>Allocation of General to Transmission</u>					
General Property Tax					
Trans Labor Ratio					
Trans General					

<u>Total Transmission Property Taxes</u>					
Transmission					
General					
Total Transmission Property Taxes					

Potomac Electric Power Company

Attachment 3 - Revenue Credit Workpaper

		<i>Total Amount</i>	<i>Allocation Factor</i>	<i>Allocation %</i>	<i>Total Amount Included In Rates</i>
Account 454 - Rent from Electric Property					
1	Rent from Electric Property - Transmission Related (Note 3)		Transmission	100%	\$ -
2	Total Rent Revenues	(Sum Lines 1)			\$ -
Account 456 - Other Electric Revenues (Note 1)					
3	Schedule 1A		Transmission	100%	\$ -
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)		Transmission	100%	-
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		Transmission	100%	-
6	PJM Transitional Revenue Neutrality (Note 1)		Transmission	100%	-
7	PJM Transitional Market Expansion (Note 1)		Transmission	100%	-
8	Professional Services (Note 3)		Transmission	100%	-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		Transmission	100%	-
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		Transmission	100%	-
11	Affiliate Credits		Wages and Salaries	#DIV/0!	#DIV/0!
11a	Miscellaneous Credits (Attachment 5)		Various		#VALUE!
12	Gross Revenue Credits	(Sum Lines 2-11a)			#DIV/0!
13	Less line 18g	-	Transmission	100%	\$ -
14	Total Revenue Credits	-			#DIV/0!
Revenue Adjustment to determine Revenue Credit					
15	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.				
16	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.				
17	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 18a - 18g, 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).				
18a	Revenues included in lines 1-11 which are subject to 50/50 sharing.				-
18b	Costs associated with revenues in line 18a	Attachment 5 - Cost Support			-
18c	Net Revenues (18a - 18b)				-
18d	50% Share of Net Revenues (18c / 2)				-
18e	Costs associated with revenues in line 18a 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.				-
18f	Net Revenue Credit (18d + 18e)				-
18g	Line 18f less line 18a				-
19	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.				
20	Amount offset in line 4 above				-
21	Total Account 454, 456 and 456.1				-
22	Note 4: SECA revenues booked in Account 447.				

Potomac Electric Power Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

Return and Taxes with 100 Basis Point increase in ROE

A	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	#DIV/0!
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	#DIV/0!
	Long Term Interest			
100	Long Term Interest		p117.62c through 67c	0
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	0
103	Preferred Dividends	enter positive	p118.29c	0
	Common Stock			
104	Proprietary Capital		p112.16c	0
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 106a)	0
	Capitalization			
108	Long Term Debt		p112.17c through 21c	0
109	Less Loss on Reacquired Debt	enter negative	p111.81c	0
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1B - ADIT EOY, Line 7	0
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	0
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	0
116	Total Capitalization		(Sum Lines 113 to 115)	0
117	Debt %	Total Long Term Debt	(Line 108 / (108+114+115))	0%
118	Preferred %	Preferred Stock	(Line 114 / (108+114+115))	0%
119	Common %	Common Stock	(Line 115 / (108+114+115))	0%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0000
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	(Note J from Appendix A) Common Stock	Appendix A % plus 100 Basis Pts	0.0100
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0000
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0000
126	Total Return (R)		(Sum Lines 123 to 125)	0.0000
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	#DIV/0!

Composite Income Taxes

Income Tax Rates

128	FIT=Federal Income Tax Rate		(Note I from ATT H-9A)	0.00%
129	SIT=State Income Tax Rate or Composite		(Note I from ATT H-9A)	0.00%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		0.00%
132a	T/(1-T)			0.00%
132b	Tax Gross-Up Factor	$1^*/(1-T)$		1.0000
	ITC Adjustment		(Note U from ATT H-9A)	
133	Investment Tax Credit Amortization	enter negative	Attachment 1A - ADIT	0

134	Tax Gross-Up Factor		(Line 132b)	1.0000
135	ITC Adjustment Allocated to Transmission		(Line 133 * 134)	#DIV/0!
Other Income Tax Adjustment				
136a	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	(Note T from ATT H-9A)	Attachment 5, Line 136a	0
136b	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136b	0
136c	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136c	0
136d	Amortization of Other Flow-Through Items - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136d	0
136e	Other Income Tax Adjustments - Expense / (Benefit)		(Line 136a + 136b + 136c + 136d)	0
136f	Tax Gross-Up Factor		(Line 132b)	1.0000
136g	Other Income Tax Adjustment		(Line 136f * 136g)	0
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132a * 127 * (1-(123 / 126))]	#DIV/0!
138	Total Income Taxes		(Line 135 + 136g +137)	#DIV/0!

Potomac Electric Power 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 (See Attachment 9, column h)				
11	Accumulated Common Amortization - Electric	(Note A)	p356 (See Attachment 9, column i)				
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356 (See Attachment 9, column d)				
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356 (See Attachment 9, column d)				
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h (See Attachment 1B)				
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c (See Attachment 9, column e)				
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356				

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 (See Attachment 9, column c)				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 (See Attachment 9A, column b)				
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g (See Attachment 9, column b)				
24	Common Plant (Electric Only)	(Notes A & B)	p356 (See Attachment 9, column d)				
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c (See Attachment 9, column e)				

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			

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				
Directly Assigned A&G							
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b				

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				

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)	0						Enter Calculation

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	-	0	-	

Excluded Plant Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
149	Excluded Transmission Facilities	(Note M)	Attachment 5		General Description of the Facilities
Instructions:				Enter \$	
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	
				Enter \$	
Example					
A	Total investment in substation		1,000,000		
B	Identifiable investment in Transmission (provide workpapers)		500,000		
C	Identifiable investment in Distribution (provide workpapers)		400,000		
D	Amount to be excluded (A x (C / (B + C)))		444,444		
Add more lines if necessary					

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions																Description of the Prepayments	
45	Prepayments	December Prior Year	January	February	March	April	May	June	July	August	September	October	November	End of Year December	Allocator	Allocation Factor	
	Pension Liabilities, if any														#DIV/0!	Labor	
	Prepayments - DC ROW	-													0.000%	Excluded	Prepayments related to DC ROW
	Prepayments - Transmission Personal Property Tax	-													#DIV/0!	See Description.	Prepayments related to Transmission Personal Property Tax. See "Prop taxes to function" worksheet for total Transmission assessable plant factor (total transmission property taxes/total property taxes).
	Other Prepayments- Labor	-													#DIV/0!	Labor	Other Prepayments - Labor
	Other Prepayments- Excluded	-													0.000%	Excluded	Other Prepayments - Excluded
		-													#DIV/0!	Labor	
		-													#DIV/0!	Labor	
	Prepayments Monthly Balance p.111,157	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Prepaid Pensions if not included in Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!	Labor	The December beginning year and end of year balances shall tie to Pepco's FERC Form 1, Page 111, Line 57 - Prepayments. For the months of January through November, the prepayment balances shall represent actual balances on Pepco's books and records
	Total Monthly Balance Included in Rates	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			Attachment 9, line 17-29, column f

Transmission Related Account Reserves

Attachment A Line #s, Descriptions, Notes	
44	Transmission Related Account Reserves

Current and Long-Term Portions recorded in FERC Accounts (242, 232, 253, 228.1, 228.2, 228.3, & 228.4) and the accrued portions of below items that have not yet been transferred to trusts, escrow accounts or restricted accounts, but are still in general accounts as of year-end and therefore available to Company.

December Prior Year	January	February	March	April	May	June	July	August	September	October	November	End of Year December	13 Month Average
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Related Account Reserves Monthly Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

Plant-Related Reserves Amount	Allocation (Plant Allocator)	Amount Allocated	Labor-Related Reserves Amount	Allocation (Labor Allocator)	Amount Allocated	100% Transmission	Total Reserves
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
-	#DIV/0!	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Note: The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines above. The allocators in Col. (g) and Col. (n) will be the same allocators used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.

Attachment H-9A, Line 44

Miscellaneous Revenue Credits	Allocator	Allocation Factor	Description
Miscellaneous Revenue Credits	- #DIV/0!		Wages & Salary
	- 100%		100% Transmission
	- #DIV/0!		Gross Plant Allocator
			-
	#DIV/0!		Attachment 3 - Revenue Credit line 11a

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 \$	General Description of the Credits
55	Outstanding Network Credits	(Note N)	From PJM		
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits (Enter as negative)	(Note N)	From PJM		
					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			#DIV/0!	#DIV/0!

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	Enter \$	General Description of the Credits
<i>Add more lines if necessary</i>					

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	-	

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		

Statements BG/BH (Present and Proposed Revenues)

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

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 Amortization	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	
171a	2013-14 rate period
171a	2014-15 rate period
171a	2015-16 rate period
Total	

Brandywine Fly Ash Landfill Environmental Expenses

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	
Step 9 Attachment 6 - Estimate and Reconciliation Worksheet - Footnote 1	\$ - Pepco shall make a negative adjustment to its transmission revenue requirement in its 2015 Annual Update in the amount of \$2,617,572, to offset the \$2,617,572 of Brandywine fly ash landfill environmental expenses included in Pepco's 2014 Annual Update ("2013 Brandywine Fly Ash Expenses"). Pepco shall not include the 2013 Brandywine Fly Ash Expenses in a future Annual Update while recovery of such expenses is being pursued from a party outside of the PJM Tariff, but once Pepco is no longer pursuing recovery of such expenses outside of the PJM Tariff, Pepco may include such costs in a future Annual Update to the extent such expenses have not been recovered outside of the PJM Tariff, subject to SMECO's right to challenge such inclusion at that time on any grounds permitted pursuant to Attachment H-9, including the Formula Rate Implementation Protocols, as though the costs had been included in the 2014 Annual Update. Any payments to Pepco for its 2013 Brandywine Fly Ash Expenses shall not be included in any Pepco Annual Update.

Depreciation & Amortization - Cost Support

Attachment A Line #s, Descriptions and Notes		Amounts	Merger Costs	Non Merger Related
86	Transmission Depreciation Expense			
87	General Depreciation			
88	Intangible Amortization			
92	Common Depreciation - Electric Only	-	-	-
93	Common Amortization - Electric Only	-	-	-

PBOP Expense in FERC 926

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total A&G Form 1 Amount	Account 926 Form 1 Amount	PBOP in FERC 926 current rate year	PBOP in FERC 926 prior rate year	Explanation of change in PBOP in FERC 926
68	Total A&G Total: p.323.197.b Account 926: p.323.187.b and c					

Other Income Tax Adjustments

Line	Component Descriptions	Instruction References	Transmission Depreciation Expense Amount		Tax Rate from Attachment H-9A, Line 131	Amount to Line 136f
136b	- Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	Instr. 1, 2, 3 below	\$ -	X	0.00%	\$ -
136c	Amortization of Excess/Deficient Deferred Taxes - Transmission Component	Instr. 4 below				-
136d	Amortization Excess / Deficient Deferred Taxes (Federal) - Transmission Component	Instr. 4 below				-
136e	Amortization Excess / Deficient Deferred Taxes (State) - Transmission Component	Instr. 5 below				-
136f	Total Other Income Tax Adjustments - Expense / (Benefit)					\$ -

Instr. #s	Instructions
Inst. 1	Transmission Depreciation Expense is the gross cumulative amount based upon tax records of capitalized AFUDC equity embedded in the gross plant attributable to the transmission function multiplied by the Capital Recovery Rate (described in Instruction 2).
Inst. 2	Capital Recovery Rate is the book depreciation rate applicable to the underlying plant assets.
Inst. 3	"AFUDC-Equity" category reflects the nondeductible component of depreciation expense related to the capitalized equity portion of Allowance for Funds Used During Construction (AFUDC).
Inst. 4	Upon enactment of changes in tax law, accumulated deferred income taxes are re-measured and adjusted in the Company's books of account, resulting in deficient or (excess) accumulated deferred income taxes (ADIT). Such deficient or (excess) ADIT attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the deficient or (excess) amount was measured and recorded for financial reporting purposes. See Attachment 1E - ADIT Amortization, Column F, Line 50 and Line 193 for additional information and support for the current year amortization. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
Inst. 5	Other Flow-Through Items - In the past regulatory agencies required certain federal and state income tax savings resulting from temporary differences between the amount of taxes computed for ratemaking purposes and taxes on the amount of actual current federal income tax liability to be immediately "flowed through" rates for certain assets. The "flow-through" savings were accounted for in deferred tax balances, based on the expectation and understanding that while tax savings would be immediately flowed through to ratepayers, the flow-through expense incurred when the temporary differences reverse would be recovered from ratepayers. The "Amortization of Other Flow-Through Items" represents the transmission portion of tax expense relating to the reversal of these temporary differences. The Other Flow-Through balance as of September 30, 2018 will reverse beginning October 1, 2018 based on the prescribed periods.
Inst. 6	Negative amounts (i.e. tax benefits) reduce recoverable tax expense and positive amounts (i.e. tax expense) increase recoverable tax expense.

Potomac Electric Power Company

Attachment 5a - Allocations of Costs to Affiliates

Potomac Electric Power Company

Attachment 5b - Allocations of EBSC Costs to Affiliate

**Attachment 6
True-Up Revenue Requirement Worksheet
Potomac Electric Power Company**

Line No.	(1)	(2) Attachment H-9A Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant - Total	Attach 9, line 16, column b	-	
2	Net Transmission Plant - Total	Attach 9, line 16, column i	-	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attach H-9A, line 85	#DIV/0!	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-	-
	GENERAL, INTANGIBLE AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G, I & C Depreciation Expense	Attach H-9A, line 86a plus 91 plus line 96	#DIV/0!	
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	#DIV/0!	#DIV/0!
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H-9A, line 99	#DIV/0!	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	#DIV/0!	#DIV/0!
9	Less Revenue Credits (Enter As Negative)	Attach H-9A, line 154	-	
10	Annual Allocation Factor Revenue Credits	(line 9 divided by line 1 col 3)	-	-
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10		#DIV/0!

INCOME TAXES			
12	Total Income Taxes	Attach H-9A, line 138	#DIV/0!
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-
RETURN			
14	Return on Rate Base	Attach H-9A, line 145	#DIV/0!
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-
16	Annual Allocation Factor for Return	Sum of line 13 and 15	-

**Attachment 6
True-Up Revenue Requirement Worksheet
Potomac Electric Power Company**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Line No.	All True-Up Items	PJM Project Number	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant or CWIP Balance	Annual Allocation Factor for Return	Annual Return Charge	Project Depreciation/Amortization Expense	Annual Revenue Requirement	Incentive Return in basis Points	Incentive Return	Total Annual Revenue Requirement	True-Up Adjustment	Net Rev Req
			(Page 1 line 11) (Note C)	(Col. 3 * Col. 4)		(Page 1 line 16) (Notes D & I)	(Col. 6 * Col. 7)		(Notes E & I)	(Sum Col. 5, 8 & 9)	(Note K)	(Attachment 2, Line 28 /100 * Col. 11 * Col. 6)	(Sum Col. 10 & 12)	(Note F)	Sum Col. 13 & 14 (Note G)
17a	All revenue requirements excluding projects and adjustments	N/A		#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17b				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17c				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17d				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17e				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17f				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17g				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17h				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17i				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17j				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17k				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17l				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!
17m				#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	#DIV/0!	#DIV/0!

17n		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
17o		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
17p		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
17q		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
17r											
17s											
17t											
17u											
17v											
17w											
17x											
17y											
18	Annual Totals	-	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!

Note

Letter

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H
- B Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
Gross plant does not include Unamortized Abandoned Plant.
- D Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.
- E Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 14. Project Depreciation Expense includes the amortization of Abandoned Plant
- F True-Up Adjustment is calculated on the Project True-up Schedule for the Rate Year
- G The Net Rev Req is the value to be used in the rate calculation under the applicable Schedule under the PJM OATT for each project.
- H The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.
The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is
- I included in Depreciation/Amortization Expense.
The Competitive Bid Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals
- J the amount by which the annual revenue requirement is reduced from the ceiling rate
Requires approval by FERC of incentive return applicable to
- K the specified project(s)
All transmission facilities reflected in the revenue requirement on Attachment
- M H-9A are to be included in this Attachment 6.
Facilities that provide Wholesale Distribution Service are not to be listed as projects on lines 15, the revenue requirements
- N associated with these facilities are calculated on Attachment 11
When an updated projected net revenue requirement is posted due to an asset acquisition as provided for in the Protocols, the difference between the updated net revenue
- O requirement in Col (16) and the revenues collected to date will be recovered
over the remaining months of the Rate Year.
- P "All revenue requirements excluding projects and adjustments" on line 17a refers to all projects not qualifying
for regional recovery or adjustments.

**Attachment 6A
True-Up
Potomac Electric Power Company**

1
2

Rate Year being Trued-Up		For Rate Year		Revenue Received ³	Actual Revenue	Annual True-Up Calculation				
A	B	C	D	E	F	G	H	I	J	
			% of							
		Projected	Total	Revenue	Actual	Net	Interest			
					Net	Uri	P	Total		
					Revenue	der	er	PI		
					Received	er /	(	re	
						Revenue	Revenue	Income		
All True-Up Items	PJM Project Number	Net Revenue	Revenue	Received	Revenue	Revenue	Revenue	Revenue	Revenue	

3
3a
3b
3c
3d
3e
3f
3g
3h
3i
3j
3k
3l
3m
3n
3o
3p
3q
3r
3s
3t
3u
3v
3w
3x

				(E, Line 2)x(D)	Requirement ¹	Requirement	Requirement ²	Requirement ³	Requirement ⁴	Requirement ⁵	Requirement ⁶	Requirement ⁷	Requirement ⁸	Requirement ⁹	Requirement ¹⁰
All revenue requirements excluding projects and adjustments	N/A														
Total Annual Revenue Requirements (Note A)					-	-	-	-	-	-	-	-	-	-	-

Monthly

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Notes:

- 1) From Attachment 1, line 15, col. 14 for the projection for the Rate Year.
- 2) From Attachment 1, line 15, col. 14 for that project based on the actual costs for the Rate Year.
- 3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues.
 Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C.
 Column D, lines 3 are sourced from the projected revenue requirement for the year at issue.
- 4) Interest from Attachment 6.
- 5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

**Attachment 6A
True-Up
Potomac Electric Power Company**

Prior Period Adjustments

(a)	(b)	(c)	(d)
Prior Period Adjustments	Amount	Interest	To tal Co l. (b) + Co
(Note B)	In Dollars	Note B	

5	-	-	-	1. (c)
---	---	---	---	-----------

6 TO calculates NITS revenues, net of true-ups, received in calendar Year 1 (e.g., 2018)

7	(A)	(B)	(C) = (A) - (B) Re ven ues Re cei ved (net of true - ups)
8		PJM Billed Revenue Received	True-up

9	Jan-May (Year 1)		-
10	June-Dec (Year 1)		-
11			-

12 TO calculates Reconciliation Revenues for Year 1 (e.g. 2018) by populating template with Year 1 actuals.

13	Jan-Dec (Year 1)		-
----	------------------	--	---

- Notes: A For each project or Attachment H-9A, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H-9A will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment H-9A and any Projects paid by the RTO to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6B. Column (I) adds the interest on the sum of Col.(G) and (H). Col. (J) is the sum of Col. (G), (H), and (I).
- B Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The adjustment will include a gross-up for income tax purpose, as appropriate. The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.

**Potomac Electric Power Company
Attachment 6B – True-Up Interest Rate**

[A]

FERC
Monthly
Interest Rate

	Month (Note A)	
1	January	
2	February	
3	March	
4	April	
5	May	
6	June	
7	July	
8	August	
9	September	
10	October	
11	November	
12	December	
13	January	
14	February	
15	March	
16	April	
17	May	
18	Average of lines 1-17 above	#DIV/0!

Note A:

(1) The FERC Quarterly Interest Rate in column [A] is the interest applicable to the Month indicated.

19 Year
20

	A	B	C	D	E	F
	Project Name	RTO Project Number or Zonal	Amount Attachment 6A, Col. G + Col H	17 Months	Monthly Interest Rate Line 18 above	Interest Col. C x Col D x Col E
21						
21a						
21b						
21c						
21d						
21e						
21f						
21g						
21h						
21i						
21j						
21k						
21l						
21m						
21n						
21o						
21p						
Total			-			-

1 New Plant Carrying Charge

2 **Fixed Charge Rate (FCR) if not a CIAC**

3 Formula Line

4 A 160 Net Plant Carrying Charge without Depreciation

5 B 167 Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation

6 C Line B less Line A

7 **FCR if a CIAC**

8 D 161 Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes

9 **The FCR resulting from Formula in a given year is used for that year only.**

10 **Therefore actual revenues collected in a year do not change based on cost data for subsequent years**

11 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%.

Details		Other Plant In Service				Other Plant In Service				MAPP CWIP				MAPP In Service				Total	Incentive Charged	Revenue Credit	
Invest Yr		Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue				
12	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"																				
13	Useful life of project																				
14	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 18, Otherwise "No"																				
15	Input the allowed ROE Incentive																				
16	From line 4 above if "No" on line 14 and From line 8 above if "Yes" on line 14																				
17	Line 6 times line 15 divided by 100 basis points																				
18	Columns A, B or C from Attachment 6																				
19	Line 18 divided by line 13																				
20	From Columns H, I or J from Attachment 6																				
21	Base FCR	2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
22	W Increased ROE	2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
23	Base FCR	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
24	W Increased ROE	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
25	Base FCR	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
26	W Increased ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
27	Base FCR	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
28	W Increased ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
29	Base FCR	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
30	W Increased ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
31	Base FCR	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
32	W Increased ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
33		....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	\$	\$ -	\$ -

Potomac Electric Power Company

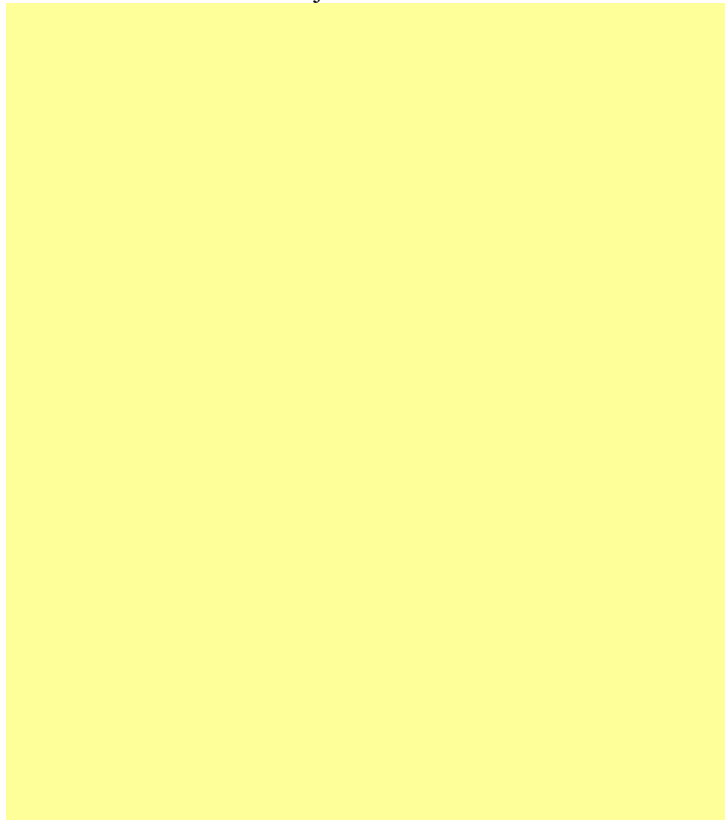
Attachment 8 - Company Exhibit - Securitization Workpaper

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



Potomac Electric Power Company
Attachment 9 – Rate Base Worksheet

Line No	(Note K) Month (a)	Gross Plant In Service			Accumulated Depreciation			Accumulated Amortization		Net Plant In Service		
		Transmission (b)	General & Intangible (c)	Common (d)	Transmission (e)	General (f)	Common (g)	Intangible (h)	Common (i)	Transmission (j)	General & Intangible (k)	Common (l)
	Attachment H-9A, Line No:	19	23	24	30	31	12	10	11			
		207.58.g minus 207.57.g. Projected monthly balances that are the amounts expected to be included in 207.58.g for end of year and records for other months (Note I)	207.99.g minus 207.98.g for end of year, records for other months	Electric Only, Form No 1, page 356 for end of year, records for other months	Projected monthly balances that are expected to be included in 219.25.c for end of year and records for other months (Note I)	219.28.c for end of year, records for other months	Electric Only, Form No 1, page 356 for end of year, records for other months	200.21c for end of year, records for other months	Electric Only, Form No 1, page 356 for end of year, records for other months	Col. (b) - Col. (e)	Col. (c) - Col. (f) - Col. (h)	Col. (d) - Col. (g) - Col. (i)
1	December Prior Year											
2	January											
3	February											
4	March											
5	April											
6	May											
7	June											
8	July											
9	August											
10	September											
11	October											
12	November											
13	December											
14	Average of the 13 Monthly Balances (Attachment 9A)											
15	Less Merger Cost to Achieve (Attachment 10)											
16	Average of the 13 Monthly Balances Less Merger Cost to Achieve											

Potomac Electric Power Company
Attachment 9 – Rate Base Worksheet

Adjustments to Rate Base

Line No	Month (a)	CWIP CWIP in Rate Base (b)	PHFU Held for Future Use (c)	Materials & Supplies (d)	Undistributed Stores Expense (e)	Prepayments (f)	Unamortized Regulatory Asset (g)	Unamortized Abandoned Plant (h)	Account No. 282	Account No. 283	Account No. 190	Account No. 255
									Accumulated Deferred Income Taxes (Note D) (i)	Accumulated Deferred Income Taxes (Note D) (j)	Accumulated Deferred Income Taxes (Note D) (k)	Accumulated Deferred Investment Credit (l)
	Attachment H-9A, Line No:	43a	28	49	47	45		43b				
		(Note C)	214 for end of year, records for other months	227.8. c + 227.5.c (See Att H-9A Note AA) for end of year, records for other months	(227.16.c * Labor Ratio) for end of year, records for other months	Notes J	Notes A & E	Notes B & F	Attachment 1	Attachment 1	Attachment 1	Attachment 1
17	December Prior Year	-	-	-	-	-	-	-	-	-	-	-
18	January	-	-	-	-	-	-	-	-	-	-	-
19	February	-	-	-	-	-	-	-	-	-	-	-
20	March	-	-	-	-	-	-	-	-	-	-	-
21	April	-	-	-	-	-	-	-	-	-	-	-
22	May	-	-	-	-	-	-	-	-	-	-	-
23	June	-	-	-	-	-	-	-	-	-	-	-
24	July	-	-	-	-	-	-	-	-	-	-	-
25	August	-	-	-	-	-	-	-	-	-	-	-
26	September	-	-	-	-	-	-	-	-	-	-	-
27	October	-	-	-	-	-	-	-	-	-	-	-
28	November	-	-	-	-	-	-	-	-	-	-	-
29	December	-	-	-	-	-	-	-	-	-	-	-
30	Average of the 13 Monthly Balances (except ADIT - see Attachment 1)	-	-	-	-	-	-	-	-	-	-	-

Notes:

- A Recovery of regulatory asset or any associated amortization expenses is limited to any regulatory assets authorized by FERC.
- B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 7 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.
- D ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.
- E Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.
- G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocators in Col. (g) and Col. (m) will be the same allocators used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- H Calculate using 13 month average balance, except ADIT.
- I Projected balances are for the calendar year the revenue under this formula begins to be charged.
- J From Attachment 5, line 45 column F for the end of year balance and records for other months.
- K In the true-up calculation, actual monthly balance records are used.

Potomac Electric Power Company
Attachment 9A – Gross Plant in Service and Accumulated Depreciation (Less Asset Retirement Obligations)

		Accumulated Depreciation & Amortization Less Asset Retirement Obligations						
Line No	Month (a)	Total Plant in Service (b)	Transmission (c)	General Depreciation (d)	Intangible Amortization (e)	Common Depreciation (f)	Common Amortization (g)	
	Attachment H-9A, Line No:	9	30	31	32	12	11	
		Col. (b) - Col. (h)	Col. (c) - Col. (i)	Col. (d) - Col. (j)	Col. (e) - Col. (k)	Col. (f) - Col. (l)	Col. (g) - Col. (m)	
29	December Prior Year					-	-	
30	January					-	-	
31	February					-	-	
32	March					-	-	
33	April					-	-	
34	May					-	-	
35	June					-	-	
36	July					-	-	
37	August					-	-	
38	September					-	-	
39	October					-	-	
40	November					-	-	
41	December					-	-	
42	Average of the 13 Monthly Balances					-	-	

Note:

A In the true-up calculation, actual monthly balance records are used.

