

ATTACHMENT H-3D

Delmarva Power & Light Company

Formula Rate - Appendix A

Notes

FERC Form 1 Page # or Instruction

2008

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,247,047
2	Total Wages Expense	p354.28b	\$ 30,225,895
3	Less A&G Wages Expense	p354.27b	\$ 2,553,786
4	Total	(Line 2 - 3)	27,672,109
5	Wages & Salary Allocator	(Line 1 / 4)	8.1203%
Plant Allocation Factors			
6	Electric Plant In Service	(Note B) p207.104g	\$ 2,097,683,993
7	Common Plant In Service - Electric	(Line 24)	74,730,016
8	Total Plant In Service	(Sum Lines 6 & 7)	2,172,414,009
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	\$ 810,491,470
10	Accumulated Intangible Amortization	p200.21c	\$ 25,847,304
11	Accumulated Common Amortization - Electric	(Note A) p356	17,196,214
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356	\$ 37,798,490
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	891,333,478
14	Net Plant	(Line 8 - 13)	1,281,080,531
15	Transmission Gross Plant	(Line 29 - Line 28)	667,417,533
16	Gross Plant Allocator	(Line 15 / 8)	30.7224%
17	Transmission Net Plant	(Line 39 - Line 28)	404,019,002
18	Net Plant Allocator	(Line 17 / 14)	31.5374%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 641,302,061
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6 - Enter Negative	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	12,059,758
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	653,361,819
23	General & Intangible	p205.5.g & p207.99.g	98,364,376
24	Common Plant (Electric Only)	(Notes A & B) p356	74,730,016
25	Total General & Common	(Line 23 + 24)	173,094,392
26	Wage & Salary Allocation Factor	(Line 5)	8.12026%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	14,055,713
28	Plant Held for Future Use (Including Land)	(Note C) p214	0
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	667,417,533
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 254,178,010
31	Accumulated General Depreciation	p219.28.c	\$ 32,707,577
32	Accumulated Intangible Amortization	(Line 10)	25,847,304
33	Accumulated Common Amortization - Electric	(Line 11)	17,196,214
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	37,798,490
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	113,549,585
36	Wage & Salary Allocation Factor	(Line 5)	8.12026%
37	General & Common Allocated to Transmission	(Line 35 * 36)	9,220,521
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	263,398,531
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	404,019,002

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109		-115,124,961
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	-6,204,252
42	Net Plant Allocation Factor	(Notes A & I) p266.h	31.54%
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * 42) + Line 40	-117,081,618
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B) p216.43.b as Shown on Attachment 6	5,283,249
Transmission O&M Reserves			
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	-2,000,920
Prepayments			
45	Prepayments	(Note A) Attachment 5	15,495,543
46	Total Prepayments Allocated to Transmission	(Line 45)	15,495,543
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	\$ 1,612,994
48	Wage & Salary Allocation Factor	(Line 5)	8.12%
49	Total Transmission Allocated	(Line 47 * 48)	130,979
50	Transmission Materials & Supplies	p227.8c	4,028,772
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + 50)	4,159,751
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 85)	13,976,762
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * 53)	1,747,095
Network Credits			
55	Outstanding Network Credits	(Note N) From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) From PJM	0
57	Net Outstanding Credits	(Line 55 - 56)	0
58	TOTAL Adjustment to Rate Base	(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)	-92,396,899
59	Rate Base	(Line 39 + 58)	311,622,103

O&M

Transmission O&M			
60	Transmission O&M	p321.112.b	\$ 10,585,013
61	Less extraordinary property loss	Attachment 5	\$ -
62	Plus amortized extraordinary property loss	Attachment 5	\$ -
63	Less Account 565	p321.96.b	\$ -
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	\$ -
65	Plus Transmission Lease Payments	(Note A) p200.3.c	\$ -
66	Transmission O&M	(Lines 60 - 63 + 64 + 65)	10,585,013
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b	\$ 50,758,048
69	Less Property Insurance Account 924	p323.185b	352,274
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	3,299,506
71	Less General Advertising Exp Account 930.1	p323.191b	88,557
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	6,582,874
73	Less EPRI Dues	(Note D) p352-353	34,018
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	40,400,819
75	Wage & Salary Allocation Factor	(Line 5)	8.1203%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	3,280,651
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	0
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	0
80	Property Insurance Account 924	p323.185b	352,274
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	352,274
83	Net Plant Allocation Factor	(Line 18)	31.54%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	111,098
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	13,976,762

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	15,396,422
87	General Depreciation	p336.10b&c	3,465,919
88	Intangible Amortization	(Note A) p336.1d&e	142,676
89	Total	(Line 87 + 88)	3,608,595
90	Wage & Salary Allocation Factor	(Line 5)	8.1203%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	293,027
92	Common Depreciation - Electric Only	(Note A) p336.11.b	3,473,129
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	0
94	Total	(Line 92 + 93)	3,473,129
95	Wage & Salary Allocation Factor	(Line 5)	8.1203%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	282,027
97	Total Transmission Depreciation & Amortization	(Line 86 + 91 + 96)	15,971,476