Potomac Electric Power Company
Attachment 10 – Merger Costs

	(a)	(b)	(c)	(d)	(...)	(x)
O&M Cost To Achieve						
FERC Account		Total	Allocation to Trans.			Total

1	Transmission O&M			
2	A&G			
4	Total			
5				
6	Depreciation & Amortization Expense Cost To Achieve			
7	FERC Account	Total	Allocation to Trans.	Total
8	General Plant			
9	Intangible Plant			
11	Total			

	Capital Cost To Achieve included in the General and Intangible Plant	General	Intangible	
	Gross Plant			Total
12	December Prior Year			
13	January			
14	February			
15	March			
16	April			
17	May			
18	June			
19	July			
20	August			
21	September			
22	October			
23	November			
24	December			
25	Average			

	Accumulated Depreciation	General	Intangible	
26	December Prior Year			Total
27	January			
28	February			
29	March			
30	April			
31	May			
32	June			
33	July			
34	August			
35	September			
36	October			
37	November			
38	December			
39	Average			

Potomac Electric Power Company
Attachment 10 – Merger Costs

	(a)	(c)	(d)	(e)	(...)	(x)
	Net Plant = Gross Plant Minus Accumulated Depreciation from above					Total
40	December Prior Year	-	-	-	-	\$ -

41	January	-	-	-	-	\$	-
42	February	-	-	-	-	\$	-
43	March	-	-	-	-	\$	-
44	April	-	-	-	-	\$	-
45	May	-	-	-	-	\$	-
46	June	-	-	-	-	\$	-
47	July	-	-	-	-	\$	-
48	August	-	-	-	-	\$	-
49	September	-	-	-	-	\$	-
50	October	-	-	-	-	\$	-
51	November	-	-	-	-	\$	-
52	December	-	-	-	-	\$	-
53	Average	-	-	-	-		-

Depreciation (Monthly Change of Accumulated Depreciation from above)

54	January	-				\$	-	Total
55	February	-				\$	-	
56	March	-				\$	-	
57	April	-				\$	-	
58	May	-				\$	-	
59	June	-				\$	-	
60	July	-				\$	-	
61	August	-				\$	-	
62	September	-				\$	-	
63	October	-				\$	-	
64	November	-				\$	-	
65	December	-				\$	-	
66	Total	-				\$	-	

Potomac Electric Power Company
Attachment 10 – Merger Costs

(a)

(b)

Capital Cost To Achieve included in Total Electric Plant in Service

67	December Prior Year	
68	January	
69	February	
70	March	

71 April
72 May
73 June
74 July
75 August
76 September
77 October
78 November
79 December
80 Average



Potomac Electric Power Company
Attachment 11A - O&M Workpaper

		(a)	(b)	(c)
		321.83.b to 321.112.b		
		Total	Non-Recoverable	Directly Assigned
1	Operation, Supervision & Engineering	560.0	\$ -	\$ -
2	Load Dispatch-Reliability	561.1	-	\$ -
3	Load Dispatch-Monitor & Oper Tran Sys	561.2	-	\$ -
4	Load Dispatch-Trans Svc & Scheduling	561.3	-	\$ -
5	Scheduling, Sys Control & Dispatch Svc	561.4	-	\$ -
6	Reliability Planning & Standards Devel	561.5	-	\$ -
7	Transmission Service Studies	561.6	-	\$ -
8	Generation Interconnection Studies	561.7	-	\$ -
9	Reliability Planning & Standard Devel	561.8	-	\$ -
10	Station Expenses	562.0	-	\$ -
11	Overhead Line Expenses	563.0	-	\$ -
12	Underground Line Expenses	564.0	-	\$ -
13	Transmission of Electricity by Others	565.0	-	\$ -
14	Miscellaneous Transmission Expenses	566.0	-	\$ -
15	Rents	567.0	-	\$ -
16	Maintenance, Supervision & Engineering	568.0	-	\$ -
17	Maintenance of Structures	569.0	-	\$ -
18	Maintenance of Computer Hardware	569.1	-	\$ -
19	Maintenance of Computer Software	569.2	-	\$ -
20	Maintenance of Communication Equipment	569.3	-	\$ -
21	Maintenance of Misc Regional Transmission Plant	569.4	-	\$ -
22	Maintenance of Station Equipment	570.0	-	\$ -
23	Maintenance of Overhead Lines	571.0	-	\$ -
24	Maintenance of Underground Lines	572.0	-	\$ -
25	Maintenance of Misc Transmission Plant	573.0	\$ -	\$ -
26	Transmission Expenses - Total (Sum of lines 1-25)	\$ -	\$ -	\$ -
27	Transmission O&M		Total	-

Potomac Electric Power Company
Attachment 11B - A&G Workpaper

		(a)	(b)	(c)	(d)	(e)
		323.181.b to 323.196.b				
		Total	S&W Allocation	Net Plant Allocation	Non-Recoverable	Directly Assigned
1	Administrative and General Salaries	920.0	\$ -	\$ -		\$ -
2	Office Supplies and Expenses	921.0	-			-
3	Administrative Expenses Transferred-Credit	922.0	-			-
4	Outside Service Employed	923.0	-			-
5	Property Insurance	924.0	-			-
6	Injuries and Damages	925.0	-			-
7	Employee Pensions and Benefits	926.0	-			-
8	Franchise Requirements	927.0	-			-
9	Regulatory Commission Expenses	928.0	-			-
10	Duplicate Charges-Credit	929.0	-			-
11	General Advertising Expenses	930.1	-			-
12	Miscellaneous General Expenses	930.2	-			-
13	Rents	931.0	-			-
14	Maintenance of General Plant	935	\$ -			\$ -
15	Administrative & General - Total (Sum of lines 1-14)	\$ -	\$ -	\$ -	\$ -	\$ -
16		Allocation Factor	0.00%	0.00%	0.00%	100.00%
17		Transmission A&G ¹	-	-	-	-
18					Total ²	\$0

¹ Multiply total amounts on line 15, columns (b)-(e) by allocation factors on line 16.

² Sum of line 17, columns (b), (c), (d), (e).

Potomac Electric Power Company
Attachment 12 - Depreciation Rates

(A)	(B)	(C)
Number	Plant Type	Applied Depreciation Rate
Electric Transmission		
350.2 - ALLOCABLE	Land and Land Rights	
352 - ALLOCABLE	Structures and Improvements	
352.1 - DC	Structures and Improvements	
352.2 - MD	Structures and Improvements	
352.3 - SMECO	Structures and Improvements	
353 - ALLOCABLE	Station Equipment	
353.1 - DC	Station Equipment	
353.2 - MD	Station Equipment	
353.3 - SMECO	Station Equipment	
354 - ALLOCABLE	Towers and Fixtures	
354.1 - DC	Towers and Fixtures	
354.2 - MD	Towers and Fixtures	
354.3 - SMECO	Towers and Fixtures	
355 - ALLOCABLE	Poles and Fixtures	
355.1 - DC	Poles and Fixtures	
355.2 - MD	Poles and Fixtures	
355.3 - SMECO	Poles and Fixtures	
356 - ALLOCABLE	Overhead Conductors and Devices	
356.1 - DC	Overhead Conductors and Devices	
356.2 - MD	Overhead Conductors and Devices	
356.3 - SMECO	Overhead Conductors and Devices	
357 - ALLOCABLE	Underground Conduit	
357.1 - DC	Underground Conduit	
357.2 - MD	Underground Conduit	
357.3 - SMECO	Underground Conduit	
358 - ALLOCABLE	Underground Conductors and Devices	
358.1 - DC	Underground Conductors and Devices	
358.2 - MD	Underground Conductors and Devices	
358.3 - SMECO	Underground Conductors and Devices	
359 - ALLOCABLE	Roads and Trails	
359.1 - DC	Roads and Trails	
359.2 - MD	Roads and Trails	
359.3 - SMECO	Roads and Trails	
Electric General		
390 - ALLOCABLE	Structures and Improvements	
390 - DC	Structures and Improvements	
390 - MD	Structures and Improvements	
390 - SMECO	Structures and Improvements	
391.1 - ALLOCABLE	Office Furniture and Equipment	
391.1 - DC	Office Furniture and Equipment	
391.1 - MD	Office Furniture and Equipment	
391.3 - ALLOCABLE	Office Furniture and Equipment	
391.3 - DC	Office Furniture and Equipment	
391.3 - MD	Office Furniture and Equipment	
393 - DC	Stores Equipment	
393 - MD	Stores Equipment	
394 - DC	Tools, Shop, Garage Equipment	
394 - MD	Tools, Shop, Garage Equipment	
395 - DC	Laboratory Equipment	
395 - MD	Laboratory Equipment	
396 - ALLOCABLE	Power Operated Equipment	
397 - ALLOCABLE	Communication Equipment	
397 - DC	Communication Equipment	
397 - MD	Communication Equipment	
397 - SMECO	Communication Equipment	
397.1 - ALLOCABLE	Communication Equipment	
397.1 - MD	Communication Equipment	
397.3 - DC	Communication Equipment	

397.3 - MD	Communication Equipment
398 - DC	Miscellaneous Equipment
398 - MD	Miscellaneous Equipment

Electric Intangible

302	Franchises and Consents
303	Miscellaneous Intangible Plant
303.1	2-year plant
303.2	3-year plant
303.3	4-year plant
303.4	5-year plant
303.5	7-year plant
303.6	10-year plant
303.7	12-year plant
303.8	15-year plant

Note: Depreciation and amortization rates as approved by FERC in Docket #

EXHIBIT B
Redline/Strikeout Showing Agreed Upon Changed to Revised
OATT Attachment H-9A (Formula Rate Template)

ATTACHMENT H-9A

Potomac Electric Power Company Formula Rate -- Appendix A	Notes FERC Form 1 Page # or Instruction
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Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor		
1	Transmission Wages Expense	p354.21b
2	Total Wages Expense	p354.28b
3	Less A&G Wages Expense	p354.27b
4	Total	(Line 2 - 3)
5	Wages & Salary Allocator	(Line 1 / 4)

Plant Allocation Factors		
6	Electric Plant in Service	(Note B) p207.104g (See Attachment 9A, line 14, column j)
6a	Less Merger Costs to Achieve	Attachment 10, line 80, column b
7	Common Plant In Service - Electric	(Line 24 - 24a)
8	Total Plant In Service	(Sum Lines 6 & 7 Line 6 - 6a + 7)
9	Accumulated Depreciation (Total Electric Plant)	p219.29c (See Attachment 9A, line 42, column b)
9a	Less Merger Costs to Achieve	Attachment 10, line 39, column b
10	Accumulated Intangible Amortization	(Note A) p200.21c (See Attachment 9, line 14, column h)
10a	Less Merger Costs to Achieve	Attachment 9, line 15, column h
11	Accumulated Common Amortization - Electric	(Note A) p356 (See Attachment 9, line 14, column i)
11a	Less Merger Costs to Achieve	Attachment 9, line 15, column i
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356 (See Attachment 9, line 14, column g)
12a	Less Merger Costs to Achieve	Attachment 9, line 15, column g
13	Total Accumulated Depreciation	(Sum Lines 9 to 12 Line 9 - 9a + 10 - 10a + 11 - 11a + 12 - 12a)
14	Net Plant	(Line 8 - 13)
15	Transmission Gross Plant	(Line 29 - Line 28)
16	Gross Plant Allocator	(Line 15 / 8)
17	Transmission Net Plant	(Line 39 - Line 28)
18	Net Plant Allocator	(Line 17 / 14)

Plant Calculations

Plant In Service		
19	Transmission Plant In Service	(Note B) p207.58.g (See Attachment 9, line 14, column b)
19a	Less Merger Costs to Achieve	Attachment 9, line 15, column b
20	This line Intentionally Left Blank For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6 - Enter Negative
21	This line Intentionally Left Blank New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6
22	Total Transmission Plant In Service	(Line 19 - 20 + 21 19a)
23	General & Intangible	p205.5.g & p207.99.g (See Attachment 9, line 14, column c)
23a	Less Merger Costs to Achieve	Attachment 9, line 15, column c
24	Common Plant (Electric Only)	(Notes A & B) p356 (See Attachment 9, line 14, column d)
24a	Less Merger Costs to Achieve	Attachment 9, line 15, column d
25	Total General & Common	(Line 23 - 23a + 24 - 24a)
26	Wage & Salary Allocation Factor	(Line 5)
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)
28	Plant Held for Future Use (Including Land)	(Note C) p214 (See Attachment 9, line 30, column c)
29	TOTAL Plant In Service	(Line 22 + 27 + 28)

Accumulated Depreciation		
30	Transmission Accumulated Depreciation	(Note B) p219.25.c (See Attachment 9, line 14, column e)
30a	Less Merger Costs to Achieve	Attachment 9, line 15, column e
30b	Transmission Accumulated Depreciation Less Merger Costs to Achieve	(Line 30 - 30a)
31	Accumulated General Depreciation	p219.28.c (See Attachment 9, line 14, column f)
31a	Less Merger Costs to Achieve	Attachment 9, line 15, column f
32	Accumulated Intangible Amortization	(Line 10 - 10a)
33	Accumulated Common Amortization - Electric	(Line 11 - 11a)
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12 - 12a)
35	Total Accumulated Depreciation	(Sum Lines 31 - 31a + 32 + 33 + 34 - 34)
36	Wage & Salary Allocation Factor	(Line 5)
37	General & Common Allocated to Transmission	(Line 35 * 36)
38	TOTAL Accumulated Depreciation	(Line 30b + 37)

Adjustment To Rate Base

40a	Accumulated Deferred Income Taxes (ADIT)			
40b	ADIT net of FASB 106 and 109 Account No. 190 (ADIT)	Projected Activity	Enter Positive, Note T (Note V)	Attachment 1A - ADIT Summary, Line 23 Attachment 1
40c	Accumulated Investment Tax Credit Account No. 255 Account No. 281 (ADIT - Accel. Amort)	Enter Negative	(Notes A & I) (Note V) Enter Negative, Note T	Attachment 1A - ADIT Summary, Line 46 Attachment 1 p266.h
40d	Net Plant Allocation Factor Account No. 282 (ADIT - Other Property) Account No. 283 (ADIT - Other)	Projected Activity	(Note V) Enter Negative, Note T	Attachment 1A - ADIT Summary, Line 69 Attachment 1 (Line 18)
40e	Account No. 255 (Accum. Deferred Investment Tax Credits)	Projected Activity	(Note U) Enter Negative, Note U	Attachment 1A - ADIT Summary, Line 115 Attachment 1
40f	This Line Intentionally Left Blank			
40g	Accumulated Deferred Income Taxes Allocated To Transmission			(Line 40a+40b + 40c + 40d + 40e0 * 42) + Line 40
41a	Unamortized Deficient / (Excess) ADIT			
41b	Unamortized Deficient / (Excess) ADIT - (Federal)	Projected Activity	(Note W) Enter Negative, Note T	Attachment 1D - ADIT Rate Base Adjustment, Line 73 Attachment 1
41c	Unamortized Deficient / (Excess) ADIT - (State)	Projected Activity	(Note W) Enter Negative, Note U	Attachment 1D - ADIT Rate Base Adjustment, Line 146 Attachment 1
41d	Unamortized Deficient / (Excess) ADIT Allocated to Transmission			(Line 41a + 41b)
41e	Adjusted Accumulated Deferred Income Taxes Allocated To Transmission Accumulated Deferred Income Taxes Allocated To Transmission			(Line 40f + 42)0 * 42) + Line 40
42a	Transmission Related CWIP (Current Year 12 Month weighted average balances)		(Note B)	p216.43.b as Shown on Attachment 6 (See Attachment 9, line 30, column b)
42b	Unamortized Abandoned Transmission Plant			Attachment 5- 9, line 30, column h
43	Transmission O&M Reserves			
43a	Total Balance Transmission Related Account 242-Reserves		Enter Negative	Attachment 5
43b	Prepayments			
43c	Prepayments		(Note A)	Attachment 5 9, line 30, column f
43d	Total Prepayments Allocated to Transmission			(Line 43)
43e	Materials and Supplies			
43f	Undistributed Stores Exp		(Note A)	p227.6c & 16.c (See Attachment 9, line 30, column e)
43g	Wage & Salary Allocation Factor			(Line 5)
43h	Total Transmission Allocated			(Line 43f * 48)
43i	Transmission Materials & Supplies		(Note AA)	p227.8e + p227.5c (See Attachment 9, line 30, column d)
43j	Total Materials & Supplies Allocated to Transmission			(Line 43h + 43i)
43k	Cash Working Capital			
43l	Operation & Maintenance Expense			(Line 85)
43m	1/8th Rule			x 1/8
43n	Total Cash Working Capital Allocated to Transmission			(Line 43k * 53)
43o	Network Credits			
43p	Outstanding Network Credits		(Note N)	From PJM
43q	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits		(Note N)	From PJM
43r	Net Outstanding Credits			(Line 43p - 43q)
43s	TOTAL Adjustment to Rate Base			(Line 43 + 43a + 43b + 44 + 46 + 51 + 54 - 57)
43t	Rate Base			(Line 39 + 58)
O&M				
44	Transmission O&M			
44a	Transmission O&M			p321.112.b Attachment 11A, line 27, column c
44b	Less extraordinary property loss			Attachment 5
44c	Plus amortized extraordinary property loss			Attachment 5
44d	Less Account 565			p321.96.b
44e	Less Merger Costs to Achieve			Attachment 10, line 1, column x
44f	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565		(Note O)	PJM Data
44g	Plus Transmission Lease Payments		(Note A)	p200.3.c
44h	Transmission O&M			(Lines 60 - 61 + 62 - 63 - 63a + 64 + 65)
44i	Allocated General & Common Expenses			
44j	Common Plant O&M		(Note A)	p356
44k	Total A&G			p323.197.b Attachment 11B, line 15, column a
44l	For informational purposes: PBOP expense in FERC Account 926		(Note S)	Attachment 5
44m	Less Merger Costs to Achieve			Attachment 10, line 2, column b
44n	Less Other			Attachment 5
44o	Less Property Insurance Account 924			p323.185b
44p	Less Regulatory Commission Exp Account 928		(Note E)	p323.189b
44q	Less General Advertising Exp Account 930.1			p323.191b
44r	Less DE Enviro & Low Income and MD Universal Funds			p335.b
44s	Less EPRI Dues		(Note D)	p352-353
44t	General & Common Expenses			(Lines 67 + 68) - Sum (68b9 to 73)
44u	Wage & Salary Allocation Factor			(Line 5)
44v	General & Common Expenses Allocated to Transmission			(Line 74 * 75)

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

Depreciation & Amortization Expense

86	Depreciation Expense		
86a	Transmission Depreciation Expense		P336.7b&c (See Attachment 5)
87	Amortization of Abandoned Transmission Plant		Attachment 5
87a	General Depreciation		p336.10b&c (See Attachment 5)
88	Less Merger Costs to Achieve		Attachment 10, line 8, column b
88a	Intangible Amortization	(Note A)	p336.1d&e (See Attachment 5)
89	Less Merger Costs to Achieve		Attachment 10, line 9, column b
90	Total		(Line 87 - 87a + 88 - 88a)
91	Wage & Salary Allocation Factor		(Line 5)
92	General Depreciation Allocated to Transmission		(Line 89 * 90)
93	Common Depreciation - Electric Only	(Note A)	p336.11.b (See Attachment 5)
94	Common Amortization - Electric Only	(Note A)	p356 or p336.11d (See Attachment 5)
95	Total		(Line 92 + 93)
96	Wage & Salary Allocation Factor		(Line 5)
97	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)
	Total Transmission Depreciation & Amortization		(Line 86 + 86a + 91 + 96)

Taxes Other than Income

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

Return / Capitalization Calculations

100	Long Term Interest		
101	Long Term Interest		p117.62c through 67c
102	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8
103	Long Term Interest		"(Line 100 - line 101)"
104	Preferred Dividends	enter positive	p118.29c
105	Common Stock		
106	Proprietary Capital		p112.16c
107	Less Preferred Stock	enter negative	(Line 114)
108	Less Account 216.1	enter negative	p112.12c
109	Less Account 219	enter negative	p112.15c
110	Common Stock	(Note ZX)	(Sum Lines 104 to 106a)
111	Capitalization		
112	Long Term Debt		p112.18c through 21c
113	Less Loss on Reacquired Debt	enter negative	p111.81c
114	Plus Gain on Reacquired Debt	enter positive	p113.61c
115	Less ADIT associated with Gain or Loss	enter negative	Attachment 1B - ADIT EOY, Line 7 Attachment + A
116	Less LTD on Securitization Bonds	(Note P)	enter negative Attachment 8
117	Total Long Term Debt	(Note XV)	(Sum Lines 108 to 112)
118	Preferred Stock	(Note YW)	p112.3c
119	Common Stock		(Line 107)
120	Total Capitalization		(Sum Lines 113 to 115)
121	Debt %	Total Long Term Debt	(Note Q) (Line 108+ / (108+114+115)6)
122	Preferred %	Preferred Stock	(Line 114 / (108+114+115)6)
123	Common %	Common Stock	(Note Q) (Line 115 / (108+ 114+115)6)
124	Debt Cost	Total Long Term Debt	(Line 102 / 113)
125	Preferred Cost	Preferred Stock	(Line 103 / 114)
126	Common Cost	Common Stock	(Note J) Fixed
127	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)
128	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)
129	Weighted Cost of Common	Common Stock	(Line 119 * 122)
130	Total Return (R)		(Sum Lines 123 to 125)
131	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate	(Note I)	
129	SIT=State Income Tax Rate or Composite	(Note I)	
130	P	(percent of federal income tax deductible for state purposes)	Per State Tax Code
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	
132a	T / (1-T)		
132b	Tax Gross-Up Factor	$1 * 1 / (1 - T)$	
ITC Adjustment			
133	Amortized Investment Tax Credit	enter negative	Attachment 1B - ADIT EOYp266.8f (See Attachment 1A)
134	$T / (1 - T)$ Tax Gross-Up Factor		(Line 132b)
135	Net Plant Allocation Factor		(Line 18)
135a	ITC Adjustment Allocated to Transmission		(Line 133 * (1 + 134) * 135)
Other Income Tax Adjustment			
136ab	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense		Attachment 5, Line 136ab
136be	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component	(Note T)	Attachment 5, Line 136be
136cd	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component	(Note T)	Attachment 5, Line 136cd
136de	Amortization of Other Flow-Through Items - Transmission Component	(Note T)	Attachment 5, Line 136de
136ef	Other Income Tax Adjustments - Expense / (Benefit)	-	(Line 136ab + 136be + 136cd + 136de)
136fg	$1 / (1 - T)$ Tax Gross-Up Factor		(Line 132b)
136gh	Other Income Tax Adjustment		(Line 136ef * 136fg)
136a	FAS 109 Amortized Tax Expense	(Note T)	Attachment 5
136b	$T / (1 - T)$		(Line 132)
136e	Other Income Tax Adjustment		{(Line 136a * (1 + Line 136b))}
137	Income Tax Component =	$CIT = (T / 1 - T) * Investment\ Return * (1 - (WCLTD / R)) =$	[Line 132a * 127 * (1 - (123 / 126))]
138	Total Income Taxes		(Line 135a + 136e + 136gh + 137)

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment		(Line 39)
140	Adjustment to Rate Base		(Line 58)
141	Rate Base		(Line 59)
142	O&M		(Line 85)
143	Depreciation & Amortization		(Line 97)
144	Taxes Other than Income		(Line 99)
145	Investment Return		(Line 127)
146	Income Taxes		(Line 138)
147	Gross Revenue Requirement		(Sum Lines 142 to 146)
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service		(Line 19)
149	Excluded Transmission Facilities	(Note M)	Attachment 5
150	Included Transmission Facilities		(Line 148 - 149)
151	Inclusion Ratio		(Line 150 / 148)
152	Gross Revenue Requirement		(Line 147)
153	Adjusted Gross Revenue Requirement		(Line 151 * 152)
Revenue Credits & Interest on Network Credits			
154	Revenue Credits		Attachment 3
155	Interest on Network Credits	(Note N)	PJM Data
156	Net Revenue Requirement		(Line 153 - 154 + 155)
Net Plant Carrying Charge			
157	Net Revenue Requirement		(Line 156)
158	Net Transmission Plant		(Line 19 - 30)
159	Net Plant Carrying Charge		(Line 157 / 158)
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146)
163	Increased Return and Taxes		Attachment 4
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163)
165	Net Transmission Plant		(Line 19 - 30)
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165)
167	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 163 - 86) / 165
168	Net Revenue Requirement		(Line 156)
169	True-up amount		Attachment 6A, line 4, column j
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 6Z, line 18, column 12
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515		Attachment 5
171a	MAPP Abandonment recovery pursuant to ER13-607		Attachment 5
172	Net Zonal Revenue Requirement		(Line 168 + 169 + 170 + 171 + 171a)

Network Zonal Service Rate

173	1 CP Peak	(Note L)	PJM Data
174	Rate (\$/MW-Year)		(Line 172 / 173)
175	Network Service Rate (\$/MW/Year)		(Line 174)

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 Attachments 9 or 9A-5.~~ For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{FIT} + \text{SIT}}{\text{FIT} + \text{SIT} + \text{State Tax Credit}}$ "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.~~
- J 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%.
- 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. Pepco capital structure is derived from gross debt.~~
- 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.
- ~~T See Attachment 5 - Cost Support, section entitled "Other Income Tax Adjustment" for additional information. The balances in Accounts 190, 281, 282, and 283, as adjusted by any amounts in contra-accounts identified as regulatory assets or liabilities related to non-rate-making GAAP adjustments pursuant to ASC 740. The calculation of ADIT in the "Annual True-Up" calculation will use the beginning-of-year and end-of-year balances. The calculation of ADIT in the annual projection and "Annual True-Up" calculations will be performed in accordance with U.S. Department of Treasury Regulation Section 1.167(f)-1(h)(6). Work papers supporting the ADIT calculations will be posted with each "Annual True-Up" and/or projected net revenue requirement and included in the annual Informational filing.~~
- ~~U Potomac Electric Power Company elected to amortize investment tax credits against recoverable income tax expense, rather than to reduce rate base by unamortized investment tax credit. Amortization reduces income tax expense and reduces the revenue requirement by the amount of the Investment Tax Credit Amortization (Form 1, 266.8.f) multiplied by (1/1-T).~~
- ~~U A utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce~~
- ~~U The Accumulated Deferred Income Tax (ADIT) balances in Accounts 190, 281, 282, and 283 are measured using the enacted tax rate that is expected to apply when the underlying temporary differences are expected to be settled or realized. To preserve rate base neutrality, these balances appropriately exclude ADIT amounts associated with income tax related regulatory assets and liabilities. The balances in Accounts 190, 281, 282 and 283 are adjusted in accordance with Treasury regulation Section 1.167(f)-1(h)(6) and averaged in accordance with IRC Section 168(i)(9)(B) in the calculations of rate base in the projected revenue requirement and in the true-up adjustment. Differences attributable to over-projection of ADIT in the projected revenue requirement will result in a proportionate reversal of the projected prorated ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly ADIT activity is an increase and actual monthly ADIT activity is a decrease, 50 percent of the actual monthly ADIT activity will be used. Likewise, when projected monthly ADIT activity is a decrease and actual monthly ADIT activity is an increase, 50 percent of actual monthly ADIT activity will be used. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, see Attachment 1A - ADIT Summary, Column M for inputs. ~~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.~~~~
- ~~W These balances represent the unamortized federal and state deficient / (excess) deferred income taxes. For the Annual Update (Projected) filing, see Attachment 1D - ADIT Rate Base Adjustment, Column H for inputs. For the Annual Update (True-Up) filing, see Attachment 1D - ADIT Rate Base Adjustment, Column M for inputs.~~
- ~~XV Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).~~
- ~~YW Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).~~
- ~~ZX Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1. The balances for January through November shall represent the actual balances in Pepco's books and records (trial balance or monthly balance sheet).~~
- ~~AA Only the transmission portion of amounts reported at Form 1, page 227, line 5 is used. The transmission portion is derived by applying the wages and salary allocator to the total of line 5 is and specified in a footnote to the Form 1, page 227.~~

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Rate Year =

Accumulated Deferred Income Taxes (Account No. 190)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A) Month	(B) Days Per Month	(C) Remaining Days Per Month	(D) Total Days in Future Test Period	(E) Proration Amount (Column C / Column D) Note 1	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
12	ADIT Subject to Proration						-					-
23	January	31	-	214	50.00%	-	-	-	-	-	-	-
34	February	28	-	214	50.00%	-	-	-	-	-	-	-
45	March	31	-	214	50.00%	-	-	-	-	-	-	-
56	April	30	-	214	50.00%	-	-	-	-	-	-	-
67	May	31	-	214	50.00%	-	-	-	-	-	-	-
78	June	30	185	214	86.45%	-	-	-	-	-	-	-
89	July	31	154	214	71.96%	-	-	-	-	-	-	-
9+10	August	31	123	214	57.48%	-	-	-	-	-	-	-
10+1	September	30	93	214	43.46%	-	-	-	-	-	-	-
11+2	October	31	62	214	28.97%	-	-	-	-	-	-	-
12+3	November	30	32	214	14.95%	-	-	-	-	-	-	-
13+4	December	31	1	214	0.47%	-	-	-	-	-	-	-
14+5	Total (Sum of Lines 23 - 134)	365	-	-	-	-	-	-	-	-	-	-
15+6	Beginning Balance - ADIT Not Subject to Proration					(Note F)	-	-	-	-	-	-
16+7	Beginning Balance - ADIT Depreciation Adjustment						-	-	-	-	-	-
17+8	Beginning Balance - DTA / (DTL)					(Col. (H), Line 156 + Line 167)		(Col. (M), Line 156 + Line 167)			-	-
18+9	Ending Balance - ADIT Not Subject to Proration					(Note F)	-	-	-	-	-	-
19+20	Ending Balance - ADIT Depreciation Adjustment						-	-	-	-	-	-
20+1	Ending Balance - DTA / (DTL)					(Col. (H), Line 189 + Line 1920)		(Col. (M), Line 189 + Line 1920)			-	-
21+2	Average Balance as adjusted (non-prorated)					((Col. (H), Line 178 + Line 204) / 2)		((Col. (M), Line 178 + Line 204) / 2)			-	-
22+3	Prorated ADIT					(Col. (H), Line 134)	-	(Col. (M), Line 134)			-	-
23+4	Amount for Attachment H-9A, Line 40a					(Col. (H), Line 212 + Line 223)	-	(Col. (M), Line 212 + Line 223)			-	-

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Accumulated Deferred Income Taxes - Property (Account No. 2812)

<u>Days in Period</u>					<u>Projection - Proration of Deferred Tax Activity (Note A)</u>			<u>Actual - Proration of Deferred Tax Activity (Note B)</u>				
<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>	<u>(G)</u>	<u>(H)</u>	<u>(I)</u>	<u>(J)</u>	<u>(K)</u>	<u>(L)</u>	<u>(M)</u>
<u>Month</u>	<u>Days Per Month</u>	<u>Prorated Days Per Month</u>	<u>Total Days Per Future Test Period</u>	<u>Proration Amount (Column C / Column D)</u>	<u>Projected Monthly Activity</u>	<u>Prorated Projected Monthly Activity (Column E x Column F)</u>	<u>Prorated Projected Balance (Column G Plus Column H, Preceding Balance)</u>	<u>Actual Monthly Activity</u>	<u>Difference Projected vs. Actual (Note C)</u>	<u>Preserve Proration (Actual vs Projected) (Note D)</u>	<u>Preserve Proration (Actual vs Projected) (Note E)</u>	<u>Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)</u>
246	ADIT Subject to Proration						-					
257	January	31	-	214	50.00%							
268	February	28	-	214	50.00%							
279	March	31	-	214	50.00%							
2830	April	30	-	214	50.00%							
2931	May	31	-	214	50.00%							
302	June	30	185	214	86.45%							
313	July	31	154	214	71.96%							
324	August	31	123	214	57.48%							
335	September	30	93	214	43.46%							
346	October	31	62	214	28.97%							
357	November	30	32	214	14.95%							
368	December	31	1	214	0.47%							
379	Total (Sum of Lines 257 - 368)				365	-	-	-	=	=	=	-
3840	Beginning Balance - ADIT Not Subject to Proration											
3941	Beginning Balance - ADIT Depreciation Adjustment											
4042	Beginning Balance - DTA / (DTL)											
413	Estimated Ending Balance - ADIT Not Subject to Proration											
424	Ending Balance - ADIT Depreciation Adjustment											
435	Ending Balance - DTA / (DTL)											
446	Average Balance as adjusted (non-prorated)											
457	Prorated ADIT											
468	Amount for Attachment H- 9A, Line 40b											

25

246 ADIT Subject to Proration

257	January	31	-	214	50.00%
268	February	28	-	214	50.00%
279	March	31	-	214	50.00%
2830	April	30	-	214	50.00%
2931	May	31	-	214	50.00%
302	June	30	185	214	86.45%
313	July	31	154	214	71.96%
324	August	31	123	214	57.48%
335	September	30	93	214	43.46%
346	October	31	62	214	28.97%
357	November	30	32	214	14.95%
368	December	31	1	214	0.47%

379 Total (Sum of Lines 257 - 368) 365 - - -

3840 Beginning Balance - ADIT Not Subject to Proration

3941 Beginning Balance - ADIT Depreciation Adjustment

4042 Beginning Balance - DTA / (DTL)

413 Estimated Ending Balance - ADIT Not Subject to Proration

424 Ending Balance - ADIT Depreciation Adjustment

435 Ending Balance - DTA / (DTL)

446 Average Balance as adjusted (non-prorated)

457 Prorated ADIT

468 Amount for Attachment H- 9A, Line 40b

(Note F)

(Col. (H), Line 3840 + Line 3941)

2018 Projected

(Note F)

(Col. (H), Line 413 + Line 424)

([Col. (H), Line 402 + Line 435] / 2)

(Col. (H), Line 368)

(Col. (H), Line 446 + Line 457)

(Col. (M), Line 3840 + Line 3941)

2018 Projected

(Col. (M), Line 413 + Line 424)

([Col. (M), Line 402 + Line 435] / 2)

(Col. (M), Line 368)

(Col. (M), Line 446 + Line 457)