Taxes Other than Income

98	Taxes Other than Income	Attachment 2	5,766,874
99	Total Taxes Other than Income	(Line 98)	5,766,874

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest	p117.62c through 67c	\$ 36,278,572
101	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
102	Long Term Interest	*(Line 100 - line 101)*	36,278,572
103	Preferred Dividends	enter positive p118.29c	40,403
Common Stock			
104	Proprietary Capital	p112.16c	734,680,191
105	Less Preferred Stock	enter negative (Line 114)	0
106	Less Account 216.1	enter negative p112.12c	-2,177,779
107	Common Stock	enter negative (Sum Lines 104 to 106)	732,502,412
Capitalization			
108	Long Term Debt	p112.17c through 21c	782,570,000
109	Less Loss on Reacquired Debt	enter negative p111.81c	-19,190,253
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	2,596,405
112	Less LTD on Securitization Bonds	(Note P) enter negative Attachment 8	0
113	Total Long Term Debt	(Sum Lines Lines 108 to 112)	765,976,152
114	Preferred Stock	p112.3c	0
115	Common Stock	(Line 107)	732,502,412
116	Total Capitalization	(Sum Lines 113 to 115)	1,498,478,564
117	Debt %	Total Long Term Debt (Line 113 / 116)	51.12%
118	Preferred %	Preferred Stock (Line 114 / 116)	0.00%
119	Common %	Common Stock (Line 115 / 116)	48.88%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0474
121	Preferred Cost	Preferred Stock (Line 103 / 114)	0.0000
122	Common Cost	Common Stock (Note J) Fixed	0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0242
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0552
126	Total Return (R)	(Sum Lines 123 to 125)	0.0794
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	24,757,798

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.39%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =$	40.45%
132	T / (1-T)		67.94%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I) enter negative	-232,496
134	T/(1-T)	Attachment 1 (Line 132)	67.94%
135	Net Plant Allocation Factor	(Line 18)	31.5374%
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	-123,132
137	Income Tax Component =	$CIT=(T/(1-T)) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))] 11,694,432
138	Total Income Taxes	(Line 136 + 137)	11,571,300

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	404,019,002
140	Adjustment to Rate Base	(Line 58)	-92,396,899
141	Rate Base	(Line 59)	311,622,103
142	O&M	(Line 85)	13,976,762
143	Depreciation & Amortization	(Line 97)	15,971,476
144	Taxes Other than Income	(Line 99)	5,766,874
145	Investment Return	(Line 127)	24,757,798
146	Income Taxes	(Line 138)	11,571,300
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	72,044,212
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	641,302,061
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	641,302,061
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	72,044,212
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	72,044,212
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	8,054,237
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	63,989,975
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	63,989,975
158	Net Transmission Plant	(Line 19 - 30)	387,124,051
159	Net Plant Carrying Charge	(Line 157 / 158)	16.5296%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	12.5524%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	3.1681%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	27,660,876
163	Increased Return and Taxes	Attachment 4	38,887,309
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	66,548,185
165	Net Transmission Plant	(Line 19 - 30)	387,124,051
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	17.1904%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	13.2133%
Net Revenue Requirement			
168	Net Revenue Requirement	(Line 156)	63,989,975
169	True-up amount	Attachment 6	(6,645,698)
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	299,490
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515	Attachment 5	-
172	Net Zonal Revenue Requirement	(Line 168 - 169 + 171)	57,643,767
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	3,991
174	Rate (\$/MW-Year)	(Line 172 / 173)	14,444
175	Network Service Rate (\$/MW/Year)	(Line 174)	14,444

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{FIT} + \text{SIT}}{\text{FIT} + \text{SIT} + \text{p}}$ "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/i - T)$. A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income. Per FERC order in Docket No. ER08-10, the ROE is 11.30%, which includes a 50 basis-point RTO membership adder as authorized by FERC to become effective on December 1, 2007. Per FERC orders in Docket Nos. ER08-686 and ER08-1423, the ROE for specific projects identified or to be identified in Attachment 7 is 12.80%, which includes a 150 basis-point transmission incentive ROE adder as authorized by FERC to become effective June 1, 2008 and November 1, 2008 respectively.
- J Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT and the PJM established billing determinants will not be revised or updated in the annual rate reconciliations per settlement in ER05-515.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M. If they are booked to Acct 565, they are included in on line 64.
- P **Securitization bonds may be included in the capital structure per settlement in ER05-515.**
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R **Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.**

END

Delmarva Power & Light Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet Tax Detail

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	0	(345,173,966)	0	
ADIT-283	0	(19,428,353)	(71,672,056)	
ADIT-190	0	9,464,666	(2,441,108)	
Subtotal	0	(355,137,653)	(74,113,164)	(429,250,817)
Wages & Salary Allocator			8,120,036	
Gross Plant Allocator		30,722,414		
ADIT	0	(109,106,780)	(6,018,181)	(115,124,961)