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Accumulated Deferred Income Taxes - Other (Account No. 2823)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)	Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
49												
5047	ADIT Subject to Proration											
5148	January	31	214	50.00%								
5249	February	28	214	50.00%								
503	March	31	214	50.00%								
514	April	30	214	50.00%								
525	May	31	214	50.00%								
536	June	30	214	86.45%								
547	July	31	214	71.96%								
558	August	31	214	57.48%								
569	September	30	214	43.46%								
5760	October	31	214	28.97%								
5861	November	30	214	14.95%								
5962	December	31	214	0.47%								
603	Total (Sum of Lines 51 - 62)	365										
614	Beginning Balance - ADIT Not Subject to Proration											
625	Beginning Balance - ADIT Depreciation Adjustment				(Note F)							
636	Beginning Balance - DTA / (DTL)				(Col. (H), Line 614 + Line 625)			(Col. (M), Line 614 + Line 625)				
647	Estimated Ending Balance - ADIT Not Subject to Proration											
658	Ending Balance - ADIT Depreciation Adjustment				(Note F)							
669	Ending Balance - DTA / (DTL)				(Col. (H), Line 647 + Line 658)			(Col. (M), Line 647 + Line 658)				
7670	Average Balance as adjusted (non-prorated)				((Col. (H), Line 636 + Line 669) / 2)			((Col. (M), Line 636 + Line 669) / 2)				
6874	Prorated ADIT				(Col. (H), Line 5962)			(Col. (M), Line 5962)				
6972	Amount for Attachment H-9A, Line 40c				(Col. (H), Line 676 + Line 689)			(Col. (M), Line 676 + Line 689)				

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary**

Accumulated Deferred Income Taxes - Other (Account No. 283)

Days in Period					Projection - Proration of Deferred Tax Activity (Note A)			Actual - Proration of Deferred Tax Activity (Note B)				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)	Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
70	ADIT Subject to Proration						-					-
71	January	31	214	50.00%		-	-					-
72	February	28	214	50.00%		-	-					-
73	March	31	214	50.00%		-	-					-
74	April	30	214	50.00%		-	-					-
75	May	31	214	50.00%		-	-					-
76	June	30	214	86.45%		185	-					-
77	July	31	214	71.96%		154	-					-
78	August	31	214	57.48%		123	-					-
79	September	30	214	43.46%		93	-					-
80	October	31	214	28.97%		62	-					-
81	November	30	214	14.95%		32	-					-
82	December	31	214	0.47%		1	-					-
83	Total (Sum of Lines 51 - 62)	365					-					-
84	Beginning Balance - ADIT Not Subject to Proration						-					-
85	Beginning Balance - ADIT Depreciation Adjustment					(Note F)	-					-
86	Beginning Balance - DTA / (DTL)					(Col. (H), Line 84 + Line 85)				(Col. (M), Line 84 + Line 85)		-
87	Estimated Ending Balance - ADIT Not Subject to Proration						-					-
88	Ending Balance - ADIT Depreciation Adjustment					(Note F)	-					-
89	Ending Balance - DTA / (DTL)					(Col. (H), Line 87 + Line 88)				(Col. (M), Line 87 + Line 88)		-
90	Average Balance as adjusted (non-prorated)					((Col. (H), Line 86 + Line 89) / 2)				(Col. (M), Line 86 + Line 89 / 2)		-
91	Prorated ADIT					(Col. (H), Line 82)				(Col. (M), Line 82)		-
92	Amount for Attachment H-9A, Line 40d					(Col. (H), Line 90 + Line 91)	-			(Col. (M), Line 90 + Line 91)		-

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Accumulated Deferred Investment Tax Credits (Account No. 255)

Days in Period					Projection - Proration of Deferred ITC Activity (Note A)			Actual - Proration of Deferred ITC Activity (Note B)				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)	Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Column G Plus Column H, Preceding Balance)	Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
93	ADIT Subject to Proration						-					
94	January	31		214	50.00%							
95	February	28		214	50.00%							
96	March	31		214	50.00%							
97	April	30		214	50.00%							
98	May	31		214	50.00%							
99	June	30	185	214	86.45%							
100	July	31	154	214	71.96%							
101	August	31	123	214	57.48%							
102	September	30	93	214	43.46%							
103	October	31	62	214	28.97%							
104	November	30	32	214	14.95%							
105	December	31	1	214	0.47%							
106	Total (Sum of Lines 51 - 62)	365										
107	Beginning Balance - ADIT Not Subject to Proration											
108	Beginning Balance - ADIT Depreciation Adjustment					(Note F)						
109	Beginning Balance - DTA / (DTL)					(Col. (H), Line 107 + Line 108)						
110	Estimated Ending Balance - ADIT Not Subject to Proration					(Note F)						
111	Ending Balance - ADIT Depreciation Adjustment					(Note F)						
112	Ending Balance - DTA / (DTL)					(Col. (H), Line 110 + Line 111)						
113	Average Balance as adjusted (non-prorated)					((Col. (H), Line 109 + Line 112) / 2)						
114	Prorated ADIT					(Col. (H), Line 105)						
115	Amount for Attachment H-9A, Line 40e					(Col. (H), Line 113 + Line 114)						

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - ADIT Summary

Instructions

1. For purposes of calculating projected activity, use Columns (F), (G), and (H) and set the "Rate Year" below to "Projected Activity". For purposes of calculating the "True-Up" adjustment, use Columns (I), (J), (K), (L), and (M) and set the "Rate Year" below to "True-Up Adjustment".

Rate Year **Projected Activity** Check

2. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1A - ADIT Summary, Column M for inputs.

Notes

- A** The computations on this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) to the annual activity of accumulated deferred income taxes subject to the normalization requirements. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For accumulated deferred income taxes subject to the normalization requirements, activity for months prior to the future portion of the test period is averaged rather than prorated. This section is used to prorate the projected ADIT balance.
- B** The balances in Accounts 190, 281, 282 and 283 are adjusted in accordance with Treasury regulation Section 1.167(l)-1(h)(6) and averaged in accordance with IRC Section 168(i)(9)(B) in the calculations of rate base in the projected revenue requirement and in the true-up adjustment. Differences attributable to over-projection of ADIT in the projected revenue requirement will result in a proportionate reversal of the projected prorated ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly ADIT activity is an increase and actual monthly ADIT activity is a decrease, 50 percent of the actual monthly ADIT activity will be used. Likewise, when projected monthly ADIT activity is a decrease and actual monthly ADIT activity is an increase, 50 percent of actual monthly ADIT activity will be used. This section is used to calculate ADIT activity in the true-up adjustment only.
- C** Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).
- D** Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.
- E** Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.
- F** IRS normalization adjustment for timing when accelerated tax depreciation should affect rate base.

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1BA - ADIT Worksheet – End of Year

<u>Line</u> <u>ADIT (Not Subject to Proration)</u>	<u>Total</u>	<u>Gas, Production, Distribution or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>
<u>1</u> ADIT-190					
<u>2</u> ADIT-281					
<u>3</u> ADIT-282					
<u>4</u> ADIT-283					
<u>5</u> ADITC-255					
<u>6</u> Subtotal - Transmission ADIT					

Note: ADIT associated with Gain or Loss on Reacquired Debt included in Column B is excluded from ADIT-283 balance included in rate base and instead included in Cost of Debt on Appendix A, Line 111.

<u>Line</u>	<u>Description</u>	<u>Total</u>
<u>7</u>	ADIT (Required Debt)	

Note: ADIT associated with Gain or Loss on Reacquired Debt included in ADIT-283, Column A is excluded from rate base and instead included in Cost of Debt on Attachment H-9A, Line 111. A deferred tax (liability) should be reported as a positive balance and a deferred tax asset should be reported as a negative balance on Attachment H-9A, Line 111.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B - F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately. In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-E and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>	<u>(G)</u>
<u>ADIT-190 (Not Subject to Proration)</u>	<u>Total</u>	<u>Gas, Production, Gas, Prod or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Justification</u>
Subtotal: ADIT-190 (Not Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-190 (Not Subject to Proration)						
Wages & Salary Allocator						
Gross Plant Allocator						
Transmission Allocator						
Other Allocator						
ADIT - Transmission						

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1BA - ADIT Worksheet - End of Year

(A)				(B)	(C)	(D)	(E)	(F)	(G)
<u>ADIT-190 (Subject to Proration)</u>				<u>Total</u>	<u>Gas, Production, Distribution Or Other Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Justification</u>
Subtotal: ADIT-190 (Subject to Proration)				-	-	-			
Less: ASC 740 ADIT Adjustments excluded from rate base									
Less: ASC 740 ADIT Adjustments related to unamortized ITC									
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)									
Less: OPEB related ADIT, Above if not separately removed									
Total: ADIT-190 (Subject to Proration)				-	-	-			
Wages & Salary Allocator									
Gross Plant Allocator									
Transmission Allocator									
Other Allocator									
ADIT - Transmission									

(A)				(B)	(C)	(D)	(E)	(F)	(G)
<u>ADIT-190 (Subject to Proration)</u>				<u>Total</u>	<u>Gas, Production, Distribution, Or Other Or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Justification</u>
ADIT-190 (Not Subject to Proration)									
ADIT-190 (Subject to Proration)									
Total - FERC Form 1, Page 234									

- Instructions for Account 190:**
1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer), ~~or~~ Production or Distribution Only 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. ADIT items subject to the proration under the "normalization" rules will be included in ADIT-190 (Subject to Proration)

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1BA - ADIT Worksheet - End of Year

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Not Subject to Proration)							
-	-	-	-	-	-	-	-
Subtotal: ADIT-282 (Not Subject to Proration)		-	-	-	-	-	-
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT. Above if not separately removed							
Total: ADIT-282 (Not Subject to Proration)							
Wages & Salary Allocator							
Gross Plant Allocator							
Transmission Allocator							
Other Allocator							
ADIT - Transmission							

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-282 (Subject to Proration)							
-	-	-	-	-	-	-	-
Subtotal: ADIT-282 (Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT. Above if not separately removed							
Total: ADIT-282 (Subject to Proration)							
Wages & Salary Allocator							
Gross Plant Allocator							
Transmission Allocator							
Other Allocator							
ADIT - Transmission							

(A) (B) (C) (D) (E) (F) (G)

<u>ADIT-282</u>	<u>Total</u>	<u>Gas, Production, Distribution, Or Other Or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Justification</u>
ADIT-282 (Not Subject to Proration)						
ADIT-282 (Subject to Proration)						
Total - Pg. 277 (Form 1-F filer: see note 7, below)						

- Instructions for Account 282:**
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer)-or Production or Distribution Only 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
 - ADIT items subject to the proration under the "normalization" rules will be included in ADIT-282 (Subject to Proration)
 - Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1BA - ADIT Worksheet - End of Year**

	<u>(A)</u>	<u>(B)</u>	<u>(C)</u> <u>Gas, Production, Distribution, Or Other Or Other Related</u>	<u>(D)</u> <u>Only Transmission Related</u>	<u>(E)</u> <u>Plant Related</u>	<u>(F)</u> <u>Labor Related</u>	<u>(G)</u> <u>Justification</u>
<u>ADIT- 283 (Not Subject to Proration)</u>							
Subtotal: ADIT-283 (Not Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-283 (Not Subject to Proration)							
Wages & Salary Allocator							
Gross Plant Allocator							
Transmission Allocator							
Other Allocator							
ADIT - Transmission							

	<u>(A)</u>	<u>(B)</u>	<u>(C)</u> <u>Gas, Production, Distribution, Or Other Or Other Related</u>	<u>(D)</u> <u>Only Transmission Related</u>	<u>(E)</u> <u>Plant Related</u>	<u>(F)</u> <u>Labor Related</u>	<u>(G)</u> <u>Justification</u>
<u>ADIT-283 (Subject to Proration)</u>							
Subtotal: ADIT-2832 (Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							

Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT. Above if not separately removed							
Total: ADIT-283 (Subject to Proration)							
Wages & Salary Allocator						%	
Gross Plant Allocator						%	
Transmission Allocator				100.0000%			
Other Allocator			0.0000%				
ADIT - Transmission							

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-2832 (Subject to Proration)						
ADIT-2832 (Not Subject to Proration)						
ADIT-2832 (Subject to Proration)						
Total - Pg. 277 (Form 1-F filer: see note 7, below)						

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer)-or Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-283 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1BA - ADIT Worksheet - End of Year**

ADITC-255

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

/1 Difference must be zero

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADITC- 255 (Unamortized Investment Tax Credits)						

Account No. 255 (Accum. Deferred Investment Tax Credits)									
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)									
Less: Adjustment to rate base									
Total : ADITC 255									
Wages & Salary Allocator								%	
Gross Plant Allocator								%	
Transmission Allocator					100%				
Other Allocator								%	
ADIT - Transmission Unamortized Investment Tax Credit - Transmission									

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Investment Tax Credit Amortization	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Investment Tax Credit Amortization						
Subtotal: (Form No. 1 p. 266 & 267)						
Wages & Salary Allocator						0.00%
Gross Plant Allocator					0.00%	
Transmission Allocator			0.00%	100.00%		
Other Allocator						
Investment Tax Credit Amortization - Transmission						

END

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1CB - ADIT Worksheet - Beginning of Year

<u>Line ADIT (Not Subject to Proration)</u>	<u>Total</u>	<u>Gas, Production, Distribution, Or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>
1 ADIT-190					
2 ADIT-281					
3 ADIT-282					
4 ADIT-283					
5 ADITC 255					
6 Subtotal - Transmission ADIT					

Note: ADIT associated with Gain or Loss on Reacquired Debt included in Column B is excluded from ADIT-283 balance included in rate base and instead included in Cost of Debt on Appendix A, Line 111.

<u>Line</u>	<u>Description</u>	<u>Total</u>
7	ADIT (Required Debt)	

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B - F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-E and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>	<u>(G)</u>
<u>ADIT-190 (Not Subject to Proration)</u>	<u>Total</u>	<u>Gas, Production, Distribution, Or Other Related</u>	<u>Only Transmission Related</u>	<u>Plant Related</u>	<u>Labor Related</u>	<u>Justification</u>
Subtotal: ADIT-190 (Not Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-190 (Not Subject to Proration)						
Wages & Salary Allocator					%	
Gross Plant Allocator				%		
Transmission Allocator			%			

Other Allocator	-	-	%	-	-	-	-
ADIT - Transmission	-	-		-	-	-	-

Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1CB - ADIT Worksheet - Beginning of Year

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production Distribution, Other Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Subject to Proration)						
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Subtotal: ADIT-190 (Subject to Proration)	-	-	-	-	-	-
Less ASC 740 ADIT Adjustments excluded from rate base	-	-	-	-	-	-
Less: ASC 740 ADIT Adjustments related to unamortized ITC	-	-	-	-	-	-
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)	-	-	-	-	-	-
Less: OPEB related ADIT, Above if not separately removed	-	-	-	-	-	-
Total: ADIT-190 (Subject to Proration)	-	-	-	-	-	-
Wages & Salary Allocator	-	-	-	-	%	-
Gross Plant Allocator	-	-	-	%	-	-
Transmission Allocator	-	-	%	-	-	-
Other Allocator	-	%	-	-	-	-
ADIT - Transmission	-	-	-	-	-	-

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production Distribution, Other Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-190 (Not Subject to Proration)	-	-	-	-	-	-
ADIT-190 (Subject to Proration)	-	-	-	-	-	-
Total - FERC Form 1, Page 234	-	-	-	-	-	-

Instructions for Account 190:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) ~~or Production~~ **or Distribution Only** 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. ADIT items subject to the proration under the "normalization" rules will be included in ADIT-190 (Subject to Proration)

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1CB - ADIT Worksheet - Beginning of Year**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 282 (Not Subject to Proration)							
Subtotal: ADIT-282 (Not Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-282 (Not Subject to Proration)							
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
ADIT - Transmission							

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Total	Gas, Production, Distribution, Or Other Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-282 (Subject to Proration)							
Subtotal: ADIT-282 (Subject to Proration)							
Less: ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							

Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-282 (Subject to Proration)							
Wages & Salary Allocator							
Gross Plant Allocator							
Transmission Allocator							
Other Allocator							
ADIT - Transmission							

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT-282						
ADIT-282 (Not Subject to Proration)						
ADIT-282 (Subject to Proration)						
Total - Pg. 277 (Form 1-F filer: see note 7, below)						

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer)-~~or~~ Production or Distribution Only 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-282 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1CB - ADIT Worksheet - Beginning of Year**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
ADIT- 283 (Not Subject to Proration)						
Subtotal: ADIT-283 (Not Subject to Proration)						
Less: ASC 740 ADIT Adjustments excluded from rate base						
Less: ASC 740 ADIT Adjustments related to unamortized ITC						
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)						
Less: OPEB related ADIT, Above if not separately removed						
Total: ADIT-283 (Not Subject to Proration)						
Wages & Salary Allocator					%	
Gross Plant Allocator				%		
Transmission Allocator			%			
Other Allocator		%				
ADIT - Transmission						

(A) (B) (C) (D) (E) (F) (G)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only	Transmission Related	Plant Related	Labor Related	Justification
ADIT-283 (Subject to Proration)							
Subtotal: ADIT-2832 (Subject to Proration)							
Less ASC 740 ADIT Adjustments excluded from rate base							
Less: ASC 740 ADIT Adjustments related to unamortized ITC							
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)							
Less: OPEB related ADIT, Above if not separately removed							
Total: ADIT-283 (Subject to Proration)							
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
ADIT - Transmission							

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Total	Gas, Production, Distribution, Or Other Related	Only	Transmission Related	Plant Related	Labor Related	Justification
ADIT-2832 (Subject to Proration)							
ADIT-2832 (Not Subject to Proration)							
ADIT-2832 (Subject to Proration)							
Total - Pg. 277 (Form 1-F filer: see note 7, below)							

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer)-**or** Production **or** Distribution **Only** 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
- ADIT items subject to the proration under the "normalization" rules will be included in ADIT-283 (Subject to Proration)
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**Potomac Electric Power Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1CB - ADIT Worksheet - Beginning of Year**

ADITC-255

	Item	Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A	Total	
3	Amortization		
4	Amortization to line 133 of Appendix A	Total	
5	Total		
6	Total Form No. 1 (p 266 & 267)	Form No. 1 balance (p.266) for amortization	

-	-	-	-	-	-
7	Difference /1	-	-	-	-

/1 Difference must be zero

	(A)	(B)	(C) Gas, Production, Distribution, or Other	(D) Only Transmission	(E) Plant	(F) Labor	(G) Justification
ADITC- 255 (Unamortized Investment Tax Credits)	Total	Related	Related	Related	Related	Related	
Account No. 255 (Accum. Deferred Investment Tax Credits)							-
							-
							-
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)							
Less: Adjustment to rate base							
Total : ADITC 255							
Wages & Salary Allocator						%	
Gross Plant Allocator					%		
Transmission Allocator				%			
Other Allocator			%				
Unamortized Investment Tax Credits ADIT - Transmission							

	(A)	(B)	(C) Gas, Production, Distribution, Or Other	(D) Only Transmission	(E) Plant	(F) Labor	(G) Justification
ADITC-255ADIT-283 (Subject to Proration)Investment Tax Credit Amortization	Total	Related	Related	Related	Related	Related	
Investment Tax Credit Amortization							-
							-
							-
							-
							-
Subtotal: ADIT-255 (Form No. 1 p. 266 & 267)							
Wages & Salary Allocator							0.00%
Gross Plant Allocator						0.00%	
Transmission Allocator					100.00%		
Other Allocator				0.00%			
Investment Tax Credit Amortization - Transmission							

END

Potomac Electric Power Company
Deficient / (Excess) Accumulated Deferred Income Taxes
Attachment 1D - ADIT Rate Base Adjustment

Rate _____
 Year = _____

Federal Deficient / (Excess) Deferred Income Taxes

Deficient / (Excess)
 Accumulated Deferred
 Income Taxes (Account
 No. 190)

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A) Month	(B) Days Per Month	(C) Remaining Days Per Month	(D) Total Days in Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
1	Deficient / (Excess) ADIT Subject to Proration							-					-
2	January	31	-	214	50.00%								
3	February	28	-	214	50.00%								
4	March	31	-	214	50.00%								
5	April	30	-	214	50.00%								
6	May	31	-	214	50.00%								
7	June	30	185	214	86.45%								
8	July	31	154	214	71.96%								
9	August	31	123	214	57.48%								
10	September	30	93	214	43.46%								
11	October	31	62	214	28.97%								
12	November	30	32	214	14.95%								
13	December	31	1	214	0.47%								
14	Total (Sum of Lines 2 - 13)												
15	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration												
16	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)							
17	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 15 + Line 16)				(Col. (M), Line 15 + Line 16)			

18	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration		-	-	-
19	Ending Balance - Deficient / (Excess) ADIT Adjustment	(Note F)	-	-	-
20	Ending Balance - Deficient / (Excess) ADIT	(Col. (H), Line 18 + Line 19)	=	(Col. (M), Line 18 + Line 19)	=
21	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT	(Col. (H), Line 17 + Line 20 / 2)	=	((Col. (M), Line 17 + Line 20) / 2)	=
22	Deficient / (Excess) ADIT - Account 190	(Col. (H), Line 21 + Line 22)	=	(Col. (M), Line 13)	=
23	Deficient / (Excess) ADIT - Account 190	(Col. (H), Line 21 + Line 22)	=	(Col. (M), Line 21 + Line 22)	=

Deficient / (Excess) Accumulated Deferred Income Taxes - Property (Account No. 282)

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A) Month	(B) Days Per Month	(C) Prorated Days Per Month	(D) Total Days Per Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)

24	Deficient / (Excess) ADIT Subject to Proration		-	-	-								
25	January	31	-	214	50.00%	-	-	-	-	-	-	-	-
26	February	28	-	214	50.00%	-	-	-	-	-	-	-	-
27	March	31	-	214	50.00%	-	-	-	-	-	-	-	-
28	April	30	-	214	50.00%	-	-	-	-	-	-	-	-
29	May	31	-	214	50.00%	-	-	-	-	-	-	-	-
30	June	30	185	214	86.45%	-	-	-	-	-	-	-	-
31	July	31	154	214	71.96%	-	-	-	-	-	-	-	-
32	August	31	123	214	57.48%	-	-	-	-	-	-	-	-
33	September	30	93	214	43.46%	-	-	-	-	-	-	-	-
34	October	31	62	214	28.97%	-	-	-	-	-	-	-	-
35	November	30	32	214	14.95%	-	-	-	-	-	-	-	-
36	December	31	1	214	0.47%	-	-	-	-	-	-	-	-
37	Total (Sum of Lines 25 - 36)	365	-	-	-	=	=	-	=	=	=	=	-
38	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration		-	-	-								

39	Beginning Balance - Deficient / (Excess) ADIT Adjustment	(Note F)	=	-	=
40	Beginning Balance - Deficient / (Excess) ADIT	(Col. (H), Line 38 + Line 39)	=	(Col. (M), Line 38 + Line 39)	=
41	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration		=	-	=
42	Ending Balance - Deficient / (Excess) ADIT Adjustment	(Note F)	=	-	=
43	Ending Balance - Deficient / (Excess) ADIT	(Col. (H), Line 41 + Line 42)	=	(Col. (M), Line 41 + Line 42)	=
44	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT	(Col. (H), Line 40 + Line 43) / 2	=	(Col. (M), Line 40 + Line 43) / 2	=
45	Deficient / (Excess) ADIT - Account 282	(Col. (H), Line 36)	=	(Col. (M), Line 36)	=
46	Deficient / (Excess) ADIT - Account 282	(Col. (H), Line 44 + Line 45)	=	(Col. (M), Line 44 + Line 45)	=

Deficient / (Excess) Accumulated Deferred Income Taxes - Other (Account No. 283)

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Month	Days Per Month	Prorated Days Per Month	Total Days Per Future Test Period	Proration Amount (Column C / Column D)	Projected Monthly Activity	Prorated Projected Monthly Activity (Column E x Column F)	Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	Actual Monthly Activity	Difference Projected vs. Actual (Note C)	Preserve Proration (Actual vs Projected) (Note D)	Preserve Proration (Actual vs Projected) (Note E)	Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)

47	ADIT Subject to Proration					=	-	=					=
48	January	31	-	214	50.00%	=	=	=	=	=	=	=	=
49	February	28	-	214	50.00%	=	=	=	=	=	=	=	=
50	March	31	-	214	50.00%	=	=	=	=	=	=	=	=
51	April	30	-	214	50.00%	=	=	=	=	=	=	=	=
52	May	31	-	214	50.00%	=	=	=	=	=	=	=	=
53	June	30	185	214	86.45%	=	=	=	=	=	=	=	=
54	July	31	154	214	71.96%	=	=	=	=	=	=	=	=
55	August	31	123	214	57.48%	=	=	=	=	=	=	=	=
56	September	30	93	214	43.46%	=	=	=	=	=	=	=	=
57	October	31	62	214	28.97%	=	=	=	=	=	=	=	=
58	November	30	32	214	14.95%	=	=	=	=	=	=	=	=
59	December	31	1	214	0.47%	=	=	=	=	=	=	=	=

60	Total (Sum of Lines 48 - 59)	365	-	-	-	=	=	-	=	=	=	=	-
61	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration							=					=
62	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note E)		=					=
63	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 61 + Line 62)		=		(Col. (M), Line 61 + Line 62)			=
64	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration							=					=
65	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)		=					=
66	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 64 + Line 65)		=		(Col. (M), Line 64 + Line 65)			=
67	Average Balance as adjusted (non- prorated) Prorated Deficient /					(Col. (H), Line 63 + Line 66) / 2)		=		((Col. (M), Line 63 + Line 66) / 2)			=
68	(Excess) ADIT					(Col. (H), Line 59)		=		(Col. (M), Line 59)			=
69	Deficient / (Excess) ADIT - Account 283					(Col. (H), Line 67 + Line 68)		=		(Col. (M), Line 67 + Line 68)			=

**Unamortized Deficient / (Excess) ADIT -
Federal (Projected)**

(A)	(B)	(C)	(D)	(E)
Line	Deficient / (Excess) Deferred Income Taxes	Refere nce		Project ed EOY Balanc e

**Unamortized Deficient / (Excess) ADIT -
Federal (Actual)**

(A)	(B)	(C)	(D)	(E)
Line	Deficient / (Excess) Deferred Income Taxes	Refere nce		Project ed EOY Balanc e

70	ADIT - 190	(Col. (H), Line 23)	\$ -	ADIT - 190	(Col. (M), Line 23)	\$ -
71	ADIT - 282	(Col. (H), Line 46)	-	ADIT - 282	(Col. (M), Line 46)	-
72	ADIT - 283	(Col. (H), Line 69)	-	ADIT - 283	(Col. (M), Line 69)	-
73	Unamortized Deficient / (Excess) ADIT - Federal	(Entered in ATT H-9A, Line 41a)	\$ -	Unamortized Deficient / (Excess) ADIT - Federal	(Entered in ATT H-9A, Line 41a)	\$ -

State Deficient / (Excess) Deferred Income Taxes

**Deficient / (Excess)
Accumulated Deferred
Income Taxes (Account
No. 190)**

Days in Period				
(A)	(B)	(C)	(D)	(E)
Line	Month	Days Per Month	Remainin g Days Per Month	Total Days in Futu re

Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)		
(F)	(G)	(H)
Project ed Monthl y Activity	Prorat ed Project ed Monthl y Activity	Prorated Projected Balance (Col. G Plus Col. H, Precedin

Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
(I)	(J)	(K)	(L)	(M)
Actual Monthl y Activity	Differ ence Project ed vs. Actual (Note C)	Preser ve Prorati on (Actual vs Project	Preser ve Prorati on (Actual vs Project	Preser ved Prorate d Actual Balanc e

				Test Period	Column (D)	(Column Ex Column F)	g Balance)			ed) (Note D)	ed) (Note E)	(Col. K + Col. L + Col. M, Precedi ng Balance)	
74	Deficient / (Excess) ADIT Subject to Proration						=	-				=	
75	January	31	=	214	50.00%	=	=	=	=	=	=	=	
76	February	28	=	214	50.00%	=	=	=	=	=	=	=	
77	March	31	=	214	50.00%	=	=	=	=	=	=	=	
78	April	30	=	214	50.00%	=	=	=	=	=	=	=	
79	May	31	=	214	50.00%	=	=	=	=	=	=	=	
80	June	30	185	214	86.45%	=	=	=	=	=	=	=	
81	July	31	154	214	71.96%	=	=	=	=	=	=	=	
82	August	31	123	214	57.48%	=	=	=	=	=	=	=	
83	September	30	93	214	43.46%	=	=	=	=	=	=	=	
84	October	31	62	214	28.97%	=	=	=	=	=	=	=	
85	November	30	32	214	14.95%	=	=	=	=	=	=	=	
86	December	31	1	214	0.47%	=	=	=	=	=	=	=	
87	Total (Sum of Lines 75 - 86)					365	-	-	=	=	=	=	
88	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration						=	-				=	
89	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=	-				=	
90	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 88 + Line 89)	=	(Col. (M), Line 88 + Line 89)				=	
91	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration						=	-				=	
92	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=	-				=	
93	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 91 + Line 92)	=	(Col. (M), Line 91 + Line 92)				=	
94	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT					(Col. (H), Line 90 + Line 93) / 2)	=	(Col. (M), Line 90 + Line 93) / 2)				=	
95	Deficient / (Excess) ADIT					(Col. (H), Line 86)	=	(Col. (M), Line 86)				=	
96	Deficient / (Excess) ADIT - Account 190					(Col. (H), Line 94 + Line 95)	=	(Col. (M), Line 94 + Line 95)				=	
	Deficient / (Excess) Accumulated Deferred Income Taxes - Property (Account No. 282)					-	-	-	-	-	-	-	
	<u>Days in Period</u>					<u>Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)</u>			<u>Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)</u>				

Line	(A) Month	(B) Days Per Month	(C) Prorated Days Per Month	(D) Total Days Per Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Month vs Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Month vs Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
97	Deficient / (Excess) ADIT Subject to Proration						=	-					=
98	January	31	-	214	50.00%	=	=	=	=	=	=	=	=
99	February	28	-	214	50.00%	=	=	=	=	=	=	=	=
100	March	31	-	214	50.00%	=	=	=	=	=	=	=	=
101	April	30	-	214	50.00%	=	=	=	=	=	=	=	=
102	May	31	-	214	50.00%	=	=	=	=	=	=	=	=
103	June	30	185	214	86.45%	=	=	=	=	=	=	=	=
104	July	31	154	214	71.96%	=	=	=	=	=	=	=	=
105	August	31	123	214	57.48%	=	=	=	=	=	=	=	=
106	September	30	93	214	43.46%	=	=	=	=	=	=	=	=
107	October	31	62	214	28.97%	=	=	=	=	=	=	=	=
108	November	30	32	214	14.95%	=	=	=	=	=	=	=	=
109	December	31	1	214	0.47%	=	=	=	=	=	=	=	=
110	Total (Sum of Lines 98 - 109)	365	-	-	-	=	=	=	=	=	=	=	=
111	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration						=	-					=
112	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=	-					=
113	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 111 + Line 112)	=	(Col. (M), Line 111 + Line 112)					=
114	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration						=	-					=
115	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=	-					=
116	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 114 + Line 115)	=	(Col. (M), Line 114 + Line 115)					=
117	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT					((Col. (H), Line 113 + Line 116) / 2)	=	((Col. (M), Line 113 + Line 116) / 2)					=
118	Deficient / (Excess) ADIT					(Col. (H), Line 109)	=	(Col. (M), Line 109)					=
119	Deficient / (Excess) ADIT - Account 282					(Col. (H), Line 117 + Line 118)	=	(Col. (M), Line 117 + Line 118)					=

**Deficient / (Excess) Accumulated
Deferred Income Taxes - Other
(Account No. 283)**

Line	Days in Period					Projection - Proration of Deficient / (Excess) ADIT Activity (Note A)			Actual - Proration of Deficient / (Excess) ADIT Activity (Note B)				
	(A) Month	(B) Days Per Month	(C) Prorated Days Per Month	(D) Total Days Per Future Test Period	(E) Proration Amount (Column C / Column D)	(F) Projected Monthly Activity	(G) Prorated Projected Monthly Activity (Column E x Column F)	(H) Prorated Projected Balance (Col. G Plus Col. H, Preceding Balance)	(I) Actual Monthly Activity	(J) Difference Projected vs. Actual (Note C)	(K) Preserve Proration (Actual vs Projected) (Note D)	(L) Preserve Proration (Actual vs Projected) (Note E)	(M) Preserved Prorated Actual Balance (Col. K + Col. L + Col. M, Preceding Balance)
120	ADIT Subject to Proration						=		-			=	
121	January	31	-	214	50.00%	-	-	-	-	-	-	-	
122	February	28	-	214	50.00%	-	-	-	-	-	-	-	
123	March	31	-	214	50.00%	-	-	-	-	-	-	-	
124	April	30	-	214	50.00%	-	-	-	-	-	-	-	
125	May	31	-	214	50.00%	-	-	-	-	-	-	-	
126	June	30	185	214	86.45%	-	-	-	-	-	-	-	
127	July	31	154	214	71.96%	-	-	-	-	-	-	-	
128	August	31	123	214	57.48%	-	-	-	-	-	-	-	
129	September	30	93	214	43.46%	-	-	-	-	-	-	-	
130	October	31	62	214	28.97%	-	-	-	-	-	-	-	
131	November	30	32	214	14.95%	-	-	-	-	-	-	-	
132	December	31	1	214	0.47%	-	-	-	-	-	-	-	
133	Total (Sum of Lines 121 - 132)	365	-	-	-	=	=	-	=	=	=	-	
134	Beginning Balance - Deficient / (Excess) ADIT Not Subject to Proration)	=		-			=	
135	Beginning Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=		-			=	
136	Beginning Balance - Deficient / (Excess) ADIT					(Col. (H), Line 134 + Line 135)	=		(Col. (M), Line 134 + Line 135)			=	
137	Ending Balance - Deficient / (Excess) ADIT Not Subject to Proration						=		-			=	
138	Ending Balance - Deficient / (Excess) ADIT Adjustment					(Note F)	=		-			=	
139	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 137 + Line 138)	=		(Col. (M), Line 137 + Line 138)			=	
140	Average Balance as adjusted (non-prorated) Prorated Deficient / (Excess) ADIT					((Col. (H), Line 136 + Line 139) / 2)	=		((Col. (M), Line 136 + Line 139) / 2)			=	
141	Ending Balance - Deficient / (Excess) ADIT					(Col. (H), Line 132)	=		(Col. (M), Line 132)			=	

	<u>Deficient / (Excess) ADIT - Account 283</u>	(Col. (H), Line 140 + Line 141)	=		(Col. (M), Line 140 + Line 141)	=
142						

Line	Unamortized Deficient / (Excess) ADIT - State (Projected)					Unamortized Deficient / (Excess) ADIT - State (Actual)				
	(A)	(B)	(C)	(D)	(E)	(A)	(B)	(C)	(D)	(E)
	<u>Deficient / (Excess) Deferred Income Taxes</u>		<u>Reference</u>		<u>EOY Balance</u>	<u>Deficient / (Excess) Deferred Income Taxes</u>		<u>Reference</u>		<u>Projected EOY Balance</u>
143	ADIT - 190		(Col. (H), Line 96)		\$ -	ADI T - 190		(Col. (M), Line 96)		\$ -
144	ADIT - 282		(Col. (H), Line 119)		-	ADI T - 282		(Col. (M), Line 119)		-
145	ADIT - 283		(Col. (H), Line 142)		-	ADI T - 283		(Col. (M), Line 142)		-
146	<u>Unamortized Deficient / (Excess) ADIT - State</u>		(Entered in ATT H-9A, Line 41b)		\$ -	<u>Unamortized Deficient / (Excess) ADIT - State</u>		(Entered in ATT H-9A, Line 41b)		\$ -

Instructions

1. For purposes of calculating projected activity, use Columns (F), (G), and (H) and set the "Rate Year" below to "Projected Activity". For purposes of calculating the "True-Up" adjustment, use Columns (I), (J), (K), (L), and (M) and set the "Rate Year" below to "True-Up Adjustment".