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111 Amount (2,596,405)

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

ADIT-190	A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Merrill Creek Excess Capacity		6,072,741	6,072,741				This represents deferred tax generated as a result of an extraordinary charge deducted for books relating to impaired assets due to the effects of deregulation. For tax purposes, the impairment did not give rise to a tax deduction. Deductions for tax are
Above Market Sales Contracts		3,031,920	3,031,920				This represents deferred tax generated as a result of a book expense related to Energy Trading. For tax purposes, this item did not give rise to a tax deduction. Deductions for tax will be amortized over future periods. Generation related.
Below Market Sales Contracts		(391,896)	(391,896)				This represents deferred tax generated as a result of a book reserve related to Energy Trading. For tax purposes, this item did not give rise to a tax deduction as it did not meet the "all events" test. Generation related.
Deferred Restructuring Costs		(199,144)	(199,144)				These deferred taxes are the result of books deferring costs associated with the deregulation of the Energy Business. For tax, these costs were deducted as ordinary and necessary expenses under IRC section 162. Retail related.
Allowance for Doubtful Accounts		4,714,669	4,714,669				Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write-off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year pe
Excess Property Reserve		(7,023)	(7,023)				This represents deferred tax generated as a result of a book reserve related to deregulation of the Energy Business. For tax purposes, this item did not give rise to a tax deduction as it did not meet the "all events" test. Generation related.
Environmental Expense		(56,259)	(56,259)				aside a reserve for environmental site clean-up expenses. For tax no deduction is
Merger Costs		(6,068,791)	(6,068,791)				Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Claims Reserve		2,280,868			2,280,868		These deferred taxes are the result of a deduction taken for book purposes to se
Emissions Allowances		(50,559)	(50,559)				Proceeds from the sale of emissions allowances are deferred, pending future rate
Preliminary Survey & Investigation Costs		(670)	(670)				Immaterial
Building Maintenance Accrual		88,495	88,495				Acct 242650 immaterial
Merrill Creek - Rent		4,041,091	4,041,091				These deferred taxes are the result of rent being recorded ratably over the life of the lease for book purposes. For tax, rent is deductible when economic performance occurs. This asset is Generation related
Wilmington Coal Gas Site Cleanup		(723,292)	(723,292)				Timing differences related to Gas operations.
Merger Costs		458,232				458,232	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Performance Based Restr. Stock		(938,766)				(938,766)	Relates to Executive compensation that tax can not deduct until all restriction lapse
Capital Loss over Capital Gain		(18,302)			(18,302)		This relates to a capital loss carry forward, tax can not deduct loss in excess of capital gain.
PJM Member Defaults		16,062			16,062		December 2007 two members of PJM were declared in default on their obligations
Blueprint for the Future		(686,745)			(686,745)		is designed to help customers, both residential and business, manage their energy
Merger/ERO Paid Out of Pension		(576,381)				(576,381)	This relates to ACE/DPL merger separation payments paid out of pension fund, this is deductible when pension is fully funded.
Miscellaneous		(1,036,828)	(1,036,828)				Timing differences related to Gas operations.
Deferred Fuel		7,715,087	7,715,087				To help utilities cope with price fluctuations, many regulators have approved rate tariffs that allow rates to be adjusted through fuel adjustment clauses that pass through actual fuel expense increases/decreases to rate payers by means of surcharges or f
Summit Land Transfer		42	42				transaction was disregarded resulting in deferred taxes. Tax liability is recognized
Venture Capital Invest/Partnership Inc		359,976	359,976				Investment attributable to non-utility operations
Gain on Sale of Microwave Systems		(234,579)			(234,579)		The deferred tax balance reflects the difference between the book gain and tax gain on the disposition assets. Involves both T & D facilities.
MD DSM Deferred Interest		(344,100)	(344,100)				deferred costs balance. For tax these costs are expensed when paid. These
Deferred ITC		6,103,655			6,103,655		encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior
Plant Related		77,922,895	77,922,895				Life and method differences related to all plant
Pension And Other Labor Related		(1,384,192)				(1,384,192)	Affects company personnel across all functions.
OPEB		3,078,796				3,078,796	OPEB contributions are made to the trust. These deferred taxes are the result of

Other Adjustment	(2,656,272)	(2,656,272)				Adjustment related to other plant
Subtotal - p234	100,510,730	92,412,083	0	7,460,959	637,688	
Less FASB 109 Above if not separately removed	(2,003,707)			(2,003,707)		
Less FASB 106 Above if not separately removed	3,078,796				3,078,796	
Total	99,435,641	92,412,083	-	9,464,666	(2,441,108)	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water,
- 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

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

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

ADIT- 282	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Recoverable Income Tax		(62,550,021)			(62,550,021)		FASB 109 gross up, removed below
Plant Related		(405,789,619)	(60,615,653)		(345,173,966)		Plant
Subtotal - p275		(468,339,640)	(60,615,653)	0	(407,723,987)	0	
Less FASB 109 Above if not separately removed		(62,550,021)			(62,550,021)		
Less FASB 106 Above if not separately removed							
Total		(405,789,619)	(60,615,653)	0	(345,173,966)	0	

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water,
- 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

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

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

ADIT-283	A	B	C	D	E	F	G
		Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Merger Costs		(365,431)				(365,431)	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Materials Reserve		(719,064)	(719,064)				This represents deferred tax generated as a result of a deduction taken for amounts set aside in a reserve for book purposes. For tax, no deduction is permitted until economic performance takes place. These reserves are related to deregulation of Energy
Charitable Contributions		(22,209)			(22,209)		PHI's consolidated return is in an NOL situation, therefore, DPL's charitable contributions are carried forward until such time as PHI is in a taxable income position. For book purposes, the contributions are expensed when incurred. Involves all function
DSM Costs		81	81				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature. Retail related
Deferred Fuel		(10,086,103)	(10,086,103)				To help utilities cope with price fluctuations, many regulators have approved rate tariffs that allow rates to be adjusted through fuel adjustment clauses that pass through actual fuel expense increases or decreases to rate payers by means of surcharges
Deferred Fuel Interest		(292,513)	(292,513)				This represents deferred tax generated as a result of interest income and/or expense accrued on the deferred fuel balance for book purposes. For tax purposes interest income is recognized when received. Interest expense is deducted for tax when paid. Re
Reacquired Debt		(2,596,405)	(2,596,405)				Reflects the deferred taxes generated as a result of the tax deductions taken for the cost to reacquire debt. For book purposes, these amounts were recorded as an asset in account 189 and are amortized over future periods. The reacquired debt item is re

Mark to Market Adj	(268,887)	(268,887)			For tax, DPL elected to be a dealer in securities and marks their section 475 trade receivables to market value by means of schedule m adjustments. For book purposes, the change in market value of securities is generally not recognized. These are the de
Property Taxes	782,416	782,416			For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Unregulated related
Copco Deferred Fuel	(892,292)	(892,292)			Deferred tax relates to fuel costs for retail customers
Reg Liab - MD SOS Energy	(6,677,651)	(6,677,651)			Retail SOS, Other
Reg Liab - MD SOS Transmission	(438,251)	(438,251)			Retail SOS, Other
Reg Liab - DE SOS Energy	(2,109,604)	(2,109,604)			Retail SOS, Other
Reg Liab - DE SOS Transmission	504,203	504,203			Retail SOS, Other
Gas Environmental surcharge	216,255	216,255			Gas related
Miscellaneous	(500,904)	(500,904)			Miscellaneous temporary differences that are less than \$100,000 for each item.
Copco Carrying Charge	(1,487,420)	(1,487,420)			These deferred taxes are the result of fuel associated costs that are amortized for book purposes. For tax these cost were deducted when paid. Retail related.
Copco DSM Costs	41,769	41,769			For books, Demand Side Management Costs are deferred. Interest accrues on the deferred costs balance. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
MD DSM Deferred Interest	346,833	346,833			For books, Demand Side Management Costs are deferred. Interest accrues on the deferred costs balance. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
Capitalized Interest	393,048			393,048	The Tax Reform Act of 1986 eliminated the current deduction for interest incurred during construction and required that it be capitalized and depreciated over the tax life of the asset. This deferred tax is due to the differences in the way AFUDC-debt is
AFUDC Debt	(248,914)			(248,914)	For book purposes, AFUDC is capitalized and depreciated. For tax purposes, AFUDC is not recognized. Related to all plant.
Repair Allowance	(3,970,730)			(3,970,730)	Deferred tax represents the difference between tax deductible repairs and book capitalization of repair costs related to all plant
Reserve Adjustment	(167,000)			(167,000)	Depreciation adjustment related to all plant
Plant Related	(347,853)			(347,853)	Life and method differences related to all plant
Pension/OPEB AND Other Labor Related	(71,306,626)			(71,306,626)	Affects company personnel across all functions.
Other	(64,313)	(64,313)			
Subtotal - p277 (Form 1-F filer- see note 6, below)	(100,267,564)	(24,231,850)	-	(4,363,658)	(71,672,056)
Less FASB 109 Above if not separately removed	15,064,695			15,064,695	
Less FASB 106 Above if not separately removed	0				
Total	(115,332,259)	(24,231,850)	-	(19,428,353)	(71,672,056)

Instructions for Account 283:

- ADIT Items related only to Non-Electric Operations (e.g., Gas, Water,
- ADIT Items related only to Transmission are directly assigned to Column B
- ADIT Items related to Plant and not in Columns C & D are included in Column E
- ADIT Items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when Items are included in taxable