Rate Year: Projected Activity Check

2. For the Annual Update (Projected) filing, see Attachment 1A - ADIT Summary, Column H for inputs. For the Annual Update (True-Up) filing, See Attachment 1A - ADIT Summary, Column M for inputs.

Notes

- A** This section is used to calculate the projected deficient / (excess) ADIT balances. The computations in columns A-H of this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) to the projected annual activity of deficient / (excess) accumulated deferred income taxes subject to the normalization requirements. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For deficient (excess) accumulated deferred income taxes subject to the normalization requirements, projected activity for months prior to the future portion of the test period is averaged rather than prorated.
- B** This section is used to calculate the actual deficient / (excess) ADIT balances. The computations in columns A-M of this workpaper apply the proration rules of Reg. Sec. 1.167(l)-1(h)(6) and averaging in accordance with IRC Section 168(l)(9)(B) consistency requirement to the actual annual activity of deficient / (excess) accumulated deferred income taxes subject to the normalization requirements. Differences attributable to over-projection of deficient / (excess) ADIT amortization in the projected revenue requirement will result in a proportionate reversal of the projected prorated deficient / (excess) ADIT activity in the true-up adjustment to the extent of the over-projection. Differences attributable to under-projection of deficient / (excess) ADIT in the projected revenue requirement will result in an adjustment to the projected prorated ADIT activity by 50 percent of the difference between the projected monthly activity and the actual monthly activity. However, when projected monthly deficient / (excess) ADIT activity is an increase and actual monthly deficient / (excess) ADIT activity is a decrease, 50 percent of the actual monthly deficient / (excess) ADIT activity will be used. Likewise, when projected monthly deficient / (excess) ADIT activity is a decrease and actual monthly deficient / (excess) ADIT activity is an increase, 50 percent of actual monthly deficient / (excess) ADIT activity will be used. This section is used to calculate deficient / (excess) ADIT activity in the true-up adjustment only. Activity related to the portions of the account balances not subject to the proration requirement are averaged instead of prorated. For deficient (excess) accumulated deferred income taxes subject to the normalization requirements, actual activity for months prior to the future portion of the test period is averaged rather than prorated.
- C** Column (J) is the difference between projected monthly and actual monthly activity (Column (I) minus Column (F)). Specifically, if projected and actual activity are both positive, a negative in Column (J) represents over-projection (amount of projected activity that did not occur) and a positive in Column (J) represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column (J) represents under-projection (excess of actual activity over projected activity) and a positive in Column (J) represents over-projection (amount of projected activity that did not occur).
- D** Column (K) preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column (J) is over-projected, enter Column (G) x [Column (I)/Column (F)]. If Column (J) is under-projected, enter

the amount from Column (G) and complete Column (L)). In other situations, enter zero.

E Column (L) applies when (1) Column (J) is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column (J). In other situations, enter zero.

F IRS normalization adjustment

Potomac Electric Power Company
Deficient / (Excess) Deferred Income Taxes
Attachment 1E - Deficient / (Excess) Deferred Income Tax Amortization Worksheet

Federal Deficient / (Excess) Deferred Income Taxes

Tax Cuts and Jobs Act of 2017

<u>Line</u>	<u>(A)</u> <u>Deficient / (Excess)</u> <u>Deferred Income</u> <u>Taxes</u>	<u>(B)</u> <u>Notes</u>	<u>(C)</u> <u>Amortization</u> <u>Fixed</u> <u>Period</u>	<u>(D)</u> <u>December</u> <u>31, 2017</u> <u>ADIT</u> <u>Deficient /</u> <u>(Excess)</u>	<u>(E)</u> <u>December</u> <u>31, 2017</u> <u>BOY</u> <u>Balance</u>	<u>(F)</u> <u>Current</u> <u>Year</u> <u>Amortization</u>	<u>(G)</u> <u>December</u> <u>31, 2018</u> <u>EOY</u> <u>Balance</u>
1	<u>Unprotected Non-</u> <u>Property</u>						
2	ADIT - 190	(Note A)	4 Years	\$ -	\$ -	\$ -	\$ -
3	ADIT - 281	(Note A)	4 Years	-	-	-	-
4	ADIT - 282	(Note A)	4 Years	-	-	-	-
5	ADIT - 283	(Note A)	4 Years	-	-	-	-
6	<u>Subtotal - Deficient /</u> <u>(Excess) ADIT</u>			\$ -	\$ -	\$ -	\$ -
7	<u>Unprotected</u> <u>Property</u>						
8	ADIT - 190	(Note A)	5 Years	\$ -	\$ -	\$ -	\$ -
9	ADIT - 281	(Note A)	5 Years	-	-	-	-
10	ADIT - 282	(Note A)	5 Years	-	-	-	-
11	ADIT - 283	(Note A)	5 Years	-	-	-	-
12	<u>Subtotal - Deficient /</u> <u>(Excess) ADIT</u>			\$ -	\$ -	\$ -	\$ -
13	<u>Protected Property</u>						
14	ADIT - 190	(Note A)	ARAM	\$ -	-	-	-
15	ADIT - 281	(Note A)	ARAM	-	-	-	-
16	ADIT - 282	(Note A)	ARAM	-	-	-	-
17	ADIT - 283	(Note A)	ARAM	-	-	-	-
18	<u>Subtotal - Deficient /</u> <u>(Excess) ADIT</u>			\$ -	\$ -	\$ -	\$ -
19	<u>Total - Deficient /</u> <u>(Excess) ADIT</u>			\$ -	\$ -	\$ -	\$ -

Tax Reform Act of 1986

<u>Line</u>	<u>(A)</u> <u>Deficient / (Excess)</u> <u>Deferred Income</u> <u>Taxes</u>	<u>(B)</u> <u>Notes</u>	<u>(C)</u> <u>Amortization</u> <u>Fixed</u> <u>Period</u>	<u>(D)</u> <u>September</u> <u>30, 2018</u> <u>ADIT</u> <u>Deficient /</u> <u>(Excess)</u>	<u>(E)</u> <u>September</u> <u>30, 2018</u> <u>BOY</u> <u>Balance</u>	<u>(F)</u> <u>Current</u> <u>Year</u> <u>Amortization</u>	<u>(G)</u> <u>December</u> <u>31, 2018</u> <u>EOY</u> <u>Balance</u>
20	<u>Protected Property</u>						
21	ADIT - 190	(Note B)	ARAM	\$ -	\$ -	\$ -	\$ -

22	ADIT - 281	(Note B)	ARAM	-	-	-	-
23	ADIT - 282	(Note B)	ARAM	-	-	-	-
24	ADIT - 283	(Note B)	ARAM	-	-	-	-
25	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
26	Total - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-

Total Federal Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2017 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
1	Unprotected Non-Property						
2	ADIT - 190			\$-	\$-	\$-	\$-
3	ADIT - 281			-	-	-	-
4	ADIT - 282			-	-	-	-
5	ADIT - 283			-	-	-	-
6	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
7	Unprotected Property						
8	ADIT - 190			\$-	\$-	\$-	\$-
9	ADIT - 281			-	-	-	-
10	ADIT - 282			-	-	-	-
11	ADIT - 283			-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
13	Protected Property						
14	ADIT - 190			\$-	\$-	\$-	\$-
15	ADIT - 281			-	-	-	-
16	ADIT - 282			-	-	-	-
17	ADIT - 283			-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
19	Total - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-

Total Federal Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
27	ADIT - 190			\$-	\$-	\$-	\$-
28	ADIT - 281			-	-	-	-
29	ADIT - 282			-	-	-	-
30	ADIT - 283			-	-	-	-
31	Total - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
32	Tax Gross-Up Factor	ATT H-9A		1.00	1.00	1.00	1.00

Line
132b

33	<u>Regulatory Asset / (Liability)</u>						
				\$	\$	\$	\$

Federal Income Tax Regulatory Asset / (Liability)

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
34	Account 182.3 (Other Regulatory Assets)			\$	\$	\$	\$
35	Account 254 (Other Regulatory Liabilities)						
36	Total - Transmission Regulatory Asset / (Liability)			\$	\$	\$	\$

State Deficient / (Excess) Deferred Income Taxes

Maryland (2018 Apportionment Weighting Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
37	Unprotected Non-Property						
38	ADIT - 190	(Note C)	4 Years	\$	\$	\$	\$
39	ADIT - 281	(Note C)	4 Years				
40	ADIT - 282	(Note C)	4 Years				
41	ADIT - 283	(Note C)	4 Years				
42	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
43	Unprotected Property						
44	ADIT - 190	(Note C)	5 Years	\$	\$	\$	\$
45	ADIT - 281	(Note C)	5 Years				
46	ADIT - 282	(Note C)	5 Years				
47	ADIT - 283	(Note C)	5 Years				
48	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
49	Protected Property						
50	ADIT - 190	(Note C)	NA	\$			
51	ADIT - 281	(Note C)	NA				
52	ADIT - 282	(Note C)	NA				
53	ADIT - 283	(Note C)	NA				
54	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
55	Total - Deficient / (Excess) ADIT			\$	\$	\$	\$

Washington, D.C. (2018 Apportionment Weighting Change)

Line	(A)	(B) Notes	(C)	(D)	(E) September 30, 2018	(F)	(G) December 31, 2018
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	<u>Deficient / (Excess) Deferred Income Taxes</u>		<u>Amortization Fixed Period</u>	<u>ADIT Deficient / (Excess)</u>	<u>BOY Balance</u>	<u>Current Year Amortization</u>	<u>EOY Balance</u>
56	<u>Unprotected Non-Property</u>						
57	ADIT - 190	(Note D)	4 Years	\$	\$	\$	\$
58	ADIT - 281	(Note D)	4 Years	-	-	-	-
59	ADIT - 282	(Note D)	4 Years	-	-	-	-
60	ADIT - 283	(Note D)	4 Years	-	-	-	-
61	<u>Subtotal - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$
62	<u>Unprotected Property</u>						
63	ADIT - 190	(Note D)	5 Years	\$	\$	\$	\$
64	ADIT - 281	(Note D)	5 Years	-	-	-	-
65	ADIT - 282	(Note D)	5 Years	-	-	-	-
66	ADIT - 283	(Note D)	5 Years	-	-	-	-
67	<u>Subtotal - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$
68	<u>Protected Property</u>						
69	ADIT - 190	(Note D)	NA	\$	-	-	-
70	ADIT - 281	(Note D)	NA	-	-	-	-
71	ADIT - 282	(Note D)	NA	-	-	-	-
72	ADIT - 283	(Note D)	NA	-	-	-	-
73	<u>Subtotal - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$
74	<u>Total - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$

Washington, D.C. (2017 Corporate Rate Change)

<u>Line</u>	<u>(A) Deficient / (Excess) Deferred Income Taxes</u>	<u>(B) Notes</u>	<u>(C) Amortization Fixed Period</u>	<u>(D) ADIT Deficient / (Excess)</u>	<u>(E) September 30, 2018 BOY Balance</u>	<u>(F) Current Year Amortization</u>	<u>(G) December 31, 2018 EOY Balance</u>
75	<u>Unprotected Non-Property</u>						
76	ADIT - 190	(Note E)	4 Years	\$	\$	\$	\$
77	ADIT - 281	(Note E)	4 Years	-	-	-	-
78	ADIT - 282	(Note E)	4 Years	-	-	-	-
79	ADIT - 283	(Note E)	4 Years	-	-	-	-
80	<u>Subtotal - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$
81	<u>Unprotected Property</u>						
82	ADIT - 190	(Note E)	5 Years	\$	\$	\$	\$
83	ADIT - 281	(Note E)	5 Years	-	-	-	-
84	ADIT - 282	(Note E)	5 Years	-	-	-	-
85	ADIT - 283	(Note E)	5 Years	-	-	-	-
86	<u>Subtotal - Deficient / (Excess) ADIT</u>			\$	\$	\$	\$
87	<u>Protected Property</u>						
88	ADIT - 190	(Note E)	NA	\$	-	-	-

89	ADIT - 281	(Note E)	NA	-	-	-	-
90	ADIT - 282	(Note E)	NA	-	-	-	-
91	ADIT - 283	(Note E)	NA	-	-	-	-
92	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
93	Total - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-

Washington, D.C. (2016 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
94	Unprotected Non-Property						
95	ADIT - 190	(Note F)	4 Years	\$-	\$-	\$-	\$-
96	ADIT - 281	(Note F)	4 Years	-	-	-	-
97	ADIT - 282	(Note F)	4 Years	-	-	-	-
98	ADIT - 283	(Note F)	4 Years	-	-	-	-
99	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
100	Unprotected Property						
101	ADIT - 190	(Note F)	5 Years	\$-	\$-	\$-	\$-
102	ADIT - 281	(Note F)	5 Years	-	-	-	-
103	ADIT - 282	(Note F)	5 Years	-	-	-	-
104	ADIT - 283	(Note F)	5 Years	-	-	-	-
105	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
106	Protected Property						
107	ADIT - 190	(Note F)	NA	\$-	-	-	-
108	ADIT - 281	(Note F)	NA	-	-	-	-
109	ADIT - 282	(Note F)	NA	-	-	-	-
110	ADIT - 283	(Note F)	NA	-	-	-	-
111	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-
112	Total - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-

Washington, D.C. (2015 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
113	Unprotected Non-Property						
114	ADIT - 190	(Note G)	4 Years	\$-	\$-	\$-	\$-
115	ADIT - 281	(Note G)	4 Years	-	-	-	-
116	ADIT - 282	(Note G)	4 Years	-	-	-	-
117	ADIT - 283	(Note G)	4 Years	-	-	-	-
118	Subtotal - Deficient / (Excess) ADIT			\$-	\$-	\$-	\$-

119	Unprotected Property						
120	ADIT - 190	(Note G)	5 Years	.. \$.. \$.. \$.. \$
121	ADIT - 281	(Note G)	5 Years	..	..	..	..
122	ADIT - 282	(Note G)	5 Years	..	..	..	..
123	ADIT - 283	(Note G)	5 Years	..	..	..	..
124	Subtotal - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$
125	Protected Property						
126	ADIT - 190	(Note G)	NA	.. \$	..	..	..
127	ADIT - 281	(Note G)	NA	..	..	..	..
128	ADIT - 282	(Note G)	NA	..	..	..	..
129	ADIT - 283	(Note G)	NA	..	..	..	..
130	Subtotal - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$
131	Total - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$

Maryland (2007 Corporate Rate Change)

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) September 30, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
132	Unprotected Non-Property						
133	ADIT - 190	(Note H)	4 Years	.. \$.. \$.. \$.. \$
134	ADIT - 281	(Note H)	4 Years	..	..	..	..
135	ADIT - 282	(Note H)	4 Years	..	..	..	..
136	ADIT - 283	(Note H)	4 Years	..	..	..	..
137	Subtotal - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$
138	Unprotected Property						
139	ADIT - 190	(Note H)	5 Years	.. \$.. \$.. \$.. \$
140	ADIT - 281	(Note H)	5 Years	..	..	..	..
141	ADIT - 282	(Note H)	5 Years	..	..	..	..
142	ADIT - 283	(Note H)	5 Years	..	..	..	..
143	Subtotal - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$
144	Protected Property						
145	ADIT - 190	(Note H)	NA	.. \$	..	..	..
146	ADIT - 281	(Note H)	NA	..	..	..	..
147	ADIT - 282	(Note H)	NA	..	..	..	..
148	ADIT - 283	(Note H)	NA	..	..	..	..
149	Subtotal - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$
150	Total - Deficient / (Excess) ADIT			.. \$.. \$.. \$.. \$

Total State Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2017 BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
Unprotected Non-Property							
1				\$	\$	\$	\$
2	ADIT - 190			-	-	-	-
3	ADIT - 281			-	-	-	-
4	ADIT - 282			-	-	-	-
5	ADIT - 283			-	-	-	-
6	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
Unprotected Property							
8	ADIT - 190			\$	\$	\$	\$
9	ADIT - 281			-	-	-	-
10	ADIT - 282			-	-	-	-
11	ADIT - 283			-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
Protected Property							
14	ADIT - 190			\$	\$	\$	\$
15	ADIT - 281			-	-	-	-
16	ADIT - 282			-	-	-	-
17	ADIT - 283			-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT			\$	\$	\$	\$
19	Total - Deficient / (Excess) ADIT			\$	\$	\$	\$

Total State Deficient / (Excess) Deferred Income Taxes

Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
151	ADIT - 190			\$	\$	\$	\$
152	ADIT - 281			-	-	-	-
153	ADIT - 282			-	-	-	-
154	ADIT - 283			-	-	-	-
155	Total - Deficient / (Excess) ADIT			\$	\$	\$	\$
156	Tax Gross-Up Factor	ATT H- 9A, Line 132b		1.00	1.00	1.00	1.00
157	Regulatory Asset / (Liability)			\$	\$	\$	\$

State Income Tax Regulatory Asset / (Liability)

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
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158	Account 182.3 (Other Regulatory Assets)	\$	\$	\$	\$
159	Account 254 (Other Regulatory Liabilities)	-	-	-	-
160	Total - Transmission Regulatory Asset / (Liability)	\$	\$	\$	\$

Federal and State Income Tax Regulatory Asset / (Liability)

Federal and State Income Tax Regulatory Asset / (Liability) related to Excess / Deficient Deferred Income Taxes

Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(D) ADIT Deficient / (Excess)	(E) Blended Dates BOY Balance	(F) Current Year Amortization	(G) December 31, 2018 EOY Balance
161	Account 182.3 (Other Regulatory Assets)		\$	\$	\$	\$
162	Account 254 (Other Regulatory Liabilities)		-	-	-	-
163	Total - Transmission Regulatory Asset / (Liability)		\$	\$	\$	\$

Instructions

- For transmission allocated deficient / (excess) deferred income taxes related to rate changes occurring after September 30, 2018, insert new amortization table that delineate the deficient and excess deferred taxes by protected property, unprotected property, and unprotected non-property by ADIT category.
- Set the amortization period for unprotected property to 5 years and unprotected non-property to 4 years. The amortization of deficient and (excess) ADIT designated as protected will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements.
- Update applicable formulas in the "Total Federal Deficient / (Excess) Deferred Income Taxes" and "Total State Deficient / (Excess) Deferred Income Taxes" sections to ensure appropriate inclusion of deficient / (excess) ADIT deferred income taxes related to rate changes occurring after September 30, 2018.
- Insert note explaining the event giving rise to the deficient / (excess) ADIT including the start and end date for the amortization. The amortization ceases after the related regulatory asset / liability is drawn down to zero.

Notes

- A** Deficient and (excess) ADIT related to the Tax Cuts and Jobs Act of 2017 (TCJA) will be amortized beginning January 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments, tax return amendments, or new IRS guidance. The amortization of protected property related deficient and (excess) ADIT will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements and may vary by year depending on where each underlying asset resides in its individual life cycle. The unprotected property related deficient and (excess) ADIT will be fully amortized by December 31, 2022. The unprotected non-property related excess and deficient ADIT will be fully amortized by December 31, 2021. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- B** The remaining unamortized excess and deficient ADIT related to the Tax Reform Act of 1986 will be amortized using the Average Rate Assumption Method (ARAM) as provided in the Settlement in Docket No. ER19-5 et al. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- C** The remaining unamortized deficient and (excess) ADIT related to the Maryland 2018 "Apportionment Weighting Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- D** The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2018 "Apportionment Weighting Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- E** The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2017 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed

if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

F The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2016 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

G The remaining unamortized deficient and (excess) ADIT related to the Washington, D.C. 2015 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

H The remaining unamortized deficient and (excess) ADIT related to the Maryland 2007 "Corporate Rate Change" as of September 30, 2018 will be amortized beginning October 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments or tax return amendments. The unprotected property related deficient and (excess) ADIT will be fully amortized by September 30, 2023. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by September 30, 2022. The unamortized deficient and (excess) state related ADIT including related amortization is reported net of federal taxes. Note - The amortization formula in Column F will change based on where Pepco resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

Tax Cuts and Jobs Act of 2017

Line	Detailed Description	Description	Category	12/31/2017 ADIT - Pre Rate Change			12/31/2017 ADIT - Post Rate Change			12/31/17 Deficient / (Excess) Deferred Income Taxes												
				Federal Gross Timing Difference	Federal ADIT @ 35%	State ADIT	Federal Gross Timing Difference	Federal ADIT @ 21%	State ADIT	Rate Change Deferred Tax Impact	Non-Recoverable	FAS 109 Regulatory Asset / Liability Deferred Taxes	Total Deficient / (Excess) ADIT Balance	Jurisdiction Allocated	Electric Transmission	Allocator (Note B)	Transmission Allocated Deficient / (Excess) ADIT Balance	FERC Account				
(A)	(B)	(C)	(D)	(E) = (D) * 35%	(F)	(G) = (E) + (F)	(H) = (G) + (I)	(I)	(J) = (I) * 21%	(K)	(L) = (J) + (K)	(M) = (L) + (N)	(N) = (H) - (M)	(O)	(P)	(Q) = (N) - (O)	(R)	(S)	(T)	(U) = (Q) * (T)	(V)	
	FERC Account 190 - Non-Current (Note A)																					
1	Accrued Payroll Taxes - Manual Other	Accrued Liabilities	Non-Property		\$	\$	\$		\$		\$	\$	\$		\$			Labor	Yes	10.090%	\$	190
2	Current Liabilities - General	Accrued Liabilities	Non-Property															100% DC	No	0.000%		190
3	Accrued Liabilities - Required Health	Accrued Liabilities	Non-Property															Labor	Yes	10.090%		190

	Claims Reserve																					
	Accrued																					
	Liab-General Liability	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
4	Accrued Liab-Auto Liability	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
5	Accrued Liabilities - Workers Comp - Long-term	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
6	Accrued Liabilities - Disability - Long-term	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
7	Accrued Liab-LTIP	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
8	Accrued Liability - PHI Incentive Plan	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
9	Accrued Liab-Retention	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
10	Accrued Severance	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
11	Accrued Liab-SERP	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor 100% Transmission	Yes	<u>100.0</u> 00%	=		<u>190</u>
12	Accrued Liab-Sick Pay	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
13	Accrued Liab-Vacation	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
14	Deferred Credits-General	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	<u>10.09</u> 0%	=		<u>190</u>
15	Deferred Credits-General (Merger)	Accrued Liabilities	Non-Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	<u>0.000</u> %	=		<u>190</u>
16				-	=	-	=	=	-	=	-	=	=	-	=	=						

17	Commitments) Deferred Credits- General (DC PLUG) Accrued Liability - LTIP - Non-Current Payroll Taxes 481(a) Provision for Uncollectible Accounts- Spec Billing Provision for Uncollectible Accounts - MD Provision for Uncollectible POR - Pepco DC Provision for Uncollectible POR - Pepco MD Maryland Capital Loss Carryforward	Accrued Liabilities	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	100% DC	No	0.000 %	=	190
18	Current	Accrued Liabilities	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	190
19	Provision for Uncollectible Accounts- Spec Billing	Accrued Liabilities	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	190
20	Provision for Uncollectible Accounts - MD	Allowance for Doubtful Accounts	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	No	0.000 %	=	190
21	Provision for Uncollectible Accounts - DC Retail	Allowance for Doubtful Accounts	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	100% DC	No	0.000 %	=	190
22	Provision for Uncollectible POR - Pepco DC	Allowance for Doubtful Accounts	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	100% DC	No	0.000 %	=	190
23	Provision for Uncollectible POR - Pepco MD	Allowance for Doubtful Accounts	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	100% MD	No	0.000 %	=	190
24	Provision for Uncollectible POR - Pepco MD	Allowance for Doubtful Accounts	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	100% MD	No	0.000 %	=	190
25	Capital Loss Carryforward	Capital Loss Limitation	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	No	0.000 %	=	190

26	DC Capital Loss Carryfor ward	Capital Loss Limitatio n	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
27	Federal Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
28	Maryland Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
29	DC Charitabl e Contributi on Carryfor ward	Charitabl e Contributi on Carryfor ward	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
30	Acc Liab - Deferred Comp LT -Old Plans	Deferred Compen sation	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	10.09 0%	=	190
31	Acc Liab - Deferred Comp LT - Active Plans	Deferred Compen sation	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	10.09 0%	=	190
32	Other Special Funds- Deferred Comp Accrued Liab- Environm ental Site Exp - Long- Term	Deferred Compen sation	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
33	Accrued Liab- OPEB	Environ mental Expense FAS 106 OPEB Adjustm ent	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
34	Accrued Liab- OPEB	Environ mental Expense FAS 106 OPEB Adjustm ent	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	10.09 0%	=	190

35	FIN 48 Interest Payable- MD- NonCurre nt Accrued Charitabl e Contributi ons-MD- Current	Interest on Continge nt Taxes	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
36	Accrued Charitabl e Contributi ons-MD- Current	Merger Commit ment Deferrals	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
37	Accrued Charitabl e Contributi ons-DC- Current	Merger Commit ment Deferrals	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
38	Merger Commitm ents Accrued Charitabl e Contributi ons-MD- Non- Current	Merger Commit ment Deferrals	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
39	Accrued Charitabl e Contributi ons-MD- Non- Current	Merger Commit ment Deferrals	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
40	Accrued Charitabl e Contributi ons-DC- Non- Current	Merger Commit ment Deferrals	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
41	Use Tax Payable- DC Other Long- Term Liabilities	190 Deferred Taxes Other 190 Deferred Taxes	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	100% DC	No	0.000 %	=	190
42	Other Long- Term Liabilities Federal State Income Taxes Deductibl e	190 Deferred Taxes Other 190 Deferred Taxes	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
43	Other Long- Term Liabilities Federal State Income Taxes Deductibl e	190 Deferred Taxes Other 190 Deferred Taxes	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	Yes	10.09 0%	=	190
44	Maryland 1/1/2000 Basis	190 Deferred Taxes	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Plant	Yes	17.32 0%	=	190

45	Carryforward Asset Retirement Obligation -Electric Utility Plant	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
46	Other Regulatory Liability - General Oth Reg Liab-	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
47	Asset Retirement Obligation -Electric Reg Liab-	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
48	Asset Retirement Obligation -Electric Contra	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	Labor	No	0.000 %	=	190
49	Regulatory Liability- MD Grid Resiliency Charge Reg Liab-MD Dynamic Pricing/Cri- tical Pk Rebate Cr	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	100% MD	No	0.000 %	=	190
50	Regulatory Liability- MD - Base Reg Liab-Third Party Supplier- DC Distribu- tion	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	100% MD	No	0.000 %	=	190
51	Regulatory Liability- MD - Base Reg Liab-Third Party Supplier- DC Distribu- tion	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	100% MD	No	0.000 %	=	190
52	Regulatory Liability- MD - Base Reg Liab-Third Party Supplier- DC Distribu- tion	Regulatory Liabilities	Non- Property	-	=	-	=	=	-	=	-	=	=	-	=	=	100% DC	No	0.000 %	=	190