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

Delmarva Power & Light Company

Sheet 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

	Item	Balance	Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	6,204,252	527,042	
Amortization				
Amortization to line 133 of Appendix A	Total	1,320,569	232,486	Excludes \$56,643 related to gas function amortization
Total		7,524,821	759,528	Excludes \$759,528 related to gas function balance
Total Form No. 1 (p 266 & 267)		7,524,821	759,528	
Difference /1		(0)	0	

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	17,837,972		
2 Personal property			
3 Federal/State Excise			
4			
5			
6			
Total Plant Related	17,837,972	30.7224%	5,480,252
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	3,369,658		
8 Unemployment	40,932		
9			
10			
11			
Total Labor Related	3,410,590	8.1203%	276,949
Other Included		Gross Plant Allocator	
12 Miscellaneous	31,489		
13			
14			
Total Other Included	31,489	30.7224%	9,674
Total Included	21,280,051		5,766,874
Excluded			
15 State Franchise Tax	5,795,404		
16 Gross Receipts	-		
17 Sales and Use	296,253		
18 Utility Tax for Delmarva	11,409,469		
19 City License	3,996		
20			
21 Total "Other" Taxes (included on p. 263)	38,785,173		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	38,785,173		
23 Difference	-		

Criteria for Allocation:

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

Delmarva Power & Light Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1	Rent from Electric Property - Transmission Related (Note 3)		1,177,703
2	Total Rent Revenues	(Sum Line 1)	1,177,703

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A		\$ 1,452,219
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)		-
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		1,810,885
6	PJM Transitional Revenue Neutrality (Note 1)		-
7	PJM Transitional Market Expansion (Note 1)		-
8	Professional Services (Note 3)		-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		4,440,497
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11	Gross Revenue Credits	(Sum Lines 2-10)	8,881,304
12	Less line 17g		(827,067)
13	Total Revenue Credits		8,054,237

Revenue Adjustment to determine Revenue Credit

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

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

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

17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.		1,177,703
17b	Costs associated with revenues in line 17a		476,431
17c	Net Revenues (17a - 17b)		701,272
17d	50% Share of Net Revenues (17c / 2)		350,636
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.		-
17f	Net Revenue Credit (17d + 17e)		350,636
17g	Line 17f less line 17a		(827,067)
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.		14,356,296
19	Amount offset in line 4 above		66,495,907
20	Total Account 454, 456 and 456.1		89,733,507
21	Note 4: SECA revenues booked in Account 447.		

Delmarva Power & Light Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	38,887,309
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	311,622,103
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	36,278,572
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	36,278,572
103	Preferred Dividends	enter positive	p118.29c	40,403
Common Stock				
104	Proprietary Capital		p112.16c	734,680,191
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	-2,177,779
107	Common Stock		(Sum Lines 104 to 106)	732,502,412
Capitalization				
108	Long Term Debt		p112.17c through 21c	782,570,000
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-19,190,253
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	2,596,405
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	765,976,152
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	732,502,412
116	Total Capitalization		(Sum Lines 113 to 115)	1,498,478,564
117	Debt %	Total Long Term Debt	(Line 113 / 116)	51.12%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0.00%
119	Common %	Common Stock	(Line 115 / 116)	48.88%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0474
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J from Appendix A) Appendix A % plus 100 Basis Pts	0.1230
123	Weighted Cost o Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0242
124	Weighted Cost o Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost o Common Stock		(Line 119 * 122)	0.0601
126	Total Return (R)		(Sum Lines 123 to 125)	0.0843
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	26,281,103

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.39%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.45%
132	T / (1-T)			67.94%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(232,486)
134	T/(1-T)		(Line 132)	68%
135	Net Plant Allocation Factor		(Line 18)	31.5374%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-123,132
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	12,729,338
138	Total Income Taxes		(Line 136 + 137)	12,606,206

Delmarva Power & Light Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	49,783,347	25,847,304	23,936,043	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	20,471,683	17,196,213	3,275,470	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	44,998,201	37,798,490	7,199,711	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	88,964,305	74,730,016	14,234,289	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	8,240,442	7,524,821	715,621	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ 1,685,822	1,612,994	72,828	95.68% Electric, 4.32% Non-Electric
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	151,147	142,676	8,471	See FERC Form 2, Page 337, Line 1, Column h for non-electric portion.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	\$ 3,473,129	3,473,129	0	See Form 1, electric only.
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	See Form 1, electric only.