53	Maryland Net Operating Loss Carryfor ard DC Net Operating Loss Carryfor ard Federal Net Operating Loss Carryfor ard	State NOL	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Plant	Yes	<u>17.32</u> 0%	=	<u>190</u>
54	Federal Net Operating Loss Carryfor ard	State NOL	Non- Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Plant	Yes	<u>17.32</u> 0%	=	<u>190</u>
55	Unamorti zed Investme nt Tax Credits Other Reg Assets - Income Tax Recov thru Rates FAS 109	Federal NOL	Protect ed Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Plant	Yes	<u>17.32</u> 0%	=	<u>190</u>
56	Regulator y Asset Electric	FAS 109 - Deferred Taxes on ITC	Protect ed Propert y	-	=	-	=	=	-	=	-	=	=	-	=	=	Plant	Yes	<u>17.32</u> 0%	=	<u>190</u>
57	SFAS109 - Regulator y Liability Electric	FAS109 Non- TCJA	N/A	-	=	-	=	=	-	=	-	=	=	-	=	=	N/A	No	<u>17.32</u> 0%	=	<u>190</u>
58	SFAS109 - Regulator y Liability Electric	FAS109 Non- TCJA	N/A	-	=	-	=	=	-	=	-	=	=	-	=	=	N/A	No	<u>17.32</u> 0%	=	<u>190</u>
59	SFAS109 - Regulator y Liability Electric	FAS109 Non- TCJA	N/A	-	=	-	=	=	-	=	-	=	=	-	=	=	N/A	No	<u>17.32</u> 0%	=	<u>190</u>
60	Total FERC Account 190			-	=	-	=	=	-	=	-	=	=	-	=	=	N/A	No	<u>17.32</u> 0%	=	<u>190</u>
61				::\$	=	::\$	=	::\$::\$::\$::\$::\$::\$::\$::\$::\$::\$	

**FERC
Account
282 -
Property
(Note A)**

	Fixed Asset Basis Differences (PowerTax) - Protected	Protected Property (PowerTax)	Protected Property																			
62	Fixed Asset Basis Differences (PowerTax) - Protected	Protected Property (PowerTax)	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	17.32 0%	=	282
63	Fixed Asset Basis Differences (PowerTax) - Non-Protected	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	Plant	Yes	17.32 0%	=	282
64	Fixed Asset Basis Differences (PowerTax) - Non-Protected CIAC	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	Plant	No	0.000 %	=	282
65	Fixed Asset Basis Differences (PowerTax FT) - Non-Protected Maryland	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	Plant	Yes	17.32 0%	=	282
66	Fixed Asset Basis Differences (PowerTax) - Non-Protected Maryland	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	Plant	Yes	17.32 0%	=	282
67	Fixed Asset Basis Differences (PowerTax)	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	Plant	No	0.000 %	=	282

68	x) - Non-Protected CIAC Maryland Fixed Asset Differences (PowerTax FT) - Non-Protected Maryland Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	<u>17.32</u> <u>0%</u>	=	<u>282</u>
69	Non-Protected Maryland Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (Non-PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	<u>17.32</u> <u>0%</u>	=	<u>282</u>
70	Non-Protected CIAC DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (Non-PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	No	<u>0.000</u> <u>%</u>	=	<u>282</u>
71	Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	<u>17.32</u> <u>0%</u>	=	<u>282</u>
72	Non-Protected CIAC DC Fixed Asset Differences (PowerTax) - Non-Protected CIAC DC Fixed Asset Differences (PowerTax FT) - Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	No	<u>0.000</u> <u>%</u>	=	<u>282</u>
73	Non-Protected DC Fixed Asset	Non-Protected Property (PowerTax)	Unprotected Property	Y	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	<u>17.32</u> <u>0%</u>	=	<u>282</u>
74	DC Fixed Asset	Non-Protected Property	Unprotected Property		-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	<u>17.32</u> <u>0%</u>	=	<u>282</u>

75	Differences (Non-PowerTax) - Non-Protected DC Fixed Asset Differences (Non-PowerTax) - Non-Protected CIAC Fixed Asset Basis Differences (Non-PowerTax) - Non-Protected CIAC	Protected Property (Non-PowerTax) Unprotected Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	No	0.000%	=	282
76	Fixed Asset Basis Differences (Non-PowerTax) - Non-Protected CIAC	Protected Property (Non-PowerTax) Unprotected Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	Yes	17.320%	=	282
77	CIAC	Protected Property (Non-PowerTax) Unprotected Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Plant	No	0.000%	=	282
78	Total FERC Account 282		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				\$		
79	Unamortized Loss on Reacquired Debt - General	Reacquired Debt Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.090%	\$	283
80	Unamortized Loss - Pollution Bonds	Reacquired Debt Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.090%	=	283

81	Unamortized Loss - First Mortgage Bonds	Reacquired Debt	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	283
82	Prepayments - Other Taxes	Maryland Property Taxes	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	283
83	Prepayments - General	Prepaid Interest	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	283
84	Prepayments - Workmen's Compensation - DSM - Energy Efficient Products	Prepayments	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	Labor	Yes	10.09 0%	=	283
85	- Community - MD	Regulatory Asset - DSM	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	100% MD	No	0.000 %	=	283
86	Regulatory Assets - DSM - Direct Load Control - MD	Regulatory Asset - DSM	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	100% MD	No	0.000 %	=	283
87	Regulatory Assets - FERC Formula Rate Adjustment - Transmission Svc	Regulatory Asset - FERC Rate True-up	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	100% Transmission	Yes	100.0 00%	=	283
88	Regulatory Assets - Retirement Obligation	Regulatory Assets	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	Labor	No	0.000 %	=	283
89	Regulatory Assets -	Regulatory	Non-Property	-	=	-	=	-	=	-	=	-	=	-	=	100% DC	No	0.000 %	=	283

99	Prepaid Pension Costs	Pension Plan Contribution	Non-Property												Labor	Yes	10.09 0%	-	283
	Total FERC																		
100	<u>Account 283</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				\$	
101	<u>Grand Total</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				\$	

Protected Property =

Unprotected Property =

Non-Property =

Total Unprotected =

Total (Excess) / Deficient ADIT =

Instructions

1. In accordance with ASC 740, deferred tax assets and liabilities are adjusted (re-measured) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred income tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the effect of a future increase or decrease in taxes payable resulting from a change in tax law or rates will be recovered from or passed through to customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future revenue or reduction in future revenue. The amortization of deficient and (excess) deferred income taxes that will be recovered from or passed through to customers through future rates will be recorded in FERC Accounts 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) and 411.1 (Provision for Deferred Income Taxes—Credit, Utility Operating Income), as appropriate. Re-measurements of deferred tax balance sheet accounts may also result in re-measurements of tax-related regulatory assets or liabilities that had been recorded prior to the change in tax law. If it is not probable that the effect of a future increase or decrease in taxes payable resulting from a change in tax law or rates will be recovered from or passed through to customers through future rates, tax expense will be recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes-Credit, Other Income or Deductions), as appropriate.

2. For deficient and (excess) accumulated deferred income taxes (ADIT) related to change(s) to income tax rates occurring after September 30, 2018, insert calculations that support the re-measurement amount delineated by category (i.e., protected property, unprotected property, and unprotected non-property).

3. Set the allocation percentages equal to the applicable percentages at the date of the rate change.

Notes

- A Categorization of items as protected or non-protected will remain as originally agreed, absent a change in guidance from the Internal Revenue Service (IRS) with respect to that items. Balances associated with the tax rate change will not be adjusted (except for amortization each year) absent audit adjustments, tax return amendments, or a change in IRS guidance. Any resulting changes will be prominently disclosed including the basis for the change.

- B The allocation percentage in Column T are based on the applicable percentages at the date of the rate change and must remain fixed absent the Commission's express approval.

END

Potomac Electric Power Company
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related			
		<i>Gross Plant Allocator</i>	
1			
1a			
2			
3			
4			
5		0	0
Total Plant Related			
Labor Related			
		<i>Wages & Salary Allocator</i>	
6			
Total Labor Related	0	0.0000%	0
Other Included			
		<i>Gross Plant Allocator</i>	
7			
Total Other Included	0	0.0000%	0
Total Included			
Currently Excluded			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
		-	

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

Potomac Electric Power Company

Allocation of Property taxes to Transmission Function

<u>Plant</u>	<u>DC</u>	<u>Maryland</u>	<u>Virginia</u>	<u>PA</u>	<u>Total</u> <u>(from p. 263)</u>
Transmission					
Distribution					
General					
Total T.D. & General					
<u>Plant ratios by Jurisdiction</u>					
Transmission Ratio					
Distribution ratio					
General Ratio					
check					
<u>Property Taxes (Direct to Jurisdiction) Functionalization</u>					
Transmission Property Tax					
Distribution Property tax					
General Property Tax					
Total check					
<u>Allocation of General to Transmission</u>					
General Property Tax					
Trans Labor Ratio					
Trans General					

<u>Total Transmission Property Taxes</u>					
Transmission					
General					
Total Transmission Property Taxes					

Potomac Electric Power Company

Attachment 3 - Revenue Credit Workpaper

		Total Amount	Allocation Factor	Allocation %	Total Amount Included In Rates
Account 454 - Rent from Electric Property					
1	Rent from Electric Property - Transmission Related (Note 3)		Transmission	100%	\$ -
2	Total Rent Revenues	(Sum Lines 1)			\$ -
Account 456 - Other Electric Revenues (Note 1)					
3	Schedule 1A		Transmission	100%	\$ -
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)		Transmission	100%	-
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		Transmission	100%	-
6	PJM Transitional Revenue Neutrality (Note 1)		Transmission	100%	-
7	PJM Transitional Market Expansion (Note 1)		Transmission	100%	-
8	Professional Services (Note 3)		Transmission	100%	-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		Transmission	100%	-
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		Transmission	100%	-
11	Affiliate Affiliate Credits		Wages and Salaries	#DIV/0!	#DIV/0!
11a	Miscellaneous Credits (Attachment 5)		Various		#VALUE!
		(Sum Lines 2-11a)			
12 12	Gross Revenue Credits	-			#DIV/0!
13 13	Less line 18g	-	Transmission	100%	\$ -
14 14	Total Revenue Credits	-			#DIV/0!
Revenue Adjustment to determine Revenue Credit					
15 15	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.				
16 16	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.				
17 17	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 18a - 18g, 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).				
18a 18a	Revenues included in lines 1-11 which are subject to 50/50 sharing.				-
18b 18b	Costs associated with revenues in line 18a	Attachment 5 - Cost Support			-
18c 18c	Net Revenues (18a - 18b)				-
18d 18d	50% Share of Net Revenues (18c / 2)				-
18e 18e	Costs associated with revenues in line 18a 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.				-
18f 18f	Net Revenue Credit (18d + 18e)				-
18g 18g	Line 18f less line 18a				-
19 19	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.				
20 20	Amount offset in line 4 above				
21 21	Total Account 454, 456 and 456.1				-
22 22	Note 4: SECA revenues booked in Account 447.				

Potomac Electric Power Company

Attachment 4 - Calculation of 100-Basis-Point Increase in ROE

Return and Taxes with 100-Basis-Point Increase in ROE			
A	100-Basis-Point Increase in ROE and Income Taxes	(Line 127 + Line 128)	
B	100-Basis-Point Increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 29 + 58)	-
Long-Term Interest				
100	Long-Term Interest		p117.62e through 67e	0
101	— Less LTD Interest on Securitization Bonds	(Note 2)	Attachment 5	0
102	Long-Term Interest		=(Line 100—line 101)*	0
103	Preferred Dividends	enter positive	p118.29e	0
Common Stock				
104	Proprietary Capital		p112.16e	0
105	— Less Preferred Stock	enter negative	(Line 114)	0
106	— Less Account 216.1	enter negative	p112.12e	0
107	Common Stock		(Sum Lines 104 to 106)	0
Capitalization				
108	Long-Term Debt		p112.17e through 21e	0
109	— Less Loss on Reacquired Debt	enter negative	p111.81e	0
110	— Plus Gain on Reacquired Debt	enter positive	p113.61e	0
111	— Less ADIT associated with Gain or Loss	enter negative	Attachment 1A	0
112	— Less LTD on Securitization Bonds	enter negative	Attachment 5	0
113	Total Long-Term Debt	-	(Sum Lines 108 to 112)	0
114	Preferred Stock		p112.2e	0
115	Common Stock		(Line 107)	0
116	Total Capitalization	-	(Sum Lines 113 to 115)	0
117	Debt %	Total Long-Term Debt	(Line 113 / 116)	0%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0%
119	Common %	Common Stock	(Line 115 / 116)	0%
120	Debt Cost	Total Long-Term Debt	(Line 102 / 113)	0.0000
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	(Note J - from Appendix A) Common Stock	Appendix A % plus 100-Basis Pts	0.0100
123	Weighted Cost of Debt	Total Long-Term Debt (WCLTD)	(Line 117 * 120)	0.0000
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0000
126	Total Return (R)		(Sum Lines 123 to 125)	0.0000
127	Investment Return = Rate Base * Rate of Return	-	(Line 59 * 126)	0

Composite Income Taxes

Income Tax Rates				
128	FIT - Federal Income Tax Rate			0.00%
129	SIT - State Income Tax Rate or Composite			0.00%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		0.00%
132	T(1-T)			0.00%
FFC Adjustment				
133	Amortized Investment Tax Credit	enter negative	p266.8f (Attachment 1A)	-
134	T(1-T)		(Line 132)	0%
135	Net Plant Allocation Factor	-	(Line 18)	0.0000%
136	FFC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	0
Other Income Tax Adjustment				
136a	FAS 109 Amortized Tax Expense	(Note 7)	Attachment 5	
136b	T(1-T)		(Line 132)	
136c	Other Income Tax Adjustment		(Line 136a * (1 + Line 136b))	
137	Income Tax Component =	$-(FIT - (T(1-T) * Investment Return * (1 - (WCLTD/R))))$		#DIV/0!
138	Total Income Taxes	-	(Line 136 + 136c + 137)	#DIV/0!

Potomac Electric Power Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

	<u>Return and Taxes with 100 Basis Point increase in ROE</u>		
A	<u>100 Basis Point increase in ROE and Income Taxes</u>	<u>(Line 127 + Line 138)</u>	<u>#DIV/0!</u>
B	<u>100 Basis Point increase in ROE</u>		<u>1.00%</u>

Return Calculation

59	<u>Rate Base</u>		<u>(Line 39 + 58)</u>	<u>#DIV/0!</u>
	<u>Long Term Interest</u>			
100	<u>Long Term Interest</u>		<u>p117.62c through 67c</u>	<u>0</u>
101	<u>Less LTD Interest on Securitization Bonds</u>	<u>(Note P)</u>	<u>Attachment 8</u>	<u>0</u>
102	<u>Long Term Interest</u>		<u>"(Line 100 - line 101)"</u>	<u>0</u>
103	<u>Preferred Dividends</u>	<u>enter positive</u>	<u>p118.29c</u>	<u>0</u>
	<u>Common Stock</u>			
104	<u>Proprietary Capital</u>		<u>p112.16c</u>	<u>0</u>
105	<u>Less Preferred Stock</u>	<u>enter negative</u>	<u>(Line 114)</u>	<u>0</u>
106	<u>Less Account 216.1</u>	<u>enter negative</u>	<u>p112.12c</u>	<u>0</u>
107	<u>Common Stock</u>		<u>(Sum Lines 104 to 106a)</u>	<u>0</u>
	<u>Capitalization</u>			
108	<u>Long Term Debt</u>		<u>p112.17c through 21c</u>	<u>0</u>
109	<u>Less Loss on Reacquired Debt</u>	<u>enter negative</u>	<u>p111.81c</u>	<u>0</u>
110	<u>Plus Gain on Reacquired Debt</u>	<u>enter positive</u>	<u>p113.61c</u>	<u>0</u>
111	<u>Less ADIT associated with Gain or Loss</u>	<u>enter negative</u>	<u>Attachment 1B - ADIT EOY, Line 7</u>	<u>0</u>
112	<u>Less LTD on Securitization Bonds</u>	<u>enter negative</u>	<u>Attachment 8</u>	<u>0</u>
113	<u>Total Long Term Debt</u>		<u>(Sum Lines 108 to 112)</u>	<u>0</u>
114	<u>Preferred Stock</u>		<u>p112.3c</u>	<u>0</u>
115	<u>Common Stock</u>		<u>(Line 107)</u>	<u>0</u>
116	<u>Total Capitalization</u>		<u>(Sum Lines 113 to 115)</u>	<u>0</u>
117	<u>Debt %</u>	<u>Total Long Term Debt</u>	<u>(Line 108 / (108+114+115))</u>	<u>0%</u>
118	<u>Preferred %</u>	<u>Preferred Stock</u>	<u>(Line 114 / (108+114+115))</u>	<u>0%</u>
119	<u>Common %</u>	<u>Common Stock</u>	<u>(Line 115 / (108+114+115))</u>	<u>0%</u>
120	<u>Debt Cost</u>	<u>Total Long Term Debt</u>	<u>(Line 102 / 113)</u>	<u>0.0000</u>
121	<u>Preferred Cost</u>	<u>Preferred Stock</u>	<u>(Line 103 / 114)</u>	<u>0.0000</u>
122	<u>Common Cost</u>	<u>(Note J from Appendix A) Common Stock</u>	<u>Appendix A % plus 100 Basis Pts</u>	<u>0.0100</u>
123	<u>Weighted Cost of Debt</u>	<u>Total Long Term Debt (WCLTD)</u>	<u>(Line 117 * 120)</u>	<u>0.0000</u>
124	<u>Weighted Cost of Preferred</u>	<u>Preferred Stock</u>	<u>(Line 118 * 121)</u>	<u>0.0000</u>
125	<u>Weighted Cost of Common</u>	<u>Common Stock</u>	<u>(Line 119 * 122)</u>	<u>0.0000</u>
126	<u>Total Return (R)</u>		<u>(Sum Lines 123 to 125)</u>	<u>0.0000</u>
127	<u>Investment Return = Rate Base * Rate of Return</u>		<u>(Line 59 * 126)</u>	<u>#DIV/0!</u>

Composite Income Taxes

	<u>Income Tax Rates</u>		
128	<u>FIT=Federal Income Tax Rate</u>	<u>(Note I from ATT H-9A)</u>	<u>0.00%</u>
129	<u>SIT=State Income Tax Rate or Composite</u>	<u>(Note I from ATT H-9A)</u>	<u>0.00%</u>
130	<u>p = percent of federal income tax deductible for state purposes</u>	<u>Per State Tax Code</u>	<u>0.00%</u>
131	<u>T</u>	<u>T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =</u>	<u>0.00%</u>
132a	<u>T/(1-T)</u>		<u>0.00%</u>
132b	<u>Tax Gross-Up Factor</u>	<u>1*/(1-T)</u>	<u>1.0000</u>
	<u>ITC Adjustment</u>	<u>(Note U from ATT H-9A)</u>	

133	Investment Tax Credit Amortization	enter negative	Attachment 1A - ADIT	0
134	4/(1-T)Tax Gross-Up Factor		(Line 132b)	1.0000
135	Net Plant Allocation Factor		ATT H-9A, Line 18	#DIV/0!
1356a	ITC Adjustment Allocated to Transmission		(Line 133 * 134 * 135)	#DIV/0!
Other Income Tax Adjustment				
136ab	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	(Note T from ATT H-9A)	Attachment 5, Line 136ab	0
136be	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136be	0
136cd	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136c	0
136de	Amortization of Other Flow-Through Items - Transmission Component	(Note T from ATT H-9A)	Attachment 5, Line 136d	0
136ef	Other Income Tax Adjustments - Expense / (Benefit)		(Line 136ab + 136be + 136cd + 136de)	0
136fe	4/(1-T)Tax Gross-Up Factor		(Line 132b)	1.0000
136gh	Other Income Tax Adjustment		(Line 136f * 136g)	0
137	Income Tax Component =	$CIT=(T/(1-T)) * Investment\ Return * (1-(WCLTD/R)) =$	(Line 132a * 127 * (1-(123 / 126)))	#DIV/0!
138	Total Income Taxes		(Line 1356a + 136gh + 137)	#DIV/0!

Potomac Electric Power 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 (See Attachment 9, column h)			
11	Accumulated Common Amortization - Electric	(Note A)	p356 (See Attachment 9, column i)			
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356 (See Attachment 9, column d)			
Plant In Service						
24	Common Plant (Electric Only)	(Notes A & B)	p356 (See Attachment 9, column d)			
Accumulated Deferred Income Taxes						
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h (See Attachment 1B)			
Materials and Supplies						
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c (See Attachment 9, column c)			
Allocated General & Common Expenses						
65	Plus Transmission Lease Payments	(Note A)	p200.3.c			
67	Common Plant O&M	(Note A)	p356			

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 (See Attachment 9, column c)			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 (See Attachment 9A, column b)			
Plant In Service						
19	Transmission Plant In Service	(Note B)	p207.58.g (See Attachment 9, column b)			
24	Common Plant (Electric Only)	(Notes A & B)	p356 (See Attachment 9, column d)			
Accumulated Depreciation						
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c (See Attachment 9, column e)			

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		

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				
Directly Assigned A&G							
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b				

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				

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									
Enter Calculation									
129	SIT=State Income Tax Rate or Composite	(Note I)	0						

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	-	0	-	

Excluded Plant Cost Support

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

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 Labor-Related, General-plant-related or Common-Plant related		-	-		-	
-	Plant-Related		-	-		-	
-	Other		-	-		-	
-	Total-Transmission-Related-Reserves		-	-		-	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				To-Line	Description of the Prepayments
45	Prepayments			45	
-	5 Wages & Salary Allocator		0.000%	-	
-	Pension Liabilities, if any, in Account 242		0.000%	-	
-	Prepayments		0.000%	-	
-	Prepaid Pensions if not included in Prepayments		0.000%	-	
-				-	
-				-	

Prepayments

Attachment & Line #s, Descriptions, Notes, Form 1 Page #s and Instructions														Description of the Prepayments		
45	Prepayments	December Prior Year												End of Year December	Allocator	Allocation Factor
		January	February	March	April	May	June	July	August	September	October	November				
	Pension Liabilities, if any													#DIV/0!	Labor	
	Prepayments - DC ROW													0.00%	Excluded Other	Prepayments related to DC ROW
	Prepayments - Transmission Personal Property Tax													#DIV/0!	See Description	Prepayments related to Transmission Personal Property Tax. See "Prop taxes to function" worksheet for total Transmission assessable plant factor total Transmission property taxes/total property taxes.
	Other Prepayments-Labor													#DIV/0!	Labor	Other Prepayments - Labor
	Other Prepayments- Excluded													0.00%#DIV/0!	Labor/Excluded	Other Prepayments - Excluded
														#DIV/0!	Labor	
														#DIV/0!	Labor	
	Prepayments Monthly Balance															The December beginning year and end of year balances shall lie to Pappo's FERC Form 1, Page 111, Line 57 - Prepayments. For the months of January through November, the employment balances shall represent actual balances on Pappo's books and records.
	Prepaid Pensions if not included in Prepayments													#DIV/0!	Labor	Prepaid Pension is recorded in FERC account 198 (see FERC Form 1 page 233).
	Total Monthly Balance Included in Rates													#DIV/0!		Attachment 9 line 17-23, column f

Transmission Related Account Reserves

Attachment & Line #s, Descriptions, Notes																									
46	Transmission Related Account Reserves	December Prior Year												13 Month Average	Plant Related Reserve Amount	Allocation Plant Allocator	Amount Allocated	Labor Related Reserve Amount	Allocation Labor Allocator	Amount Allocated	2024 Transmission	Total Reserves			
		January	February	March	April	May	June	July	August	September	October	November	End of Year Balance												
	Transmission Related Account Reserves Monthly Balance																								

Note: The Formula Rate shall include a credit to rate base for all unfunded reserves funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accounts by amounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account. Each unfunded reserve will be included on lines above. The allocators in Col. (m) and Col. (n) will be the same allocators used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accounts, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.

Miscellaneous Revenue Credits	Allocator	Allocation Factor	Description
Miscellaneous Revenue Credits	- #DIV/0!	Wages & Salary	
	- 100%	100%	Transmission
	- #DIV/0!	Gross Plant Allocator	
Wages & Salary Allocator	%	#VALUE!	
100% Transmission	%	#VALUE!	
Gross Plant Allocator	%	#VALUE!	
	#DIV/0!#VALUE!		

Attachment 3 - Revenue Credit line 11a

Outstanding Network Credits Cost Support

Attachment A Line #s, Descriptions, Notes, Form I Page #s and Instructions				Outstanding Network Credits	Description of the Credits
Network Credits				Enter \$	General Description of the Credits
55	Outstanding Network Credits	(Note N)	From PJM		
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits (Enter as negative)	(Note N)	From PJM		
					Add more lines if necessary

Extraordinary Property Loss

Attachment A Line #s, Descriptions, Notes, Form I 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			#DIV/0!	#DIV/0!

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	Enter \$	General Description of the Credits
<i>Add more lines if necessary</i>				

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	-	

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		

Statements BG/BH (Present and Proposed Revenues)

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

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 Amortization	A/B	-
D	Months in Year to be Amortized		-
E	Forecasted 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	
171a	2013-14 rate period
171a	2014-15 rate period
171a	2015-16 rate period
Total	

Brandywine Fly Ash Landfill Environmental Expenses

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions	
Step 9 - Attachment 6 - Estimate and Reconciliation Worksheet - Footnote 1	\$ - Pepco shall make a negative adjustment to its transmission revenue requirement in its 2015 Annual Update in the amount of \$2,617,572, to offset the \$2,617,572 of Brandywine fly ash landfill environmental expenses included in Pepco's 2014 Annual Update ("2013 Brandywine Fly Ash Expenses"). Pepco shall not include the 2013 Brandywine Fly Ash Expenses in a future Annual Update while recovery of such expenses is being pursued from a party outside of the PJM Tariff, but once Pepco is no longer pursuing recovery of such expenses outside of the PJM Tariff, Pepco may include such costs in a future Annual Update to the extent such expenses have not been recovered outside of the PJM Tariff, subject to SMECCO's right to challenge such inclusion at that time on any grounds permitted pursuant to Attachment H-9, including the Formula Rate Implementation Protocols, as though the costs had been included in the 2014 Annual Update. Any payments to Pepco for its 2013 Brandywine Fly Ash Expenses shall not be included in any Pepco Annual Update.

Forecasted Depreciation & Amortization - Cost Support

Attachment A Line #s, Descriptions and Notes		Forecasted Amounts	Merger Costs	Non Merger Related
86	Transmission Depreciation Expense	-	-	-
87	General Depreciation	-	-	-
88	Intangible Amortization	-	-	-
92	Common Depreciation - Electric Only	-	-	-
93	Common Amortization - Electric Only	-	-	-

PBOP Expense in FERC 926

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total A&G Form 1 Amount	Account 926 Form 1 Amount	PBOP in FERC 926 current rate year	PBOP in FERC 926 prior rate year	Explanation of change in PBOP in FERC 926
68	Total A&G Total: p.323.197.b Account 926: p.323.187.b and c					

Other Income Tax Adjustments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Transmission-Related FAS 109 Amortization Expense	Remainder	Details
Attach-A Line #s	Form 1 Lines	Form 1 Page #s				
-	Income Taxes—Federal (409.1)	p114.15c	0	0	0	
-	Income Taxes—Other (409.1)	p114.16e	0	0	0	
-	Provision for Deferred Income Taxes—Other (410.1)	p114.17c	0	0	0	
-	(Less) Provision for Deferred Income Taxes—Cr. (411.1)	p114.18c	0	0	0	
				0		Total amount taken to Line 136a—See additional details, calculations, and instructions below.
	Component Descriptions	Instruction References	Transmission Depreciation Expense Amount	Tax Rate from Attachment A Line 132	Amount to Line 136a	
-	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	Instr. 1, 2, 3, 4, 7 below	\$ 0	0.00%	0	
-	Amortization of Excess/Deficient Deferred Taxes—Transmission Component	Instr. 4, 5, 7 below			0	
-	Amortization Excess/Deficient Deferred Taxes	Instr. 4, 5, 7 below			0	
-	Amortization of Other Flow-Through Items—Transmission Component	Instr. 4, 6, 7 below			0	
136a	Total Other Income Tax Adjustments to Line 136a				0	
Instr. #s	Instructions					
Instr. 1	Transmission Depreciation Expense is the gross cumulative amount based upon tax records of capitalized AFUDC equity embedded in the gross plant attributable to the transmission function multiplied by the Capital Recovery Rate (described in Instruction 2).					
Instr. 2	Capital Recovery Rate is the book depreciation rate applicable to the underlying plant assets.					
Instr. 3	"AFUDC Equity" category reflects the non-deductibility of a component of depreciation expense related to the capitalized equity portion of Allowance for Funds Used During Construction (AFUDC).					
Instr. 4	FAS-109 amortized tax expense taken directly from the Company's tax accounting records and included in the Form 1 income tax lines noted above.					
Instr. 5	Upon enactment of changes in tax law, deferred taxes are re-measured and adjusted in the Company's books of account, resulting in excess or deficient accumulated deferred taxes. Such excess or deficient deferred taxes distributed to the transmission function will be based upon tax records and calculated in the calendar year in which the excess or deficient amount was measured and recorded for financial reporting purposes. Excess/Deficient Deferrals are amortized over the remaining useful life of assets impacted by the tax rate change.					
Instr. 6	Other Flow-Through Items—In the past regulatory agencies required certain federal and state income tax savings resulting from temporary differences between the amount of taxes computed for ratemaking purposes and taxes on the amount of actual current federal income tax liability to be immediately "flowed through" rates for certain assets. The "flow-through" savings were accounted for in deferred tax balances, based on the expectation and understanding that while tax savings would be immediately flowed through to ratepayers, the flow-through expense incurred when the temporary differences reverse would be recovered from ratepayers. The "Amortization of Other Flow-Through Items" represents the transmission portion of tax expense relating to the reversal of these temporary differences.					
Instr. 7	As required by the Commission's order in ER19-906, this amount will not include amounts that could have been amortized prior to the date on which the application adding this section of the tariff is made effective, absent further Commission order.					

Other Income Tax Adjustments

Line	Component Descriptions	Instruction References	Transmission Depreciation Expense Amount	Tax Rate from Attachment H-9A, Line 131	Amount to Line 136f
136b	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	Instr. 1, 2, 3 below	\$ -	0.00%	\$ -
136c	Amortization of Excess/Deficient Deferred Taxes - Transmission Component				
136d	Amortization Excess / Deficient Deferred Taxes (Federal) - Transmission Component	Instr. 4 below			
136e	Amortization Excess / Deficient Deferred Taxes (State) - Transmission Component	Instr. 4 below			
136f	Amortization of Other Flow-Through Items - Transmission Component	Instr. 5 below			
	Total Other Income Tax Adjustments - Expense / (Benefit)				\$ -

Instr. #s	Instructions
Instr. 1	Transmission Depreciation Expense is the gross cumulative amount based upon tax records of capitalized AFUDC equity embedded in the gross plant attributable to the transmission function multiplied by the Capital Recovery Rate (described in Instruction 2).

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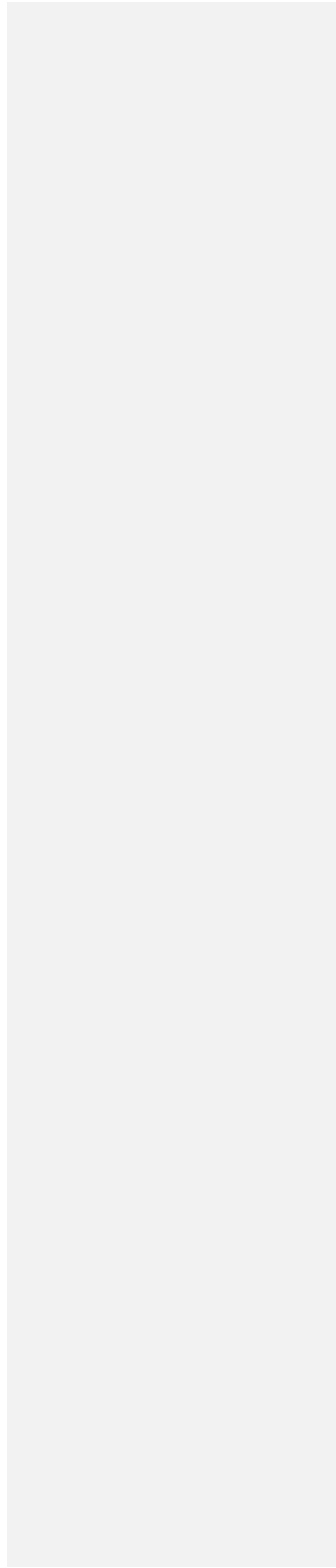
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Potomac Electric Power Company

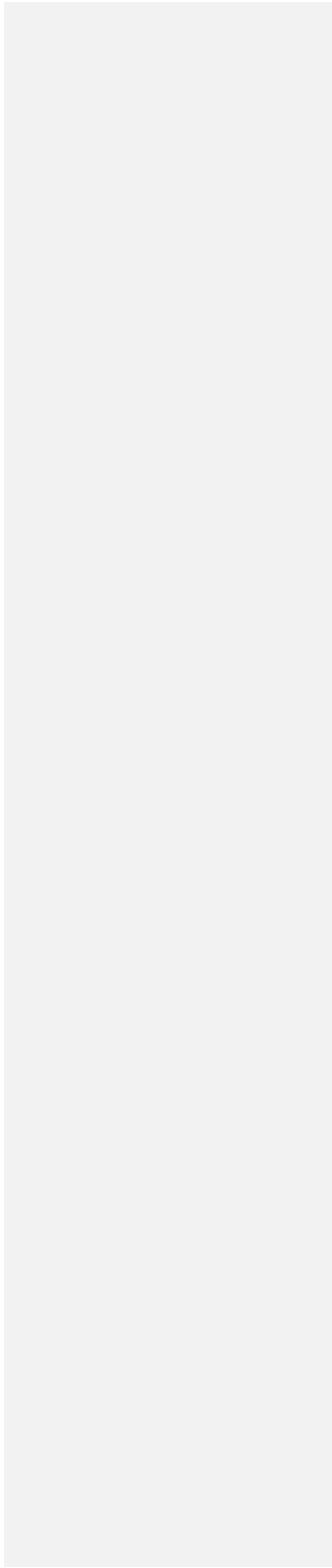
Attachment 5a - Allocations of Costs to Affiliates

|



Potomac Electric Power Company

Attachment 5b - Allocations of EBSC Costs to Affiliate



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)
- 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)

	(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 Amount (D x E)	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service
	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service	Weighting	Amount (A x E)	Amount (B x E)	Amount (C x E)	Amount (D x E)	(F / 12)	(G / 12)	(H / 12)	(I / 12)
Jan	-	-	-	-	11.5	-	-	-	-	-	-	-	-
Feb	-	-	-	-	10.5	-	-	-	-	-	-	-	-
Mar	-	-	-	-	9.5	-	-	-	-	-	-	-	-
Apr	-	-	-	-	8.5	-	-	-	-	-	-	-	-
May	-	-	-	-	7.5	-	-	-	-	-	-	-	-
Jun	-	-	-	-	6.5	-	-	-	-	-	-	-	-
Jul	-	-	-	-	5.5	-	-	-	-	-	-	-	-
Aug	-	-	-	-	4.5	-	-	-	-	-	-	-	-
Sep	-	-	-	-	3.5	-	-	-	-	-	-	-	-
Oct	-	-	-	-	2.5	-	-	-	-	-	-	-	-
Nov	-	-	-	-	1.5	-	-	-	-	-	-	-	-
Dec	-	-	-	-	0.5	-	-	-	-	-	-	-	-

Total

New Transmission Plant Additions and CWIP (weighted by months in service)

-Input to Line 21 of Appendix A
Input to Line 43a of Appendix A
Month In Service or Month for CWIP

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ _____
- Input to Formula Line 21
- 4 May Year 2 Post results of Step 3 on PJM web site
- 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)
\$ _____

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
 - 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)
 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
 7 April Year 3 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 \$- Input to Formula Line 20
 Add weighted Cap Adds actually placed in service in Year 2

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)			
	Monthly Additions Other Plant In Service	Monthly Additions Other Plant In Service	Monthly Additions MAPP CWIP	Monthly Additions MAPP In Service	Weighting	Other Plant In Service Amount (A x E)	Other Plant In Service Amount (B x E)	MAPP CWIP Amount (C x E)	MAPP In Service Amount (D x E)	Other Plant In Service (F / 12)	Other Plant In Service (G / 12)	MAPP CWIP (H / 12)	MAPP In Service (I / 12)			
Jan	-	-	-	-	11.5	-	-	-	-	-	-	-	-			
Feb	-	-	-	-	10.5	-	-	-	-	-	-	-	-			
Mar	-	-	-	-	9.5	-	-	-	-	-	-	-	-			
Apr	-	-	-	-	8.5	-	-	-	-	-	-	-	-			
May	-	-	-	-	7.5	-	-	-	-	-	-	-	-			
Jun	-	-	-	-	6.5	-	-	-	-	-	-	-	-			
Jul	-	-	-	-	5.5	-	-	-	-	-	-	-	-			
Aug	-	-	-	-	4.5	-	-	-	-	-	-	-	-			
Sep	-	-	-	-	3.5	-	-	-	-	-	-	-	-			
Oct	-	-	-	-	2.5	-	-	-	-	-	-	-	-			
Nov	-	-	-	-	1.5	-	-	-	-	-	-	-	-			
Dec	-	-	-	-	0.5	-	-	-	-	-	-	-	-			
Total	-	-	-	-	-	-	-	-	-	-	-	-	-			
New Transmission Plant Additions and CWIP (weighted by months in service)											-	-	-			
								Input to Line 21 of Appendix A						-	-	-
								Input to Line 43a of Appendix A						-	-	-
								Month In Service or Month for CWIP						-	-	-
Must run Appendix A with cap adds in line 21 & line 20																
- Result of Formula for Reconciliation (Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)																

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)			
	Monthly Additions Other Plant In Service	Monthly Additions Other Plant In Service	Monthly Additions MAPP CWIP	Monthly Additions MAPP In Service	Weighting	Other Plant In Service Amount (A x E)	Other Plant In Service Amount (B x E)	MAPP CWIP Amount (C x E)	MAPP In Service Amount (D x E)	Other Plant In Service (F / 12)	Other Plant In Service (G / 12)	MAPP CWIP (H / 12)	MAPP In Service (I / 12)			
Jan	-	-	-	-	11.5	-	-	-	-	-	-	-	-			
Feb	-	-	-	-	10.5	-	-	-	-	-	-	-	-			
Mar	-	-	-	-	9.5	-	-	-	-	-	-	-	-			
Apr	-	-	-	-	8.5	-	-	-	-	-	-	-	-			
May	-	-	-	-	7.5	-	-	-	-	-	-	-	-			
Jun	-	-	-	-	6.5	-	-	-	-	-	-	-	-			
Jul	-	-	-	-	5.5	-	-	-	-	-	-	-	-			
Aug	-	-	-	-	4.5	-	-	-	-	-	-	-	-			
Sep	-	-	-	-	3.5	-	-	-	-	-	-	-	-			
Oct	-	-	-	-	2.5	-	-	-	-	-	-	-	-			
Nov	-	-	-	-	1.5	-	-	-	-	-	-	-	-			
Dec	-	-	-	-	0.5	-	-	-	-	-	-	-	-			
Total	-	-	-	-	-	-	-	-	-	-	-	-	-			
New Transmission Plant Additions and CWIP (weighted by months in service)											-	-	-			
								Input to Line 21 of Appendix A						-	-	-
								Input to Line 43a of Appendix A						-	-	-
								Month In Service or Month for CWIP						-	-	-

Input to Line 21 of Appendix A
 Input to Line 43a of Appendix A
 Month In Service or Month for CWIP

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)

Footnote 1: See Attachment 5-- Cost Support in regards to Brandy Expenses

The Reconciliation in Step 7

The forecast in Prior Year

=

Interest on Amount of Refunds or Surecharges

Interest rate pursuant to 35.19a for March of the Current Yr

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	-	0.0000%	11.5	--	
Jul	Year 1	-	0.0000%	10.5	--	
Aug	Year 1	-	0.0000%	9.5	--	
Sep	Year 1	-	0.0000%	8.5	--	
Oct	Year 1	-	0.0000%	7.5	--	
Nov	Year 1	-	0.0000%	6.5	--	
Dec	Year 1	-	0.0000%	5.5	--	
Jan	Year 2	-	0.0000%	4.5	--	
Feb	Year 2	-	0.0000%	3.5	--	
Mar	Year 2	-	0.0000%	2.5	--	
Apr	Year 2	-	0.0000%	1.5	--	
May	Year 2	-	0.0000%	0.5	--	
Total						
		Balance	Interest rate from above	Amortization over Year	Rate	Balance
Jun	Year 2	-	0.0000%	-	-	-
Jul	Year 2	-	0.0000%	-	-	-
Aug	Year 2	-	0.0000%	-	-	-
Sep	Year 2	-	0.0000%	-	-	-
Oct	Year 2	-	0.0000%	-	-	-
Nov	Year 2	-	0.0000%	-	-	-
Dec	Year 2	-	0.0000%	-	-	-
Jan	Year 3	-	0.0000%	-	-	-
Feb	Year 3	-	0.0000%	-	-	-
Mar	Year 3	-	0.0000%	-	-	-
Apr	Year 3	-	0.0000%	-	-	-
May	Year 3	-	0.0000%	-	-	-
Total with interest						

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) Revenue Requirement for Year 3

\$

10 May Year 3 Post results of Step 9 on PJM web site

\$_____ Post results of Step 3 on PJM web site

Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

11 June Year 3 \$_____

Potomac Electric Power Company
Attachment 6
Project True-Up Revenue Requirement Worksheet
Potomac Electric Power Company

Line No.	(1)	(2) <u>Attachment H-9A</u> <u>Page, Line, Col.</u>	(3) <u>Transmission</u>	(4) <u>Allocator</u>
1	Gross Transmission Plant - Total	Attach 9, line 16, column b	=	
2	Net Transmission Plant - Total	Attach 9, line 16, column i	=	
	<u>O&M EXPENSE</u>			
3	Total O&M Allocated to Transmission	Attach H-9A, line 85	#DIV/0!	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	=	=
	<u>GENERAL, INTANGIBLE AND COMMON (G&C) DEPRECIATION EXPENSE</u>			
5	Total G, I & C Depreciation Expense	Attach H-9A, line 86a plus 91 plus line 96	#DIV/0!	
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	#DIV/0!	#DIV/0!
	<u>TAXES OTHER THAN INCOME TAXES</u>			
7	Total Other Taxes	Attach H-9A, line 99	#DIV/0!	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	#DIV/0!	#DIV/0!
9	Less Revenue Credits (Enter As Negative)	Attach H-9A, line 154	=	
10	Annual Allocation Factor Revenue Credits	(line 9 divided by line 1 col 3)	=	=
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10		#DIV/0!
	<u>INCOME TAXES</u>			
12	Total Income Taxes	Attach H-9A, line 138	#DIV/0!	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	=	=
	<u>RETURN</u>			
14	Return on Rate Base	Attach H-9A, line 145	#DIV/0!	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	=	=
16	Annual Allocation Factor for Return	Sum of line 13 and 15	=	=

17y											
18	Annual Totals	-	#DIV/0!	#DIV/0!	#DIV/0!	-	#DIV/0!	-	#DIV/0!	#DIV/0!	#DIV/0!

Note
Letter

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H
- B Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities. Gross plant does not include Unamortized Abandoned Plant.
- D Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.
- E Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 14. Project Depreciation Expense includes the amortization of Abandoned Plant
- F True-Up Adjustment is calculated on the Project True-up Schedule for the Rate Year
- G The Net Rev Req is the value to be used in the rate calculation under the applicable Schedule under the PJM OATT for each project.
- H The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9. The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is included in Depreciation/Amortization Expense.
- I The Competitive Bid Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate
- J Requires approval by FERC of incentive return applicable to the specified project(s)
- K All transmission facilities reflected in the revenue requirement on Attachment H-9A are to be included in this Attachment 6.
- M Facilities that provide Wholesale Distribution Service are not to be listed as projects on lines 15, the revenue requirements associated with these facilities are calculated on Attachment 11
- N When an updated projected net revenue requirement is posted due to an asset acquisition as provided for in the Protocols, the difference between the updated net revenue requirement in Col (16) and the revenues collected to date will be recovered over the remaining months of the Rate Year.
- O Zonal on line 17a refers to all projects not qualifying for regional recovery" All revenue requirements excluding projects and adjustments" on line 17a refers to all projects not qualifying for regional recovery or adjustments.
- P adjustments.

Attachment 6A
True-Up
Potomac Electric Power Company
Attachment 6A – Project True-Up

1	Rate Year being Trued-Up		Revenue Requirement Projected For Rate Year		Revenue Received ³	Actual Revenue Requirement	Annual True-Up Calculation			
	A	B	C	D	E	F	G	H	I	J
2	<u>Project Name All True-Up Items</u>	<u>PJM Project Number or Zone</u>	<u>Projected Net Revenue Requirement¹</u>	<u>% of Total Revenue Requirement</u>	<u>Revenue Received (E, Line 2) x (D)</u>	<u>Actual Net Revenue Requirement²</u>	<u>Net Under/(Over) Collection (F)-(E)</u>	<u>Prior Period Adjustment⁵</u>	<u>Interest Income (Expense)⁴</u>	<u>Total True-Up (G) + (H) + (I)</u>
3	All revenue requirements excluding projects and adjustments	N/A								
3a										
3b										
3c										
3d										
3e										
3f										
3g										
3h										
3i										
3j										
3k										
3l										
3m										
3n										
3o										
3p										
3q										
3r										
3s										
3t										
3u										
3v										
3w										
3x										
4	Total Annual Revenue Requirements (Note A)		=	=	=	=	=	=	=	=
						Monthly Interest Rate				
						Interest Income (Expense)				

Notes:
1) From Attachment 1, line 15, col. 14 for the projection for the Rate Year.

- 2) From Attachment 1, line 15, col. 14 for that project based on the actual costs for the Rate Year.
- 3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues.
 Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C.
 Column D, lines 3 are sourced from the projected revenue requirement for the year at issue.
- 4) Interest from Attachment 6.
- 5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

~~Potomac Electric Power Company~~
Attachment 6A
Project True-Up
 Potomac Electric Power Company

Prior Period Adjustments

	(a)	(b)	(c)	(d)
	Prior Period Adjustments (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)
5	-	-	-	-

6 TO calculates NITS revenues, net of true-ups, received in calendar Year 1 (e.g., 2018)

	(A)	(B)	(C) = (A) - (B) / (C) Revenues Received (net of true-ups) / Annual (net of true-ups)	(D) Monthly Weight	(E) = (C) * (D) Revenues Received (net of true-ups)
	PJM Billed Revenue Received	True-up			
9 Jan-May (Year 1)	-	-	=		=
10 June-Dec (Year 1)	-	-	=		=
11			=		=

12 TO calculates Reconciliation Revenues for Year 1 (e.g. 2018) by populating template with Year 1 actuals.

13 Jan-Dec (Year 1)	-	-	=	-
---------------------	---	---	---	---

Notes: **A** For each project or Attachment H-9A, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H-9A will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment H-9A and any Projects paid by the RTO to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6B. Column (I) adds the interest on the sum of Col.(G) and (H). Col. (J) is the sum of Col. (G), (H), and (I).

B Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The adjustment will include a gross-up for income tax purpose, as appropriate. -The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.

Potomac Electric Power Company
Attachment 6B – True-Up Interest Rate

	<u>Month (Note A)</u>	<u>[A]</u> FERC Monthly Interest Rate
<u>1</u>	<u>January</u>	-
<u>2</u>	<u>February</u>	-
<u>3</u>	<u>March</u>	-
<u>4</u>	<u>April</u>	-
<u>5</u>	<u>May</u>	-
<u>6</u>	<u>June</u>	-
<u>7</u>	<u>July</u>	-
<u>8</u>	<u>August</u>	-
<u>9</u>	<u>September</u>	-
<u>10</u>	<u>October</u>	-
<u>11</u>	<u>November</u>	-
<u>12</u>	<u>December</u>	-
<u>13</u>	<u>January</u>	-
<u>14</u>	<u>February</u>	-
<u>15</u>	<u>March</u>	-
<u>16</u>	<u>April</u>	-
<u>17</u>	<u>May</u>	-
<u>18</u>	<u>Average of lines 1-17 above</u>	<u>#DIV/0!</u>

Note A:

(1) The FERC Quarterly Interest Rate in column [A] is the interest applicable to the Month indicated.

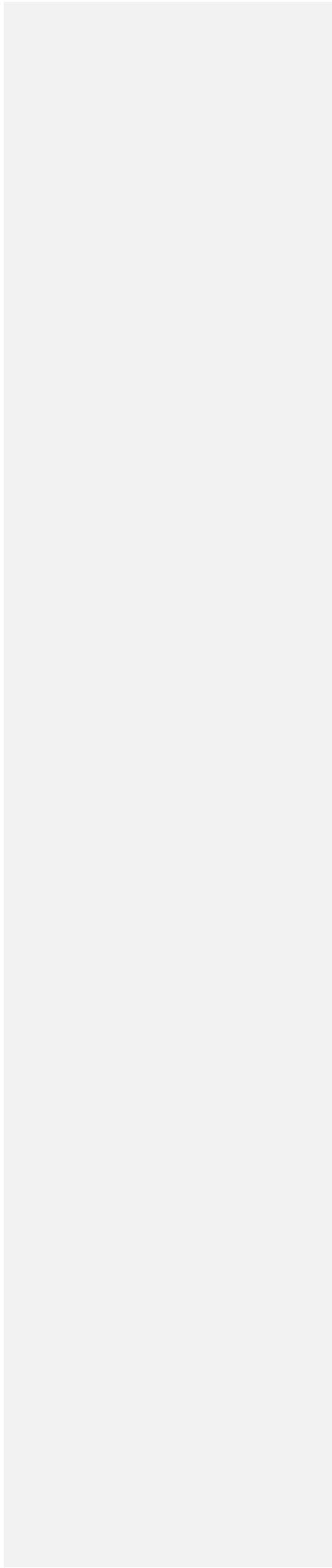
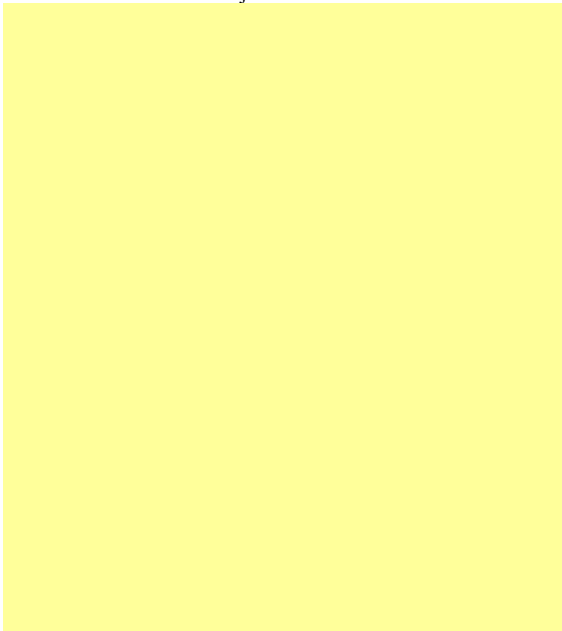
19 Year

<u>20</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
	-	-	-	-	-	-
	<u>Project Name</u>	<u>RTO Project Number or Zonal</u>	<u>Amount</u>	<u>17 Months</u>	<u>Monthly Interest Rate</u>	<u>Interest</u>
			<u>Attachment 6A,</u>		<u>Line 18 above</u>	<u>Col. C x Col D</u>
			<u>Col. G + Col H</u>			<u>x Col E</u>
<u>21</u>	-	-	-	-	-	-
<u>21a</u>	-	-	-	-	-	-
<u>21b</u>	-	-	-	-	-	-
<u>21c</u>	-	-	-	-	-	-
<u>21d</u>	-	-	-	-	-	-
<u>21e</u>	-	-	-	-	-	-
<u>21f</u>	-	-	-	-	-	-
<u>21g</u>	-	-	-	-	-	-
<u>21h</u>	-	-	-	-	-	-
<u>21i</u>	-	-	-	-	-	-
<u>21j</u>	-	-	-	-	-	-
<u>21k</u>	-	-	-	-	-	-
<u>21l</u>	-	-	-	-	-	-
<u>21m</u>	-	-	-	-	-	-
<u>21n</u>	-	-	-	-	-	-
<u>21o</u>	-	-	-	-	-	-
<u>21p</u>	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>Total</u>	-	-	-	-	-

Potomac Electric Power 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



Potomac Electric Power Company
Attachment 9 – Rate Base Worksheet

Line No	Month (a)	Projected-Gross Plant In Service			Projected-Accumulated Depreciation			Projected-Accumulated Amortization		Projected-Net Plant In Service		
		Transmission (b)	General & Intangible (c)	Common (d)	Transmission (e)	General (f)	Common (g)	Intangible (h)	Common (i)	Transmission (j)	General & Intangible (k)	Common (l)
	Attachment H-9A, Line No:	19	23	24	30	31	12	10	11			
		<u>207.58.g minus 207.57.g. Projected monthly balances that are the amounts expected to be included in 207.58.g for end of year and records for other months (Note I)</u>	<u>207.99.g minus 207.98.g for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>Projected monthly balances that are expected to be included in 219.25.c for end of year and records for other months (Note I)</u>	<u>219.28.c for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>200.21c for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>Col. (b) - Col. (c)</u>	<u>Col. (c) - Col. (f) - Col. (h)</u>	<u>Col. (d) - Col. (g) - Col. (i)</u>
1	December Prior Year											
2	January											
3	February											
4	March											
5	April											
6	May											
7	June											
8	July											
9	August											
10	September											
11	October											
12	November											
13	December											
14	Average of the 13 Monthly Balances (Attachment 9A) Less Merger Cost to Achieve (Attachment 10)											
15	Average of the 13 Monthly Balances Less Merger Cost to Achieve											
16												

(Note K)

Potomac Electric Power Company
Attachment 9 – Rate Base Worksheet

Adjustments to Rate Base

Line No	Month	CWIP CWIP in Rate Base (b)	PHFU Held for Future Use (c)	Materials & Supplies (d)	Undistributed Stores Expense (e)	Prepayments (f)	Unamortized Regulatory Asset (g)	Unamortized Abandoned Plant (h)	Account No. 282	Account No. 283	Account No. 190	Account No. 255
									Accumulated Deferred Income Taxes (Note D) (i)	Accumulated Deferred Income Taxes (Note D) (i)	Accumulated Deferred Income Taxes (Note D) (k)	Accumulated Deferred Investment Credit (l)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(i)	(k)	(l)
	Attachment H-9A, Line No:	43a	28	49 227.8.c + 227.5.c (See Att H-9A Note AA Y) for end of year, records for other months	47 (227.16.c * Labor Ratio) for end of year, records for other months	45		43b				
		(Note C)	214 for end of year, records for other months			Notes J	Notes A & E	Notes B & F	Attachment 1	Attachment 1	Attachment 1	Attachment 1
17	December Prior Year	=	=	-	=	-	=	-	-	-	-	-
18	January	=	=	-	=	-	=	-	-	-	-	-
19	February	=	=	-	=	-	=	-	-	-	-	-
20	March	=	=	-	=	-	=	-	-	-	-	-
21	April	=	=	-	=	-	=	-	-	-	-	-
22	May	=	=	-	=	-	=	-	-	-	-	-
23	June	=	=	-	=	-	=	-	-	-	-	-
24	July	=	=	-	=	-	=	-	-	-	-	-
25	August	=	=	-	=	-	=	-	-	-	-	-
26	September	=	=	-	=	-	=	-	-	-	-	-
27	October	=	=	-	=	-	=	-	-	-	-	-
28	November	=	=	-	=	-	=	-	-	-	-	-
29	December	=	=	-	=	-	=	-	-	-	-	-
30	Average of the 13 Monthly Balances (except ADIT - see Attachment 1)	=	=	=	=	=	=	=	=	=	=	=

Notes:

- A Recovery of regulatory asset or any associated amortization expenses is limited to any regulatory assets authorized by FERC.
- B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 7 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base;
- C (ii) the CWIP balance ineligible for inclusion in rate base; and
(iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.
- D ADIT and Accumulated Deferred Income Tax Credits are computed using the average of the beginning of the year and the end of the year balances. The projection will use line 108 of Attachment 4a to populate the average ADIT balance on line 28 above.
- E Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the weighted cost of capital will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.
- G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocators in Col. (g) and Col. (m) will be the same allocators used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- H Calculate using 13 month average balance, except ADIT.
- I Projected balances are for the calendar year the revenue under this formula begins to be charged.
- J From Attachment 5, line 45 column F for the end of year balance and records for other months.
- K In the true-up calculation, actual monthly balance records are used.

Potomac Electric Power Company
Attachment 9A – Gross Plant in Service and Accumulated Depreciation (Less Asset Retirement Obligations)

(Note A)		Projected-Gross Plant In Service				Projected-Asset Retirement Obligations				Projected-Gross Plant in Service Less Asset Retirement Obligations			
Line No	Month	Total Plant in Service	Transmission	General & Intangible	Common	Total Plant in Service	Transmission	General & Intangible	Common	Total Plant in Service	Transmission	General	Common
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	Attachment H-9A, Line No:	p207.104.g. Projected monthly balances that are the amounts expected to be included in 207.104.g for end of year and records for other months				207.57.g. + 207.74.g. + 207.83.g. + 207.98.g. Projected monthly balances that are the amounts expected to be included in 207.57.g. + 207.74.g. + 207.83.g. + 207.98.g. for end of year and records for other months				207.99.g. plus 205.5.g. for end of year, records for other months Electric Only, Form No 1, page 356 for end of year, records for other months 207.98.g. for end of year, records for other months Electric Only, Form No 1, page 356 for end of year, records for other months			
										Col. (b) - Col. (f)	Col. (c) - Col. (g)	Col. (d) - Col. (h)	Col. (e) - Col. (i)
1	December Prior Year	-	-	-	-	=	-	-	-	=	=	=	=
2	January	-	-	-	-	=	-	-	-	=	=	=	=
3	February	-	-	-	-	=	-	-	-	=	=	=	=
4	March	-	-	-	-	=	-	-	-	=	=	=	=
5	April	-	-	-	-	=	-	-	-	=	=	=	=
6	May	-	-	-	-	=	-	-	-	=	=	=	=
7	June	-	-	-	-	=	-	-	-	=	=	=	=
8	July	-	-	-	-	=	-	-	-	=	=	=	=
9	August	-	-	-	-	=	-	-	-	=	=	=	=
10	September	-	-	-	-	=	-	-	-	=	=	=	=
11	October	-	-	-	-	=	-	-	-	=	=	=	=
12	November	-	-	-	-	=	-	-	-	=	=	=	=
13	December	-	-	-	-	=	-	-	-	=	=	=	=
14	Average of the 13 Monthly Balances	-	-	-	-	=	-	-	-	=	=	=	=

- #DIV/0!

Potomac Electric Power Company
Attachment 9A – Gross Plant in Service and Accumulated Depreciation (Less Asset Retirement Obligations)

Line No	Month (a)	<u>Projected Accumulated Depreciation</u>				<u>Projected Asset Retirement Obligations</u>				<u>Projected Accumulated Depreciation Less Asset Retirement Obligations</u>			
		<u>Total Plant in Service (b)</u>	<u>Transmission (c)</u>	<u>General (d)</u>	<u>Common (e)</u>	<u>Total Plant in Service (f)</u>	<u>Transmission (g)</u>	<u>General (h)</u>	<u>Common (i)</u>	<u>Total Plant in Service (j)</u>	<u>Transmission (k)</u>	<u>General (l)</u>	<u>Common (m)</u>
		<u>219.29.c Projected monthly balances that are the amounts expected to be included in 219.29.c for end of year and records for other months</u>	<u>219.25.c Projected monthly balances that are the amounts expected to be included in 219.25.c for end of year and records for other months</u>	<u>219.28c for end of year, records for other months</u>	<u>200.21c for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>219.29.c Projected monthly balances that are the amounts expected to be included in 219.29.c for end of year and records for other months</u>	<u>219.25.c Projected monthly balances that are the amounts expected to be included in 219.25.c for end of year and records for other months</u>	<u>219.28c for end of year, records for other months</u>	<u>200.21c for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>	<u>Electric Only, Form No 1, page 356 for end of year, records for other months</u>
15	December Prior Year	-	-	-	-	=	-	-	-	=	=	=	=
16	January	-	-	-	-	=	-	-	-	=	=	=	=
17	February	-	-	-	-	=	-	-	-	=	=	=	=
18	March	-	-	-	-	=	-	-	-	=	=	=	=
19	April	-	-	-	-	=	-	-	-	=	=	=	=
20	May	-	-	-	-	=	-	-	-	=	=	=	=
21	June	-	-	-	-	=	-	-	-	=	=	=	=
22	July	-	-	-	-	=	-	-	-	=	=	=	=
23	August	-	-	-	-	=	-	-	-	=	=	=	=
24	September	-	-	-	-	=	-	-	-	=	=	=	=
25	October	-	-	-	-	=	-	-	-	=	=	=	=
26	November	-	-	-	-	=	-	-	-	=	=	=	=
27	December	-	-	-	-	=	-	-	-	=	=	=	=
28	Average of the 13 Monthly Balances	- #DIV/0!	- #DIV/0!	-	-	=	-	-	-	=	=	=	=

Potomac Electric Power Company
Attachment 9A – Gross Plant in Service and Accumulated Depreciation (Less Asset Retirement Obligations)

		<u>Projected Accumulated Depreciation & Amortization Less Projected Asset Retirement Obligations</u>					
<u>Line No</u>	<u>Month</u>	<u>Total Plant in Service</u>	<u>Transmission</u>	<u>General Depreciation</u>	<u>Intangible Amortization</u>	<u>Common Depreciation</u>	<u>Common Amortization</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>	<u>(f)</u>	<u>(g)</u>
	Attachment H-9A, Line No:	9	30	31	32	12	11
		Col. (b) - Col. (h)	Col. (c) - Col. (i)	Col. (d) - Col. (j)	Col. (e) - Col. (k)	Col. (f) - Col. (l)	Col. (g) - Col. (m)
29	December Prior Year					=	=
30	January					=	=
31	February					=	=
32	March					=	=
33	April					=	=
34	May					=	=
35	June					=	=
36	July					=	=
37	August					=	=
38	September					=	=
39	October					=	=
40	November					=	=
41	December					=	=
42	Average of the 13 Monthly Balances					=	=

Note:

A In the true-up calculation, actual monthly balance records are used.