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land) Directly Assigned A&G	(Note C)	p214	397,133	0	397,133	Specific identification based on plant records: The following plant investments are included:
73	Regulatory Commission Exp Account 928	(Note C)	p323.160b	Enter	Enter	Enter	Enter Details
							1
							2
							3
							4
							5

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	\$ 2,097,683,993	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 641,302,061	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	74,730,016	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	254,178,010	0	0	See Form 1

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details	
Allocated General & Common Expenses							
73	Less EPRI Dues	(Note D)	p352-353	34018	34018		See Form 1

Delmarva Power & Light Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$ 3,299,506	0	3,299,506	FERC related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	3,299,506	0	3,299,506	FERC related

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	88,557	0	88,557	None

MultiState Workpaper

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
129	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	8.39%	MD 8.25%	PA 9.990%	VA 6%	DE 8.7%	OH 5.10%	Enter Calculation Apportioned: PA 0.00089%, VA 0.1757%, DE 5.8801%, MD 2.33%, OH 0.0014%, NY 0.0

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
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	88,557	0	88,557	None

Excluded Plant Cost Support

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

Add more lines if necessary

Delmarva Power & Light Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Allocation	Transmission Related	Details
		Enter \$		Amount	
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)				
	Directly Assignable to Transmission	-	100%	-	
	Labor Related, General plant related or Common Plant related	7,565,712	8.12%	614,355	
	Plant Related	4,513,205	30.72%	1,386,565	
	Other		0.00%	-	
	Total Transmission Related Reserves	12,078,917		2,000,920	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Description of the Prepayments
45 Prepayments					
		Allocator		To Line 45	
	Pension Liabilities, if any, in Account 242	-	6.821%	-	
	Prepayments	\$ 43,074,001	6.821%	2,938,085	
	Prepaid Pensions if not included in Prepayments	\$ 184,099,468	6.821%	12,557,457	
		227,173,469	6.82%	15,495,543	
5	Wages & Salary Allocator	8.120%			
	Electric vs Gas	84% Based on Modified Wisconsin Method			
	Modified Wages & Salaries Allocator	6.821%			
Add more lines if necessary					

Extraordinary Property Loss

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

Delmarva Power & Light Company

Attachment 5 - Cost Support

Interest on Outstanding Network Credits Cost Support

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

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

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	3,991	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 6,088,669	\$ 4,685,228	\$ 13,055,598	\$ 11,843,832	\$ 35,673,327
Security Services Administration	448,463	281,895	1,103,634	215,476	2,049,468
Purchasing, Storeroom & Materials Mgt	764,668	401,128	2,292,990	162,133	3,620,919
Vehicle Resource Management	823,131	510,583	667,782	23,980	2,025,476
General Services	2,499,014	1,185,490	1,992,218	833,669	6,510,391
Building Services	845,609	719,336	2,002,356	650,304	4,217,605
Real Estate	1,062,693	914,165	168,676	123,622	2,269,156
Corporate Insurance Administration	161,286	107,288	243,862	132,157	644,593
Claims Administration	554,166	522,344	1,258,298	-	2,334,808
Regulatory Affairs	3,557,440	2,525,542	5,206,817	51,787	11,341,586
Accounts Payable Accounting Services	480,561	369,796	415,968	175,455	1,441,780
Payroll Services	345,067	197,596	527,080	82,924	1,152,667
Asset & Project Accounting Services	465,891	441,261	1,235,701	396,926	2,539,779
Investor Relations	163,900	137,954	391,953	232,342	926,149
Shareholder Services	239,252	200,704	573,491	340,459	1,353,906
Financial Reporting	714,616	611,787	1,710,178	1,032,682	4,069,263
Sarbanes-Oxley Compliance	170,005	155,738	406,322	240,877	972,942
Investment Financial Management	162,452	144,408	324,998	227,000	858,858
Other Financial Services	4,822,102	4,016,397	7,066,305	5,585,377	21,490,181
Insurance Premiums & Claims	2,183,779	1,532,480	3,622,824	2,853,195	10,192,278
Cost of Benefits	9,645,396	5,280,286	14,835,121	4,851,358	34,612,161
Executive Compensation Services	1,304,179	1,102,347	3,098,578	1,836,230	7,341,334
Other Human Resources Services	6,003,234	3,552,335	7,295,156	4,221,881	21,072,606
Legal Services	3,295,848	2,149,716	4,685,334	1,193,530	11,324,428
Audit Services	901,281	937,556	1,344,601	725,695	3,909,133
Special Billing	596,177	523,426	1,032,596	23,547	2,175,746
Other Customer Care	32,330,273	33,228,289	9,939,300	-	75,497,862
Marketing Services	1,337,414	901,584	2,152,837	71,686	4,463,521
Information Technology	6,446,316	4,108,253	28,658,896	2,414,853	41,628,318
PHI Corporate Contributions	4,413	3,760	10,600	6,249	25,022
Federal Government Affairs	236,465	199,898	565,539	334,717	1,336,619
Other Corporate Communications	965,371	576,380	1,674,735	591,134	3,807,620
Environmental Management Services	1,356,946	891,749	2,094,110	594,133	4,936,938
System Operations Shared	2,441,554	1,611,650	5,351,445	186,866	9,591,515
Electric Maintenance Meter Shop	1,353,932	767,471	-	-	2,121,403
Other Delivery Services	23,228,812	16,373,165	29,935,926	40,567	69,578,470
Power Procurement	1,691,047	1,405,532	2,847,431	-	5,944,010
Management & Administration	112,436	21,520	-	10,169,677	10,303,633
Merchant Functions	907,522	-	-	21,600,003	22,507,525
Engineering Administration	254,758	117,831	-	10,043,444	10,416,033
Internal Consulting Services	104,095	70,196	157,910	-	332,201
IT Voice Support	-	-	2,430	-	2,430
Interns	159,834	109,390	144,916	342	414,482
Total	\$ 121,230,067	\$ 93,593,454	\$ 160,094,512	\$ 84,110,109	\$ 459,028,142