Potomac Electric Power Company
Attachment 10 – Merger Costs

	(a)	(b)	(c)	(d)	...	(x)
<u>O&M Cost To Achieve</u>						
FERC Account		Total	Allocation to Trans.	-		Total
1	Transmission O&M					
2	A&G					
4	Total					
5						
6	<u>Depreciation & Amortization Expense Cost To Achieve</u>					
7	FERC Account	Total	Allocation to Trans.	-		Total
8	General Plant					
9	Intangible Plant					
11	Total					

	<u>Capital Cost To Achieve included in the General and Intangible Plant</u>	<u>General</u>	<u>Intangible</u>	<u>Total</u>
12	<u>Gross Plant</u>			
12	December Prior Year			
13	January			
14	February			
15	March			
16	April			
17	May			
18	June			
19	July			
20	August			
21	September			
22	October			
23	November			
24	December			
25	Average			

	<u>Accumulated Depreciation</u>	<u>General</u>	<u>Intangible</u>	<u>Total</u>
26	December Prior Year			
27	January			
28	February			
29	March			
30	April			
31	May			
32	June			
33	July			
34	August			
35	September			
36	October			
37	November			
38	December			
39	Average			

Potomac Electric Power Company
Attachment 10 – Merger Costs

	(a)	(c)	(d)	(e)	(...)	(x)
	<u>Net Plant = Gross Plant Minus Accumulated Depreciation from above</u>					<u>Total</u>
40	<u>December Prior Year</u>	-	=	=	=	\$ -
41	<u>January</u>	-	=	=	=	\$ -
42	<u>February</u>	-	=	=	=	\$ -
43	<u>March</u>	-	=	=	=	\$ -
44	<u>April</u>	-	=	=	=	\$ -
45	<u>May</u>	-	=	=	=	\$ -
46	<u>June</u>	-	=	=	=	\$ -
47	<u>July</u>	-	=	=	=	\$ -
48	<u>August</u>	-	=	=	=	\$ -
49	<u>September</u>	-	=	=	=	\$ -
50	<u>October</u>	-	=	=	=	\$ -
51	<u>November</u>	-	=	=	=	\$ -
52	<u>December</u>	-	=	=	=	\$ -
53	<u>Average</u>	-	=	=	=	-

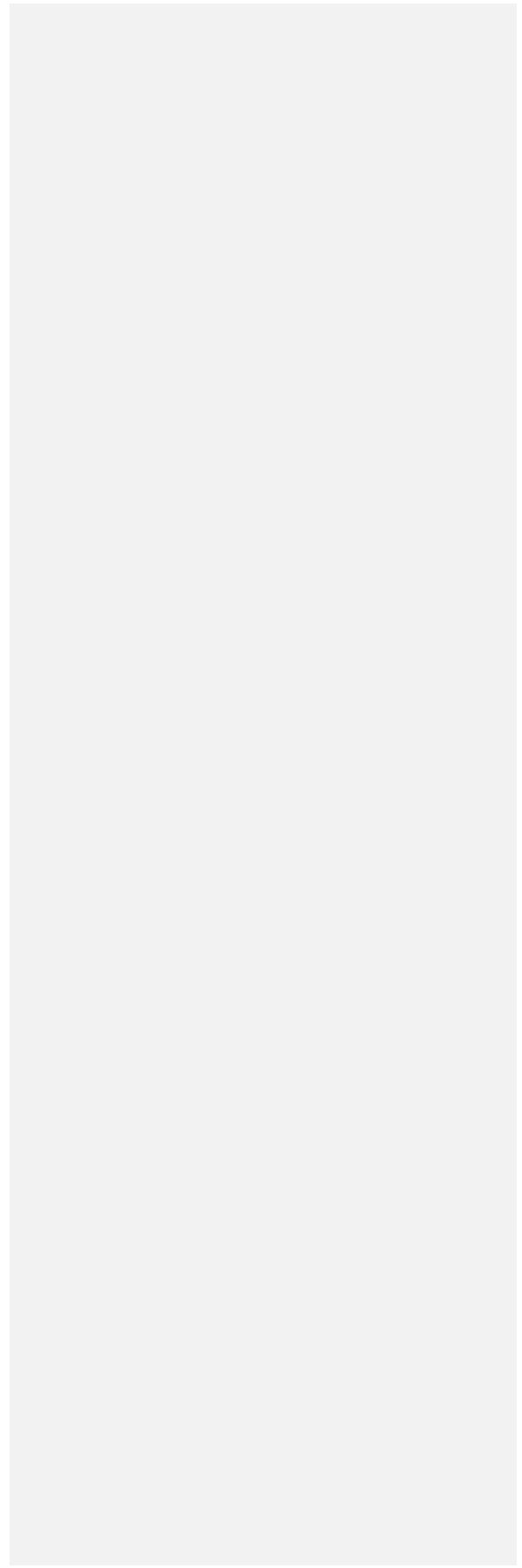
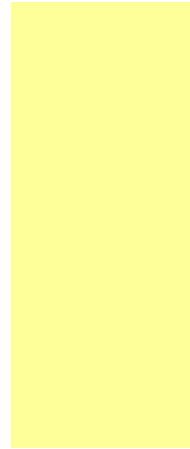
	<u>Depreciation (Monthly Change of Accumulated Depreciation from above)</u>					<u>Total</u>
54	<u>January</u>	-				\$ -
55	<u>February</u>	-				\$ -
56	<u>March</u>	-				\$ -
57	<u>April</u>	-				\$ -
58	<u>May</u>	-				\$ -
59	<u>June</u>	-				\$ -
60	<u>July</u>	-				\$ -
61	<u>August</u>	-				\$ -
62	<u>September</u>	-				\$ -
63	<u>October</u>	-				\$ -
64	<u>November</u>	-				\$ -
65	<u>December</u>	-				\$ -
66	<u>Total</u>	-				\$ -

(a)

(b)

Capital Cost To Achieve included in Total Electric Plant in Service

- 67 December Prior Year
- 68 January
- 69 February
- 70 March
- 71 April
- 72 May
- 73 June
- 74 July
- 75 August
- 76 September
- 77 October
- 78 November
- 79 December
- 80 Average



Potomac Electric Power Company
Attachment 11A - O&M Workpaper

		(a)	(b)	(c)
		321.83.b to 321.112.b		
		Total	Non-Recoverable	Directly Assigned
1	Operation, Supervision & Engineering	560.0	\$ -	\$ -
2	Load Dispatch-Reliability	561.1	-	\$ -
3	Load Dispatch-Monitor & Oper Tran Sys	561.2	-	\$ -
4	Load Dispatch-Trans Svc & Scheduling	561.3	-	\$ -
5	Scheduling, Sys Control & Dispatch Svc	561.4	-	\$ -
6	Reliability Planning & Standards Devel	561.5	-	\$ -
7	Transmission Service Studies	561.6	-	\$ -
8	Generation Interconnection Studies	561.7	-	\$ -
9	Reliability Planning & Standard Devel	561.8	-	\$ -
10	Station Expenses	562.0	-	\$ -
11	Overhead Line Expenses	563.0	-	\$ -
12	Underground Line Expenses	564.0	-	\$ -
13	Transmission of Electricity by Others	565.0	-	\$ -
14	Miscellaneous Transmission Expenses	566.0	-	\$ -
15	Rents	567.0	-	\$ -
16	Maintenance, Supervision & Engineering	568.0	-	\$ -
17	Maintenance of Structures	569.0	-	\$ -
18	Maintenance of Computer Hardware	569.1	-	\$ -
19	Maintenance of Computer Software	569.2	-	\$ -
20	Maintenance of Communication Equipment	569.3	-	\$ -
21	Maintenance of Misc Regional Transmission Plant	569.4	-	\$ -
22	Maintenance of Station Equipment	570.0	-	\$ -
23	Maintenance of Overhead Lines	571.0	-	\$ -
24	Maintenance of Underground Lines	572.0	-	\$ -
25	Maintenance of Misc Transmission Plant	573.0	-	\$ -
26	Transmission Expenses - Total (Sum of lines 1-25)	\$ -	\$ -	\$ -
27	Transmission O&M		Total	-

Potomac Electric Power Company
Attachment 11B - A&G Workpaper

		(a)	(b)	(c)	(d)	(e)
		323.181.b to 323.196.b				
		Total	S&W Allocation	Net Plant Allocation	Non-Recoverable	Directly Assigned
1	<u>Administrative and General Salaries</u>	920.0	\$ -			\$ -
2	<u>Office Supplies and Expenses</u>	921.0	-			-
3	<u>Administrative Expenses Transferred-Credit</u>	922.0	-			-
4	<u>Outside Service Employed</u>	923.0	-			-
5	<u>Property Insurance</u>	924.0	-			-
6	<u>Injuries and Damages</u>	925.0	-			-
7	<u>Employee Pensions and Benefits</u>	926.0	-			-
8	<u>Franchise Requirements</u>	927.0	-			-
9	<u>Regulatory Commission Expenses</u>	928.0	-			-
10	<u>Duplicate Charges-Credit</u>	929.0	-			-
11	<u>General Advertising Expenses</u>	930.1	-			-
12	<u>Miscellaneous General Expenses</u>	930.2	-			-
13	<u>Rents</u>	931.0	-			-
14	<u>Maintenance of General Plant</u>	935	\$ -			\$ -
15	<u>Administrative & General - Total (Sum of lines 1-14)</u>	\$ -	\$ -	\$ -	\$ -	\$ -
16		<u>Allocation Factor</u>	0.00%	0.00%	0.00%	100.00%
17		<u>Transmission A&G ¹</u>	-	-	-	-
18					<u>Total ²</u>	<u>\$0</u>

¹ Multiply total amounts on line 15, columns (b)-(e) by allocation factors on line 16.

² Sum of line 17, columns (b), (c), (d), (e).

Potomac Electric Power Company
Attachment 12 - Depreciation Rates

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>
<u>Number</u>	<u>Plant Type</u>	<u>Applied Depreciation Rate</u>
<u>Electric Transmission</u>		
<u>350.2 - ALLOCABLE</u>	<u>Land and Land Rights</u>	
<u>352 - ALLOCABLE</u>	<u>Structures and Improvements</u>	
<u>352.1 - DC</u>	<u>Structures and Improvements</u>	
<u>352.2 - MD</u>	<u>Structures and Improvements</u>	
<u>352.3 - SMECO</u>	<u>Structures and Improvements</u>	
<u>353 - ALLOCABLE</u>	<u>Station Equipment</u>	
<u>353.1 - DC</u>	<u>Station Equipment</u>	
<u>353.2 - MD</u>	<u>Station Equipment</u>	
<u>353.3 - SMECO</u>	<u>Station Equipment</u>	
<u>354 - ALLOCABLE</u>	<u>Towers and Fixtures</u>	
<u>354.1 - DC</u>	<u>Towers and Fixtures</u>	
<u>354.2 - MD</u>	<u>Towers and Fixtures</u>	
<u>354.3 - SMECO</u>	<u>Towers and Fixtures</u>	
<u>355 - ALLOCABLE</u>	<u>Poles and Fixtures</u>	
<u>355.1 - DC</u>	<u>Poles and Fixtures</u>	
<u>355.2 - MD</u>	<u>Poles and Fixtures</u>	
<u>355.3 - SMECO</u>	<u>Poles and Fixtures</u>	
<u>356 - ALLOCABLE</u>	<u>Overhead Conductors and Devices</u>	
<u>356.1 - DC</u>	<u>Overhead Conductors and Devices</u>	
<u>356.2 - MD</u>	<u>Overhead Conductors and Devices</u>	
<u>356.3 - SMECO</u>	<u>Overhead Conductors and Devices</u>	
<u>357 - ALLOCABLE</u>	<u>Underground Conduit</u>	
<u>357.1 - DC</u>	<u>Underground Conduit</u>	
<u>357.2 - MD</u>	<u>Underground Conduit</u>	
<u>357.3 - SMECO</u>	<u>Underground Conduit</u>	
<u>358 - ALLOCABLE</u>	<u>Underground Conductors and Devices</u>	
<u>358.1 - DC</u>	<u>Underground Conductors and Devices</u>	
<u>358.2 - MD</u>	<u>Underground Conductors and Devices</u>	
<u>358.3 - SMECO</u>	<u>Underground Conductors and Devices</u>	
<u>359 - ALLOCABLE</u>	<u>Roads and Trails</u>	
<u>359.1 - DC</u>	<u>Roads and Trails</u>	
<u>359.2 - MD</u>	<u>Roads and Trails</u>	
<u>359.3 - SMECO</u>	<u>Roads and Trails</u>	
<u>Electric General</u>		
<u>390 - ALLOCABLE</u>	<u>Structures and Improvements</u>	
<u>390 - DC</u>	<u>Structures and Improvements</u>	
<u>390 - MD</u>	<u>Structures and Improvements</u>	
<u>390 - SMECO</u>	<u>Structures and Improvements</u>	
<u>391.1 - ALLOCABLE</u>	<u>Office Furniture and Equipment</u>	
<u>391.1 - DC</u>	<u>Office Furniture and Equipment</u>	
<u>391.1 - MD</u>	<u>Office Furniture and Equipment</u>	
<u>391.3 - ALLOCABLE</u>	<u>Office Furniture and Equipment</u>	
<u>391.3 - DC</u>	<u>Office Furniture and Equipment</u>	
<u>391.3 - MD</u>	<u>Office Furniture and Equipment</u>	
<u>393 - DC</u>	<u>Stores Equipment</u>	
<u>393 - MD</u>	<u>Stores Equipment</u>	
<u>394 - DC</u>	<u>Tools, Shop, Garage Equipment</u>	
<u>394 - MD</u>	<u>Tools, Shop, Garage Equipment</u>	
<u>395 - DC</u>	<u>Laboratory Equipment</u>	
<u>395 - MD</u>	<u>Laboratory Equipment</u>	
<u>396 - ALLOCABLE</u>	<u>Power Operated Equipment</u>	
<u>397 - ALLOCABLE</u>	<u>Communication Equipment</u>	
<u>397 - DC</u>	<u>Communication Equipment</u>	
<u>397 - MD</u>	<u>Communication Equipment</u>	
<u>397 - SMECO</u>	<u>Communication Equipment</u>	
<u>397.1 - ALLOCABLE</u>	<u>Communication Equipment</u>	
<u>397.1 - MD</u>	<u>Communication Equipment</u>	
<u>397.3 - DC</u>	<u>Communication Equipment</u>	

[397.3 - MD](#) [Communication Equipment](#)
[398 - DC](#) [Miscellaneous Equipment](#)
[398 - MD](#) [Miscellaneous Equipment](#)

Electric Intangible

[302](#) [Franchises and Consents](#)
[303](#) [Miscellaneous Intangible Plant](#)
[303.1](#) [2-year plant](#)
[303.2](#) [3-year plant](#)
[303.3](#) [4-year plant](#)
[303.4](#) [5-year plant](#)
[303.5](#) [7-year plant](#)
[303.6](#) [10-year plant](#)
[303.7](#) [12-year plant](#)
[303.8](#) [15-year plant](#)

[Note:](#) [Depreciation and amortization rates as approved by FERC in Docket #](#)

EXHIBIT C
OATT Attachment H-9B (Protocols)

ATTACHMENT H-9B
FORMULA RATE IMPLEMENTATION PROTOCOLS

Section 1 Definitions

For purposes of these Protocols:

- a. “interested party” or “interested parties” refers to any customer or entity that is or may become a customer taking transmission service under Potomac Electric Power Company’s (“Pepco”) Formula Rate, any party to any docket number assigned by the Federal Energy Regulatory Commission (“FERC”) for Pepco’s Annual Update, any retail regulator or any official consumer advocate in Pepco’s PJM transmission rate zone, any state attorney general and any entity with standing under section 206 of the Federal Power Act (“FPA”).
- b. “Errors” or “mistakes” refer to calculation error(s) in the formula rate, formula rate input error(s), and errors reported in the FERC Form No. 1.

Section 2 Annual Updates

- a. On an annual basis, Pepco shall calculate its Annual Transmission Revenue Requirements (“ATRR”) applicable under Attachment H and the Network Integration Transmission Service and Point-to-Point rates derived therefrom. The ATRR shall be applicable to the rate year from June 1 of a given calendar year through May 31 of the subsequent calendar year (the “Rate Year”) and will be submitted as part of Pepco’s Annual Update on or before May 15 of each year.
- b. The Annual Update shall include: a) a populated formula rate template reflecting the Projected Annual Transmission Revenue Requirement (“PTRR”) which shall be labeled “Attachment H-9A-PTRR” and b) a populated formula rate template reflecting the True-Up Adjustment (“True-Up TRR”), which shall be labeled “Attachment H-9A-True-Up” as further described in Section 6 for the immediately preceding calendar year (“True-Up Year”). The ATRR will incorporate: 1) the PTRR; and 2) the True-Up TRR for the preceding Rate Year.
- c. For each Annual Update, Pepco shall:
 - 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) submit such Annual Update with the FERC as an informational filing.
- d. If the date for making the Annual Update posting/filing should fall on a weekend or a holiday recognized by the FERC, then the posting/filing shall be due on the next business day.

- e. The date on which the last of the events listed in Section 2.b. or 2.c. occurs shall be that year's "Publication Date." Any delay past May 15 of each year of the Publication Date shall result in an equivalent extension of time for the submission of information requests and challenges.

- f. Pepco shall hold an Annual Meeting among interested parties (“Annual Meeting”) no later than forty-five (45) days after the Publication Date. Pepco shall e-mail the Service List¹ and cause to be posted on PJM’s internet website notification of the time, date, and location of the Annual Meeting at least fourteen (14) days before the Annual Meeting. The Annual Meeting shall provide interested parties an opportunity to seek information and clarification regarding the Annual Update, including input data and cost detail. Pepco shall accommodate interested parties that wish to participate in the Annual Meeting via teleconference or webinar. At the Annual Meeting, Pepco will provide a summary of the year-over-year results of the Annual Update, to accompany further discussion of key drivers of the ATRR. The written narrative summary will include, at a minimum, a comparison of the total operation and maintenance expense, post-retirement benefits other than pensions (“PBOP”) expense, depreciation expense, rate base, return on rate base, income taxes, annual peak load, and revenue credits contained in the Annual Update with the corresponding values included in the prior year’s Annual Update.
- g. The True-Up TRR submitted as part of each Annual Update:
- i) shall, as specified in Attachment H, be based upon Pepco’s FERC Form No. 1 data or other verifiable data for the most recent calendar year and shall be based upon Pepco’s books and records consistent with FERC’s accounting policies;
 - ii) shall, as and to the extent specified in the Formula Rate, identify in the Formula Rate Spreadsheets a reconciliation of data that are not available in the FERC Form No. 1;
 - iii) shall include the following:
 - (a.) a fully functioning Excel spreadsheet “Attachment H-9A-True-Up” with formulas intact for that year’s True-Up Adjustment TRR;
 - 1. The revenue requirements for the True-Up TRR will use:
 - (a) 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;
 - (b) 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves;
 - (c) Historical calendar year balances for expense items.
- h. The PTRR filed as part of each Annual Update:
- i.) shall use the same inputs as in the True-Up TRR filed as part of that year’s Annual Update, except that:

- (a.) it will use projected 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;
 - (b.) the projected revenue requirements calculation will use 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves; the projected revenue requirements calculation of expense items will use historical calendar year balances.
- i. Pepco shall submit with each Annual Update
 - (a.) all workpapers in their native format (e.g., Microsoft excel) fully populated with formulas intact as necessary to permit interested parties to verify that each input is consistent with the requirements of the Formula Rate and to enable any interested party to replicate the calculation of the Annual Update as implemented by Pepco;
 - (b.) supporting documentation and workpapers for the data that are used in the Annual Update that are not otherwise available in the FERC Form No. 1, including all adjustments made to the FERC Form No. 1 data in determining formula inputs;

¹ The Service List is the parties to Docket Nos. ER05-515, EL13-48, EL15-27, and ER19-1475 and interested parties that request to be added to the Service List.

- (c.) notice of any change in accounting from that in effect for the calendar year upon which the preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate (“Accounting Changes”),² including:
1. the initial implementation of an accounting standard (such as a new requirement under Generally Accepted Accounting Principles (“GAAP”) or changes to GAAP or policy, consistent with what is required to be disclosed under FERC Form No. 1;
 2. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 3. reclassifications, including mapping changes, among FERC accounts between calendar years;
 4. the correction of errors and prior period adjustments that impact the Annual Update calculation; and
 5. the implementation of new estimation methods or policies that change prior estimates.
- (d.) a worksheet identifying transmission plant in service items included in the Annual Update at an amount other than on a historic cost basis (e.g., fair value adjustments) and a narrative explanation of the individual impact of such items to the Annual Update;
- (e.) a worksheet identifying any asset retirement obligations (“ARO”) included in the Annual Update, including a citation to the FERC order approving recovery of the ARO; otherwise any such items reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update;
- (f.) a worksheet identifying any costs and expenses related to any merger or acquisition of a jurisdictional facility (including, but not limited to, acquisition premiums and goodwill) for which Pepco is subject to a hold harmless commitment that have been included in the Annual Update, including a citation to the FERC order approving the recovery of such costs and expenses; otherwise, any such costs that have been reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update, consistent with the hold harmless commitment; and

² Such notice may incorporate by reference applicable disclosure statements filed with the

Securities and Exchange Commission (“SEC”) or contained in the FERC Form 1.

- (g.) a worksheet listing all the errors and corrections agreed to by Pepco and any interested parties, or ordered by FERC, related to the previous Rate Year that have been incorporated into the current Annual Update.
- j. The Annual Update shall be subject to challenge and review in accordance with the procedures set forth in this Attachment H-9B.
- k. The Annual Update shall not seek to modify the Formula Rate and shall not be subject to challenge by seeking to modify the Formula Rate (*i.e.*, all such modifications to the Formula Rate – including return on equity – will require, as applicable, a FPA Section 205 or Section 206 filing).
- l. Formula Rate inputs for (i) rate of return on equity; (ii) depreciation rates; and (iii) “Post-Employment Benefits other than Pension” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for PBOP charges shall be stated values to be used in the rate formula until changed pursuant to an FPA Section 205 or 206 filing; provided, however, that notwithstanding the foregoing limitation, any changes in PBOP that do not exceed an impact on the formula output Network Integration Transmission Service Rate for Pepco of \$0.05 per kW per month as compared to the immediately preceding Annual Update may be included in an Annual Update without such a filing. Changes in PBOP expense that exceed this limit are subject to revision pursuant to Section 4.f.

Section 3 Annual Review Procedures

Each Annual Update shall be subject to the following review procedures (“Annual Review Procedures”):

- a. Any interested party shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended by fifteen (15) days upon the consent of Pepco to a written request for extension from one or more interested party(ies)), to review the calculations (“Review Period”) and to notify Pepco in writing of any specific challenges, including challenges related to Accounting Changes, to the application of the Formula Rate (“Preliminary Challenge”).
- b. Interested parties shall have up to one hundred twenty (120) days after each annual Publication Date (unless such period is extended with the written consent of Pepco) to serve reasonable information requests on Pepco either individually or jointly with other interested parties. Information requests shall be limited to what is necessary to determine: (i) whether Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) whether the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco’s accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) whether Pepco’s actual costs and expenditures were reasonable and prudent

(including whether such costs were incurred according to cost control methodologies); (iv) whether the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) whether the Formula Rate has been applied according to its terms, including the procedures in these Protocols; (vi) whether Pepco's accounting changes are reasonable and consistent with the Uniform System of Accounts; (vii) the effect of any accounting change on the inputs to the Formula Rate or the resulting charges under the Formula Rate; and (viii) any other information that may reasonably have substantive effect on the calculation of the ATRR pursuant to the Formula Rate. Information requests shall not be directed to ascertaining whether the Formula Rate is just and reasonable.

- c. Pepco shall make a good faith effort to respond in writing to information requests pertaining to the Annual Update within fifteen (15) business days of receipt of such requests. In the event that Pepco serves any of its responses to timely-submitted information requests more than 135 days after the Publication Date, the period for submitting a Preliminary Challenge shall be extended day for day until Pepco completes its responses to such information requests.
- d. Interested parties shall make a good faith effort to raise all issues in a Preliminary Challenge before filing a Formal Challenge. Preliminary and Formal Challenges are limited to whether: (i) Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco's accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) Pepco's actual costs and expenditures were reasonable and prudent (including whether such costs were incurred according to cost control methodologies); (iv) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) the Formula Rate has been applied according to its terms, including the procedures in these Protocols; and (vi) Pepco's Accounting Changes are reasonable and consistent with the Uniform System of Accounts.
- e. Pepco shall provide a written response to the Preliminary Challenge within twenty (20) business days after receipt of the Preliminary Challenge. Pepco shall work with the interested party that submitted the Preliminary Challenge (or its representative) toward a resolution of the challenge. Any unresolved issues shall promptly be referred to Pepco's and the interested party's senior representative(s) for resolution.
- f. Pepco shall not claim that responses to information requests provided pursuant to these Protocols that are not otherwise privileged are subject to any settlement privilege in any subsequent FERC proceeding addressing Pepco's Annual Update. Interested parties may use any information provided under these Protocols in filing Formal Challenges and complaints.

Section 4 Resolution of Challenges

- a. If Pepco and any interested party(ies) have not resolved any Preliminary Challenge to the Annual Update within sixty (60) days after the Review Period, an interested party shall have an additional thirty (30) days (unless such period is extended with the written consent of Pepco to continue efforts to resolve the Preliminary Challenge) to make a Formal Challenge with the FERC, which shall be served on Pepco by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 3 if the FERC already has initiated a proceeding to consider the Annual Update. An interested party may not file a Formal Challenge with respect to an Annual Update unless that party has filed a Preliminary Challenge with respect to that Annual Update. Failure to lodge a Formal Challenge regarding any issue as to a given Annual Update only bars pursuit of such issue with respect to that Annual Update, and in no event shall bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update. Nor shall the provisions of Section 4(e) be limited by this Section 4(a).
- b. Any response by Pepco to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- c. In any proceeding initiated by the FERC concerning the Annual Update or in response to any Formal Challenge by any interested party, Pepco shall bear the burden, consistent with Section 205 of the Federal Power Act, that it has correctly applied the terms of the Formula Rate consistent with these Protocols, and that it followed the applicable requirements and procedures of the Formula Rate in that year's Annual Update. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- d. The time period for any entity to make changes to or challenges to an Annual Update shall be governed by the Formula Rate Protocols that were in effect on the Publication Date for the Annual Update (e.g., the time period for any entity to make changes or challenges to Pepco's May 15, 2014 Annual Update is governed by Section 3(d) of the Formula Rate Protocols that were in effect on that date).
- e. Nothing in these Protocols limits interested parties from challenging the inputs to, or the implementation of, the Formula Rate at whatever time errors are discovered.
- f. Pepco may, at its discretion and at a time of its choosing, make a limited, single issue filing, pursuant to Section 205 to modify the stated values in the Formula Rate for amortization and depreciation rates or PBOP expense. All parties reserve the right to contest such filing(s), but the sole issue in any such limited Section 205 proceeding shall be whether such proposed change is just and reasonable, and it shall not address other aspects of the Formula Rate.

- g. Except as specifically provided herein and in the Settlement Agreement dated March 20, 2006, in FERC Docket No. ER05-515 (including the moratorium provisions thereof), nothing herein shall be deemed to limit in any way the right of Pepco to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, changes to the Formula Rate or any of its inputs (including, but not limited to, rate of return on equity and Transmission Incentive Mechanisms) or the right of any other party to request such changes pursuant to Section 206 of the FPA and the regulations thereunder.

Section 5 Changes to Annual Updates

- a. Any changes to the data inputs, including but not limited to revisions to Pepco's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) shall be made in the event that the Formula Rate is replaced by a stated rate for Pepco pursuant to a proceeding under section 205 or 206 of the FPA.
- b. Pepco shall notify parties listed on the Service List of amendments filed to their FERC Form No. 1 after the filing of the Annual Update.

Section 6 Calculation of True-up Adjustment

- a. The Attachment H-9A-True-Up shall include the actual transmission revenues received in the previous calendar year ("True-Up Year") compared to the actual net revenue requirement (calculated in accordance with the Formula Rate) for the True-Up Year as determined using the completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the True-Up TRR. The True-Up TRR and related calculations shall be posted at a publicly accessible location on PJM's internet website no later than May 15 following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section 2 of the Protocols.³
- b. Interest on any over or under recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a as set forth in Attachment 6B to the Formula Rate.

³ In order to transition to the true-up mechanism that is effective June 1, 2020, the May 15, 2020 annual update will true-up the revenues of the last seven months of 2019 to prorated 2019 actual revenue requirement based on 2019 actual costs. For the May 15, 2021 annual update, the True-Up TRR will true-up the 2020 calendar year revenues received to 2020 calendar year actual

revenue requirement based on 2020 actual costs.

EXHIBIT C
OATT Attachment H-9B (Protocols)

ATTACHMENT H-9B
FORMULA RATE IMPLEMENTATION PROTOCOLS

Section 1 Definitions

For purposes of these Protocols:

- a. “interested party” or “interested parties” refers to any customer or entity that is or may become a customer taking transmission service under Potomac Electric Power Company’s (“Pepco”) Formula Rate, any party to any docket number assigned by the Federal Energy Regulatory Commission (“FERC”) for Pepco’s Annual Update, any retail regulator or any official consumer advocate in Pepco’s PJM transmission rate zone, any state attorney general and any entity with standing under section 206 of the Federal Power Act (“FPA”).
- b. “Errors” or “mistakes” refer to calculation error(s) in the formula rate, formula rate input error(s), and errors reported in the FERC Form No. 1.

Section 2 Annual Updates

- a. On an annual basis, Pepco shall calculate its Annual Transmission Revenue Requirements (“ATRR”) applicable under Attachment H and the Network Integration Transmission Service and Point-to-Point rates derived therefrom. The ATRR shall be applicable to the rate year from June 1 of a given calendar year through May 31 of the subsequent calendar year (the “Rate Year”) and will be submitted as part of Pepco’s Annual Update on or before May 15 of each year.
- b. The Annual Update shall include: a) a populated formula rate template reflecting the Projected Annual Transmission Revenue Requirement (“PTRR”) which shall be labeled “Attachment H-9A-PTRR” and b) a populated formula rate template reflecting the True-Up Adjustment (“True-Up TRR”), which shall be labeled “Attachment H-9A-True-Up” as further described in Section 6 for the immediately preceding calendar year (“True-Up Year”). The ATRR will incorporate: 1) the PTRR; and 2) the True-Up TRR for the preceding Rate Year.
- c. For each Annual Update, Pepco shall:
 - 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) submit such Annual Update with the FERC as an informational filing.
- d. If the date for making the Annual Update posting/filing should fall on a weekend or a holiday recognized by the FERC, then the posting/filing shall be due on the next business day.

- e. The date on which the last of the events listed in Section 2.b. or 2.c. occurs shall be that year's "Publication Date." Any delay past May 15 of each year of the Publication Date shall result in an equivalent extension of time for the submission of information requests and challenges.

- f. Pepco shall hold an Annual Meeting among interested parties (“Annual Meeting”) no later than forty-five (45) days after the Publication Date. Pepco shall e-mail the Service List¹ and cause to be posted on PJM’s internet website notification of the time, date, and location of the Annual Meeting at least fourteen (14) days before the Annual Meeting. The Annual Meeting shall provide interested parties an opportunity to seek information and clarification regarding the Annual Update, including input data and cost detail. Pepco shall accommodate interested parties that wish to participate in the Annual Meeting via teleconference or webinar. At the Annual Meeting, Pepco will provide a summary of the year-over-year results of the Annual Update, to accompany further discussion of key drivers of the ATRR. The written narrative summary will include, at a minimum, a comparison of the total operation and maintenance expense, post-retirement benefits other than pensions (“PBOP”) expense, depreciation expense, rate base, return on rate base, income taxes, annual peak load, and revenue credits contained in the Annual Update with the corresponding values included in the prior year’s Annual Update.
- g. The True-Up TRR submitted as part of each Annual Update:
- i) shall, as specified in Attachment H, be based upon Pepco’s FERC Form No. 1 data or other verifiable data for the most recent calendar year and shall be based upon Pepco’s books and records consistent with FERC’s accounting policies;
 - ii) shall, as and to the extent specified in the Formula Rate, identify in the Formula Rate Spreadsheets a reconciliation of data that are not available in the FERC Form No. 1;
 - iii) shall include the following:
 - (a.) a fully functioning Excel spreadsheet “Attachment H-9A-True-Up” with formulas intact for that year’s True-Up Adjustment TRR;
 - 1. The revenue requirements for the True-Up TRR will use:
 - (a) 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;
 - (b) 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves;
 - (c) Historical calendar year balances for expense items.
- h. The PTRR filed as part of each Annual Update:
- i.) shall use the same inputs as in the True-Up TRR filed as part of that year’s Annual Update, except that:

- (a.) it will use projected 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;
 - (b.) the projected revenue requirements calculation will use 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves; the projected revenue requirements calculation of expense items will use historical calendar year balances.
- i. Pepco shall submit with each Annual Update
 - (a.) all workpapers in their native format (e.g., Microsoft excel) fully populated with formulas intact as necessary to permit interested parties to verify that each input is consistent with the requirements of the Formula Rate and to enable any interested party to replicate the calculation of the Annual Update as implemented by Pepco;
 - (b.) supporting documentation and workpapers for the data that are used in the Annual Update that are not otherwise available in the FERC Form No. 1, including all adjustments made to the FERC Form No. 1 data in determining formula inputs;

¹ The Service List is the parties to Docket Nos. ER05-515, EL13-48, EL15-27, and ER19-1475 and interested parties that request to be added to the Service List.

- (c.) notice of any change in accounting from that in effect for the calendar year upon which the preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate (“Accounting Changes”),² including:
1. the initial implementation of an accounting standard (such as a new requirement under Generally Accepted Accounting Principles (“GAAP”) or changes to GAAP or policy, consistent with what is required to be disclosed under FERC Form No. 1;
 2. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 3. reclassifications, including mapping changes, among FERC accounts between calendar years;
 4. the correction of errors and prior period adjustments that impact the Annual Update calculation; and
 5. the implementation of new estimation methods or policies that change prior estimates.
- (d.) a worksheet identifying transmission plant in service items included in the Annual Update at an amount other than on a historic cost basis (e.g., fair value adjustments) and a narrative explanation of the individual impact of such items to the Annual Update;
- (e.) a worksheet identifying any asset retirement obligations (“ARO”) included in the Annual Update, including a citation to the FERC order approving recovery of the ARO; otherwise any such items reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update;
- (f.) a worksheet identifying any costs and expenses related to any merger or acquisition of a jurisdictional facility (including, but not limited to, acquisition premiums and goodwill) for which Pepco is subject to a hold harmless commitment that have been included in the Annual Update, including a citation to the FERC order approving the recovery of such costs and expenses; otherwise, any such costs that have been reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update, consistent with the hold harmless commitment; and

² Such notice may incorporate by reference applicable disclosure statements filed with the

Securities and Exchange Commission (“SEC”) or contained in the FERC Form 1.

- (g.) a worksheet listing all the errors and corrections agreed to by Pepco and any interested parties, or ordered by FERC, related to the previous Rate Year that have been incorporated into the current Annual Update.
- j. The Annual Update shall be subject to challenge and review in accordance with the procedures set forth in this Attachment H-9B.
- k. The Annual Update shall not seek to modify the Formula Rate and shall not be subject to challenge by seeking to modify the Formula Rate (*i.e.*, all such modifications to the Formula Rate – including return on equity – will require, as applicable, a FPA Section 205 or Section 206 filing).
- l. Formula Rate inputs for (i) rate of return on equity; (ii) depreciation rates; and (iii) “Post-Employment Benefits other than Pension” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for PBOP charges shall be stated values to be used in the rate formula until changed pursuant to an FPA Section 205 or 206 filing; provided, however, that notwithstanding the foregoing limitation, any changes in PBOP that do not exceed an impact on the formula output Network Integration Transmission Service Rate for Pepco of \$0.05 per kW per month as compared to the immediately preceding Annual Update may be included in an Annual Update without such a filing. Changes in PBOP expense that exceed this limit are subject to revision pursuant to Section 4.f.

Section 3 Annual Review Procedures

Each Annual Update shall be subject to the following review procedures (“Annual Review Procedures”):

- a. Any interested party shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended by fifteen (15) days upon the consent of Pepco to a written request for extension from one or more interested party(ies)), to review the calculations (“Review Period”) and to notify Pepco in writing of any specific challenges, including challenges related to Accounting Changes, to the application of the Formula Rate (“Preliminary Challenge”).
- b. Interested parties shall have up to one hundred twenty (120) days after each annual Publication Date (unless such period is extended with the written consent of Pepco) to serve reasonable information requests on Pepco either individually or jointly with other interested parties. Information requests shall be limited to what is necessary to determine: (i) whether Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) whether the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco’s accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) whether Pepco’s actual costs and expenditures were reasonable and prudent

(including whether such costs were incurred according to cost control methodologies); (iv) whether the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) whether the Formula Rate has been applied according to its terms, including the procedures in these Protocols; (vi) whether Pepco's accounting changes are reasonable and consistent with the Uniform System of Accounts; (vii) the effect of any accounting change on the inputs to the Formula Rate or the resulting charges under the Formula Rate; and (viii) any other information that may reasonably have substantive effect on the calculation of the ATRR pursuant to the Formula Rate. Information requests shall not be directed to ascertaining whether the Formula Rate is just and reasonable.

- c. Pepco shall make a good faith effort to respond in writing to information requests pertaining to the Annual Update within fifteen (15) business days of receipt of such requests. In the event that Pepco serves any of its responses to timely-submitted information requests more than 135 days after the Publication Date, the period for submitting a Preliminary Challenge shall be extended day for day until Pepco completes its responses to such information requests.
- d. Interested parties shall make a good faith effort to raise all issues in a Preliminary Challenge before filing a Formal Challenge. Preliminary and Formal Challenges are limited to whether: (i) Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco's accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) Pepco's actual costs and expenditures were reasonable and prudent (including whether such costs were incurred according to cost control methodologies); (iv) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) the Formula Rate has been applied according to its terms, including the procedures in these Protocols; and (vi) Pepco's Accounting Changes are reasonable and consistent with the Uniform System of Accounts.
- e. Pepco shall provide a written response to the Preliminary Challenge within twenty (20) business days after receipt of the Preliminary Challenge. Pepco shall work with the interested party that submitted the Preliminary Challenge (or its representative) toward a resolution of the challenge. Any unresolved issues shall promptly be referred to Pepco's and the interested party's senior representative(s) for resolution.
- f. Pepco shall not claim that responses to information requests provided pursuant to these Protocols that are not otherwise privileged are subject to any settlement privilege in any subsequent FERC proceeding addressing Pepco's Annual Update. Interested parties may use any information provided under these Protocols in filing Formal Challenges and complaints.

Section 4 Resolution of Challenges

- a. If Pepco and any interested party(ies) have not resolved any Preliminary Challenge to the Annual Update within sixty (60) days after the Review Period, an interested party shall have an additional thirty (30) days (unless such period is extended with the written consent of Pepco to continue efforts to resolve the Preliminary Challenge) to make a Formal Challenge with the FERC, which shall be served on Pepco by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 3 if the FERC already has initiated a proceeding to consider the Annual Update. An interested party may not file a Formal Challenge with respect to an Annual Update unless that party has filed a Preliminary Challenge with respect to that Annual Update. Failure to lodge a Formal Challenge regarding any issue as to a given Annual Update only bars pursuit of such issue with respect to that Annual Update, and in no event shall bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update. Nor shall the provisions of Section 4(e) be limited by this Section 4(a).
- b. Any response by Pepco to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- c. In any proceeding initiated by the FERC concerning the Annual Update or in response to any Formal Challenge by any interested party, Pepco shall bear the burden, consistent with Section 205 of the Federal Power Act, that it has correctly applied the terms of the Formula Rate consistent with these Protocols, and that it followed the applicable requirements and procedures of the Formula Rate in that year's Annual Update. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- d. The time period for any entity to make changes to or challenges to an Annual Update shall be governed by the Formula Rate Protocols that were in effect on the Publication Date for the Annual Update (e.g., the time period for any entity to make changes or challenges to Pepco's May 15, 2014 Annual Update is governed by Section 3(d) of the Formula Rate Protocols that were in effect on that date).
- e. Nothing in these Protocols limits interested parties from challenging the inputs to, or the implementation of, the Formula Rate at whatever time errors are discovered.
- f. Pepco may, at its discretion and at a time of its choosing, make a limited, single issue filing, pursuant to Section 205 to modify the stated values in the Formula Rate for amortization and depreciation rates or PBOP expense. All parties reserve the right to contest such filing(s), but the sole issue in any such limited Section 205 proceeding shall be whether such proposed change is just and reasonable, and it shall not address other aspects of the Formula Rate.

- g. Except as specifically provided herein and in the Settlement Agreement dated March 20, 2006, in FERC Docket No. ER05-515 (including the moratorium provisions thereof), nothing herein shall be deemed to limit in any way the right of Pepco to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, changes to the Formula Rate or any of its inputs (including, but not limited to, rate of return on equity and Transmission Incentive Mechanisms) or the right of any other party to request such changes pursuant to Section 206 of the FPA and the regulations thereunder.

Section 5 Changes to Annual Updates

- a. Any changes to the data inputs, including but not limited to revisions to Pepco's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) shall be made in the event that the Formula Rate is replaced by a stated rate for Pepco pursuant to a proceeding under section 205 or 206 of the FPA.
- b. Pepco shall notify parties listed on the Service List of amendments filed to their FERC Form No. 1 after the filing of the Annual Update.

Section 6 Calculation of True-up Adjustment

- a. The Attachment H-9A-True-Up shall include the actual transmission revenues received in the previous calendar year ("True-Up Year") compared to the actual net revenue requirement (calculated in accordance with the Formula Rate) for the True-Up Year as determined using the completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the True-Up TRR. The True-Up TRR and related calculations shall be posted at a publicly accessible location on PJM's internet website no later than May 15 following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section 2 of the Protocols.³
- b. Interest on any over or under recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a as set forth in Attachment 6B to the Formula Rate.

³ In order to transition to the true-up mechanism that is effective June 1, 2020, the May 15, 2020 annual update will true-up the revenues of the last seven months of 2019 to prorated 2019 actual revenue requirement based on 2019 actual costs. For the May 15, 2021 annual update, the True-Up TRR will true-up the 2020 calendar year revenues received to 2020 calendar year actual

revenue requirement based on 2020 actual costs.

EXHIBIT D
Redline/Strikeout Showing Agreed Upon Changes to OATT
Attachment H-9B (Protocols)

ATTACHMENT H-9B
FORMULA RATE IMPLEMENTATION PROTOCOLS

Section 1 Definitions

For purposes of these Protocols:

- a. “interested party” or “interested parties” refers to any customer or entity that is or may become a customer taking transmission service under Potomac Electric Power Company’s (“Pepco”) Formula Rate, any party to any docket number assigned by the Federal Energy Regulatory Commission (“FERC”) for Pepco’s Annual Update, any retail regulator or any official consumer advocate in Pepco’s PJM transmission rate zone, any state attorney general and any entity with standing under section 206 of the Federal Power Act (“FPA”).
- b. “Errors” or “mistakes” refer to calculation error(s) in the formula rate, formula rate input error(s), and errors reported in the FERC Form No. 1.

Section 2 Annual Updates

- a. ~~On an annual basis, Pepco shall calculate its The~~ Annual Transmission Revenue Requirements (“ATRR”) applicable under Attachment H and the Network Integration Transmission Service and Point-to-Point rates derived therefrom. ~~The~~ ATRR shall be applicable to ~~services on and after the rate year from~~ June 1 of a given calendar year through May 31 of the subsequent calendar year (the “Rate Year”).
- ~~b. and will be submitted as part of Pepco’s Annual Update on or before May 15 of each year. Pepco shall recalculate its Annual Transmission Revenue Requirements, producing the “Annual Update” for the upcoming Rate Year, and~~
- b. The Annual Update shall include: a) a populated formula rate template reflecting the Projected Annual Transmission Revenue Requirement (“PTRR”) which shall be labeled “Attachment H-9A-PTRR” and b) a populated formula rate template reflecting the True-Up Adjustment (“True-Up TRR”), which shall be labeled “Attachment H-9A-True-Up” as further described in Section 6 for the immediately preceding calendar year (“True-Up Year”). The ATRR will incorporate: 1) the PTRR; and 2) the True-Up TRR for the preceding Rate Year.
- c. For each Annual Update, Pepco shall:
 - 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 submit~~ such Annual Update with the FERC as an informational filing.

| ed. If the date for making the Annual Update posting/filing should fall on a weekend or a holiday recognized by the FERC, then the posting/filing shall be due on the next business day.

| ec. The date on which the last of the events listed in Section 2.b. or 2.c. occurs shall be that year's "Publication Date." Any delay past May 15 of each year of the Publication Date shall result in an equivalent extension of time for the submission of information requests and challenges.

e.f. Pepco shall hold an Annual Meeting among interested parties (“Annual Meeting”) no later than forty-five (45) days after the Publication Date. Pepco shall e-mail the Service List¹ and cause to be posted on PJM’s internet website notification of the time, date, and location of the Annual Meeting at least fourteen (14) days before the Annual Meeting. The Annual Meeting shall provide interested parties an opportunity to seek information and clarification regarding the Annual ~~Transmission Revenue Requirement~~Update, including input data and cost detail. Pepco shall accommodate interested parties that wish to participate in the Annual Meeting via teleconference or webinar. At the Annual Meeting, Pepco will provide a summary of the year-over-year results of the Annual Update, to accompany further discussion of key drivers of the ~~net zonal requirement~~ATRR. The written narrative summary will include, at a minimum, a comparison of the total operation and maintenance expense, post-retirement benefits other than pensions (“PBOP”) expense, depreciation expense, rate base, return on rate base, income taxes, annual peak load, and revenue credits contained in the Annual Update with the corresponding values included in the prior year’s Annual Update.

g.f. The ~~True-Up TRR submitted as part of each~~ Annual Update ~~for the Rate Year~~:

- i) shall, as specified in Attachment H, be based upon Pepco’s FERC Form No. 1 data or other verifiable data for the most recent calendar year and shall be based upon Pepco’s books and records consistent with FERC’s accounting policies;
- ii) shall, as and to the extent specified in the Formula Rate, identify in ~~Attachment 5 Cost Support of~~ the Formula Rate Spreadsheets a reconciliation of data that are not available in the FERC Form No. 1;
- iii) shall include the following:
 - (a.) a fully functioning Excel spreadsheet ~~containing the populated template~~“Attachment H-9A-True-Up” with formulas intact for that year’s ~~True-Up Adjustment TRR~~update;

1. The revenue requirements for the True-Up TRR will use:

- (a) 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;
- (b) 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves;
- (c) Historical calendar year balances for expense items.

h. The PTRR filed as part of each Annual Update:

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i.) shall use the same inputs as in the True-Up TRR filed as part of that year's Annual Update, except that:

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(a.) it will use projected 13-month average balances for plant in service and accumulated depreciation, and simple average for accumulated deferred income taxes;

(b.) the projected revenue requirements calculation will use 13-month average historical balances for non-plant rate base items, including prepayments, materials and supplies, and reserves; the projected revenue requirements calculation of expense items will use historical calendar year balances.

i. Pepco shall submit with each Annual Update

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(~~b~~a.) all workpapers in their native format (e.g., Microsoft excel) fully populated with formulas intact as necessary to permit interested parties to verify that each input is consistent with the requirements of the Formula Rate and to enable any interested party to replicate the calculation of the Formula Rate Annual Update as implemented by Pepco;

(~~e~~b.) -supporting documentation and workpapers for the data that are used in the Annual Update that are not otherwise available in the FERC Form No. 1, including all adjustments made to the FERC Form No. 1 data in determining formula inputs;

¹ The Service List is the parties to Docket Nos. ER05-515, EL13-48, ~~and~~ EL15-27, and ER19-1475 and interested parties that request to be added to the Service List.

(~~d~~c.) notice of any change in accounting from that in effect for the calendar year upon which the preceding Annual Update was based that affects inputs to the Formula Rate or the resulting charges under the Formula Rate (“Accounting Changes”),² including:

(~~i~~)1. the initial implementation of an accounting standard (such as a new requirement under Generally Accepted Accounting Principles (“GAAP”) or changes to GAAP) or policy, consistent with what is required to be disclosed under FERC Form No. 1;

(~~ii~~)2. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;

(~~iii~~)3. reclassifications, including mapping changes, among FERC accounts between calendar years;

4. the correction of errors and prior period adjustments that impact the Annual Update calculation; and

5. (~~iv~~) the implementation of new estimation methods or policies that change prior estimates.

(~~d~~e.) a worksheet identifying transmission plant in service items included in the Annual Update at an amount other than on a historic cost basis (e.g., fair value adjustments) and a narrative explanation of the individual impact of such items to the Annual Update;

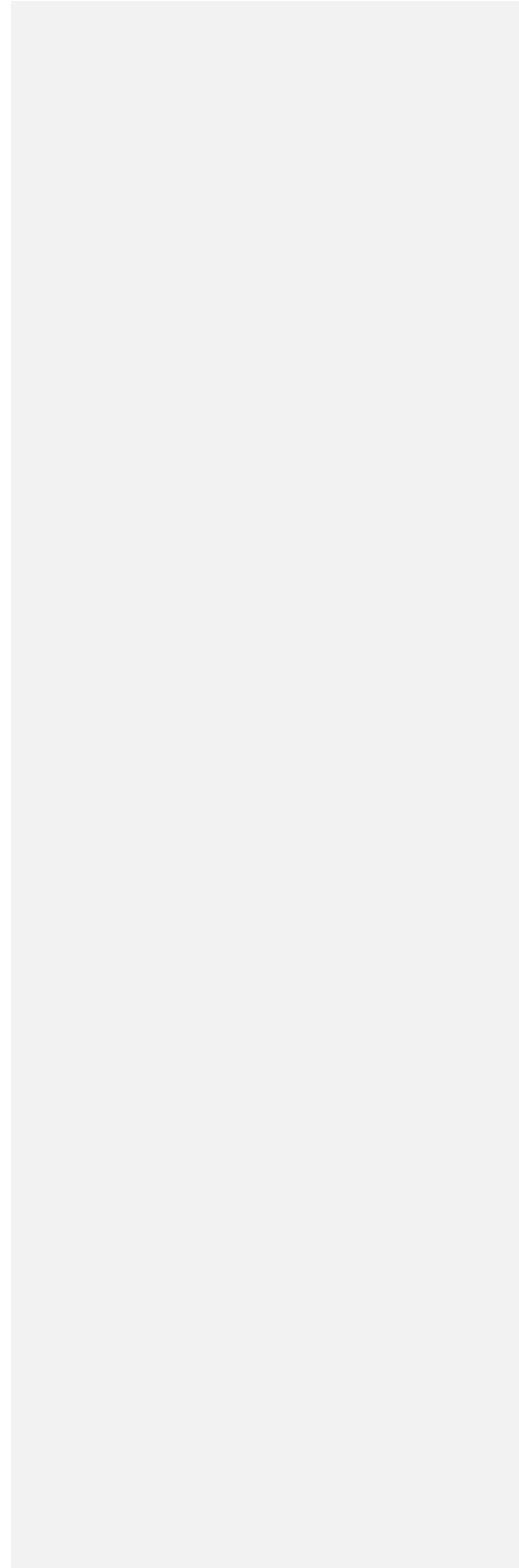
(~~f~~e.) a worksheet identifying any asset retirement obligations (“ARO”) included in the Annual Update, including a citation to the FERC order approving

recovery of the ARO; otherwise any such items reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update;

(~~f~~f.) a worksheet identifying any costs and expenses related to any merger or acquisition of a jurisdictional facility (including, but not limited to, acquisition premiums and goodwill) for which Pepco is subject to a hold harmless commitment that have been included in the Annual Update, including a citation to the FERC order approving the recovery of such costs and expenses; otherwise, any such costs that have been reported in the FERC Form No. 1 must be deducted from the costs to be recovered in the Annual Update, consistent with the hold harmless commitment; and

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² Such notice may incorporate by reference applicable disclosure statements filed with the Securities and Exchange Commission (“SEC”) or contained in the FERC Form 1.



(hg.) a worksheet listing all the errors and corrections agreed to by Pepco and any interested parties, or ordered by FERC, related to the previous Rate Year that have been incorporated into the current Annual Update.

ih.) The Annual Update shall be subject to challenge and review in accordance with the procedures set forth in this Attachment H-9B.

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ik.) The Annual Update shall not seek to modify the Formula Rate and shall not be subject to challenge by seeking to modify the Formula Rate (*i.e.*, all such modifications to the Formula Rate – including return on equity – will require, as applicable, a FPA Section 205 or Section 206 filing).

il.) Formula Rate inputs for (i) rate of return on equity; (ii) depreciation rates; and (iii) “Post-Employment Benefits other than Pension” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for PBOP charges shall be stated values to be used in the rate formula until changed pursuant to an FPA Section 205 or 206 filing; provided, however, that notwithstanding the foregoing limitation, any changes in PBOP that do not exceed an impact on the formula output Network Integration Transmission Service Rate for Pepco of \$0.05 per kW per month as compared to the immediately preceding Annual Update may be included in an Annual Update without such a filing. Changes in PBOP expense that exceed this limit are subject to revision pursuant to Section 4.f.

Section 3 Annual Review Procedures

Each Annual Update shall be subject to the following review procedures (“Annual Review Procedures”):

- a. Any interested party shall have up to one hundred fifty (150) days after the Publication Date (unless such period is extended by fifteen (15) days upon the consent of Pepco to a written request for extension from one or more interested party(ies)), to review the calculations (“Review Period”) and to notify Pepco in writing of any specific challenges, including challenges related to Accounting Changes, to the application of the Formula Rate (“Preliminary Challenge”).
- b. Interested parties shall have up to one hundred twenty (120) days after each annual Publication Date (unless such period is extended with the written consent of Pepco) to serve reasonable information requests on Pepco either individually or jointly with other interested parties. Information requests shall be limited to what is necessary to determine: (i) whether Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) whether the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco’s accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) whether Pepco’s actual costs and expenditures were reasonable and prudent

(including whether such costs were incurred according to cost control methodologies); (iv) whether the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) whether the Formula Rate has been applied according to its terms, including the procedures in these Protocols; (vi) whether Pepco's accounting changes are reasonable and consistent with the Uniform System of Accounts; (vii) the effect of any accounting change on the inputs to the Formula Rate or the resulting charges under the Formula Rate; and (viii) any other information that may reasonably have substantive effect on the calculation of the ~~net zonal revenue requirement~~ ATRR pursuant to the Formula Rate. Information requests shall not be directed to ascertaining whether the Formula Rate is just and reasonable.

- c. Pepco shall make a good faith effort to respond in writing to information requests pertaining to the Annual Update within fifteen (15) business days of receipt of such requests. In the event that Pepco serves any of its responses to timely-submitted information requests more than 135 days after the Publication Date, the period for submitting a Preliminary Challenge shall be extended day for day until Pepco completes its responses to such information requests.
- d. Interested parties shall make a good faith effort to raise all issues in a Preliminary Challenge before filing a Formal Challenge. Preliminary and Formal Challenges are limited to whether: (i) Pepco has properly calculated the Annual Update under review (including any corrections pursuant to Section 5); (ii) the costs included in the Annual Update are properly recordable and recorded, and otherwise consistent with Pepco's accounting policies, practices and procedures consistent with the FERC Uniform System of Accounts; (iii) Pepco's actual costs and expenditures were reasonable and prudent (including whether such costs were incurred according to cost control methodologies); (iv) the input data used in the Annual Update are accurate and correctly used in the Formula Rate; (v) the Formula Rate has been applied according to its terms, including the procedures in these Protocols; and (vi) Pepco's Accounting Changes are reasonable and consistent with the Uniform System of Accounts.
- e. Pepco shall provide a written response to the Preliminary Challenge within twenty (20) business days after receipt of the Preliminary Challenge. Pepco shall work with the interested party that submitted the Preliminary Challenge (or its representative) toward a resolution of the challenge. Any unresolved issues shall promptly be referred to Pepco's and the interested party's senior representative(s) for resolution.
- f. Pepco shall not claim that responses to information requests provided pursuant to these Protocols that are not otherwise privileged are subject to any settlement privilege in any subsequent FERC proceeding addressing Pepco's Annual Update. Interested parties may use any information provided under these Protocols in filing Formal Challenges and complaints.

Section 4 Resolution of Challenges

- a. If Pepco and any interested party(ies) have not resolved any Preliminary Challenge to the Annual Update within sixty (60) days after the Review Period, an interested party shall have an additional thirty (30) days (unless such period is extended with the written consent of Pepco to continue efforts to resolve the Preliminary Challenge) to make a Formal Challenge with the FERC, which shall be served on Pepco by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 3 if the FERC already has initiated a proceeding to consider the Annual Update. An interested party may not file a Formal Challenge with respect to an Annual Update unless that party has filed a Preliminary Challenge with respect to that Annual Update. Failure to lodge a Formal Challenge regarding any issue as to a given Annual Update only bars pursuit of such issue with respect to that Annual Update, and in no event shall bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual Update. Nor shall the provisions of Section 4(e) be limited by this Section 4(a).
- b. Any response by Pepco to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the Formal Challenge, and shall be served on the filing party(ies) by electronic service on the date of such filing.
- c. In any proceeding initiated by the FERC concerning the Annual Update or in response to any Formal Challenge by any interested party, Pepco shall bear the burden, consistent with Section 205 of the Federal Power Act, that it has correctly applied the terms of the Formula Rate consistent with these Protocols, and that it followed the applicable requirements and procedures of the Formula Rate in that year's Annual Update. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- d. The time period for any entity to make changes to or challenges to an Annual Update shall be governed by the Formula Rate Protocols that were in effect on the Publication Date for the Annual Update (e.g., the time period for any entity to make changes or challenges to Pepco's May 15, 2014 Annual Update is governed by Section 3(d) of the Formula Rate Protocols that were in effect on that date).
- e. Nothing in these Protocols limits interested parties from challenging the inputs to, or the implementation of, the Formula Rate at whatever time errors are discovered.
- f. Pepco may, at its discretion and at a time of its choosing, make a limited, single issue filing, pursuant to Section 205 to modify the stated values in the Formula Rate for amortization and depreciation rates or PBOP expense. All parties reserve the right to contest such filing(s), but the sole issue in any such limited Section 205 proceeding shall be whether such proposed change is just and reasonable, and it shall not address other aspects of the Formula Rate.

- g. Except as specifically provided herein and in the Settlement Agreement dated March 20, 2006, in FERC Docket No. ER05-515 (including the moratorium provisions thereof), nothing herein shall be deemed to limit in any way the right of Pepco to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, changes to the Formula Rate or any of its inputs (including, but not limited to, rate of return on equity and Transmission Incentive Mechanisms) or the right of any other party to request such changes pursuant to Section 206 of the FPA and the regulations thereunder.

Section 5 Changes to Annual Updates

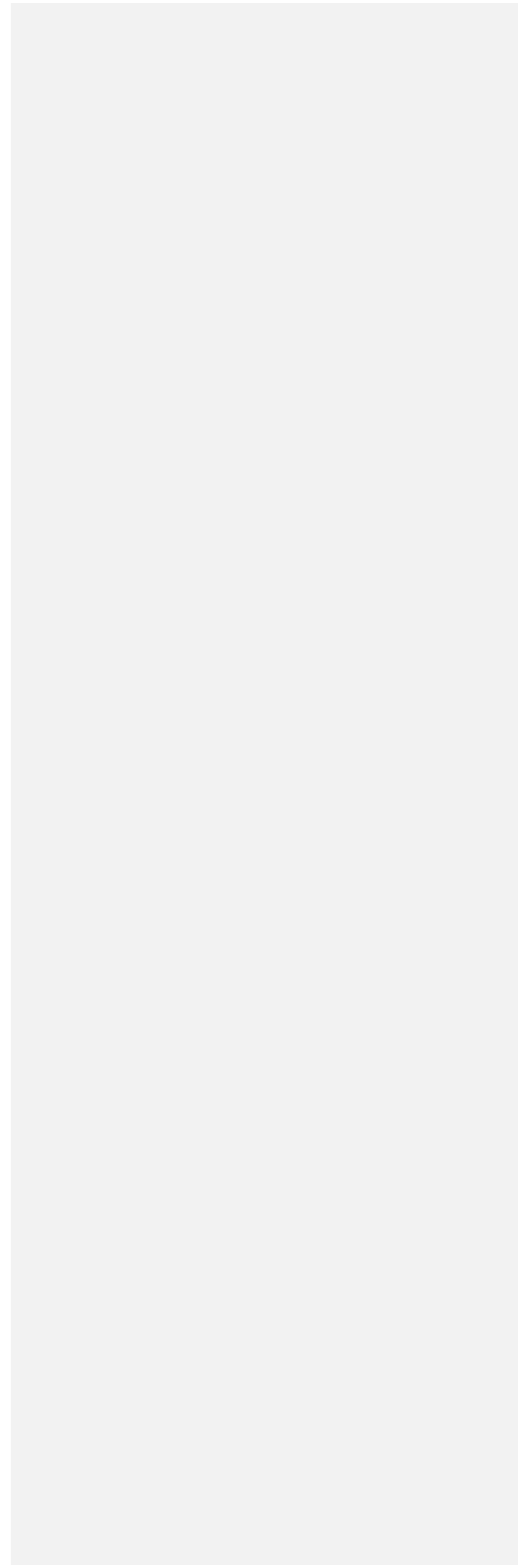
- a. Any changes to the data inputs, including but not limited to revisions to Pepco's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) shall be made in the event that the Formula Rate is replaced by a stated rate for Pepco pursuant to a proceeding under section 205 or 206 of the FPA.
- b. Pepco shall notify parties listed on the Service List of amendments filed to their FERC Form No. 1 after the filing of the Annual Update.

Section 6 Calculation of True-up Methodology Adjustment

- a. ~~Actual~~ The Attachment H-9A-True-Up shall include the actual transmission revenues received in the previous calendar year ("True-Up Year") ~~shall be~~ compared to the actual net revenue requirement (calculated in accordance with the Formula Rate) for the True-Up Year as determined using the completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the "True-Up Adjustment TRR."² The True-Up ~~Adjustment TRR~~ and related calculations shall be posted at a publicly accessible location on PJM's internet website no later than May 15 following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section 2 of the Protocols.³
- b. Interest on any over or under recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a as set forth in Attachment 6B to the Formula Rate.

³ In order to transition to the true-up mechanism that is effective June 1, 2020, the May 15, 2020 annual update will true-up the revenues of the last seven months of 2019 to prorated 2019 actual revenue requirement based on 2019 actual costs. For the May 15, 2021 annual update, the True-

Up TRR will true-up the 2020 calendar year revenues received to 2020 calendar year actual revenue requirement based on 2020 actual costs.



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 24th day of April, 2020.

/s/ Thomas C. Kirby _____

Thomas C. Kirby
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036