Name of Respondent PHI Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2008
---	---	--	---------------------------------------

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

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

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Potomac Electric Power Company	70,313,952	90,411,393	(630,833)	160,094,512
2	Delmarva Power & Light Company	37,169,665	84,325,788	(265,386)	121,230,067
3	Atlantic City Electric	22,993,733	70,823,730	(224,009)	93,593,454
4	Conectiv Energy Supply, Inc.	19,820,277	10,843,609	(37,598)	30,626,288
5	Conectiv Delmarva Generation, Inc.	5,683,137	11,664,701	(56,877)	17,290,961
6	Pepco Energy Services, Inc.	4,018,268	9,426,518	(70,597)	13,374,189
7	Conectiv Atlantic Generation, LLC	3,189,892	4,706,247	(26,309)	7,869,830
8	Conectiv Bethlehem, LLC	1,945,436	1,766,615	(31,160)	3,680,891
9	Pepco Holdings, Inc.	219,543	3,138,792	(86,688)	3,271,647
10	Potomac Capital Investment Corporation	1,300,935	1,086,853	(22,585)	2,365,203
11	PHI Operating Services Company	703,267	1,216,914	(951)	1,919,230
12	Thermal Energy Limited Partnership	108,347	684,357	(7,865)	784,839
13	Conectiv Mid-Merit, LLC	940,099	179,868	(902)	1,119,065
14	Conectiv Thermal Systems	138,656	160,340	(1,033)	297,963
15	Atlantic Southern Properties	53,082	90,180	(572)	142,690
16	Conectiv Communications, Inc.	732	37,058	(813)	36,977
17	ATE Investments, Inc.	1,310	26,026	(695)	26,641
18	Atlantic City Electric Transition Funding, LLC	51,570	670,171	(21,846)	699,895
19	Delaware Operating Services Company	2,006			2,006
20	Conectiv Properties and Investments, Inc.	9,125	62,047		71,172
21	Conectiv Pennsylvania Generation, LLC	14	6,175	(45)	6,144
22	Conectiv Solutions LLC	8,461	5,117		13,578
23	Conectiv North East, LLC	80,417	3,130	(37)	83,510
24	Atlantic Generation, Inc.	7,221	1,169	(8)	8,382
25	DCTC-Burney, Inc.	782	348		1,130
26	Conectiv Services II, Inc.	37,593	12,763		50,356
27	Vineland General, Inc.	12,660	150	(1)	12,809
28	Vineland Limited, Inc.		6		6
29	ACE REIT, Inc.	13	21	(1)	33
30	Conectiv	7,625	11,091	(334)	18,382
31	Atlantic Thermal Operating Company	49	119,384		119,433
32	Conectiv Energy Holding Company	424	223,071	(6,983)	216,512
33	Delta, LLC	347			347
34					
35					
36					
37					
38					
39					
40	Total	168,818,638	291,703,632	(1,494,128)	459,028,142

7 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds and CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)

Remove all Cap Adds placed in service in Year 2
 For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 \$ 24,655,022 Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)		
Jan	-	-	-	-	11.5	-	-	-	-	-	-	-	-		
Feb	70,200	-	-	-	10.5	737,100	-	-	-	61,425	-	-	-		
Mar	2,152	-	-	-	9.5	20,444	-	-	-	1,704	-	-	-		
Apr	85,452	-	-	-	8.5	726,342	-	-	-	60,529	-	-	-		
May	3,680,563	-	-	-	7.5	27,604,223	-	-	-	2,300,352	-	-	-		
Jun	7,446,117	-	-	-	6.5	48,399,761	-	-	-	4,033,313	-	-	-		
Jul	5,254,923	-	-	-	5.5	28,902,077	-	-	-	2,408,506	-	-	-		
Aug	229,406	-	-	-	4.5	1,032,327	-	-	-	86,027	-	-	-		
Sep	1,175,371	-	-	-	3.5	4,113,799	-	-	-	342,817	-	-	-		
Oct	4,084,690	-	-	-	2.5	10,211,725	-	-	-	850,977	-	-	-		
Nov	743,213	-	152883.13	-	1.5	1,114,820	-	229,325	-	92,902	-	19,110	-		
Dec	1,862,935	-	142681.4	-	0.5	941,468	-	71,341	-	78,456	-	5,945	-		
Total	24,655,022	-	295,565	-	-	123,804,083	-	-	-	10,317,007	-	25,055	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										10,317,007	-	-	-		
										Input to Line 21 of Appendix A		10,317,007	-	10,317,007	
										Input to Line 43a of Appendix A		-	-	25,055	25,055
										Month In Service or Month for CWIP		6.98	#DIV/0!	10.98	#DIV/0!
60,598,298.70	Result of Formula for Reconciliation		Must run Appendix A with cap adds in line 21 & line 20												
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)															

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

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)		
Jan	-	-	1128898	-	11.5	-	-	12,982,325	-	-	-	1,081,860	-		
Feb	-	-	833333	-	10.5	-	-	8,750,000	-	-	-	729,167	-		
Mar	-	-	833333	-	9.5	-	-	7,916,667	-	-	-	659,722	-		
Apr	-	-	833333	-	8.5	-	-	7,083,333	-	-	-	590,278	-		
May	-	-	833333	-	7.5	-	-	6,250,000	-	-	-	520,833	-		
Jun	22,264,169	-	833333	-	6.5	144,717,099	-	5,416,667	-	12,059,758	-	451,389	-		
Jul	-	-	833333	-	5.5	-	-	4,583,333	-	-	-	381,944	-		
Aug	-	-	833333	-	4.5	-	-	3,750,000	-	-	-	312,500	-		
Sep	-	-	833333	-	3.5	-	-	2,916,667	-	-	-	243,056	-		
Oct	-	-	833333	-	2.5	-	-	2,083,333	-	-	-	173,611	-		
Nov	-	-	833333	-	1.5	-	-	1,250,000	-	-	-	104,167	-		
Dec	-	-	833333	-	0.5	-	-	416,667	-	-	-	34,722	-		
Total	22,264,169	-	10,295,565	-	-	144,717,099	-	-	-	12,059,758	-	5,283,249	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										12,059,758	-	-	12,059,758		
										Input to Line 21 of Appendix A		12,059,758	-	12,059,758	
										Input to Line 43a of Appendix A		-	-	5,283,249	5,283,249
										Month In Service or Month for CWIP		5.50	#DIV/0!	5.84	#DIV/0!
64,289,465	Result of Formula for Reconciliation		Must run Appendix A with cap adds in line 21 & line 20												

9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)

The Reconciliation in Step 7		The forecast in Prior Year		=		(6,339,870)	
60,598,299		66,938,169					
Interest on Amount of Refunds or Surcharges							
Interest rate pursuant to 35.19a for March of		0.3800%					
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed	
Jun	Year 1	(528,322)	0.3800%	11.5	(23,088)	(551,410)	
Jul	Year 1	(528,322)	0.3800%	10.5	(21,080)	(549,403)	
Aug	Year 1	(528,322)	0.3800%	9.5	(19,072)	(547,395)	
Sep	Year 1	(528,322)	0.3800%	8.5	(17,065)	(545,387)	
Oct	Year 1	(528,322)	0.3800%	7.5	(15,057)	(543,380)	
Nov	Year 1	(528,322)	0.3800%	6.5	(13,050)	(541,372)	
Dec	Year 1	(528,322)	0.3800%	5.5	(11,042)	(539,364)	
Jan	Year 2	(528,322)	0.3800%	4.5	(9,034)	(537,357)	
Feb	Year 2	(528,322)	0.3800%	3.5	(7,027)	(535,349)	
Mar	Year 2	(528,322)	0.3800%	2.5	(5,019)	(533,342)	
Apr	Year 2	(528,322)	0.3800%	1.5	(3,011)	(531,334)	
May	Year 2	(528,322)	0.3800%	0.5	(1,004)	(529,326)	
Total		(6,339,870)				(6,484,419)	

		Amortization over				
		Balance	Interest rate from above	Rate	Year	Balance
Jun	Year 2	(6,484,419)	0.3800%	(553,808)		(5,955,252)
Jul	Year 2	(5,955,252)	0.3800%	(553,808)		(5,424,073)
Aug	Year 2	(5,424,073)	0.3800%	(553,808)		(4,890,877)
Sep	Year 2	(4,890,877)	0.3800%	(553,808)		(4,355,654)
Oct	Year 2	(4,355,654)	0.3800%	(553,808)		(3,818,397)
Nov	Year 2	(3,818,397)	0.3800%	(553,808)		(3,279,099)
Dec	Year 2	(3,279,099)	0.3800%	(553,808)		(2,737,751)
Jan	Year 3	(2,737,751)	0.3800%	(553,808)		(2,194,347)
Feb	Year 3	(2,194,347)	0.3800%	(553,808)		(1,648,877)
Mar	Year 3	(1,648,877)	0.3800%	(553,808)		(1,101,335)
Apr	Year 3	(1,101,335)	0.3800%	(553,808)		(551,712)
May	Year 3	(551,712)	0.3800%	(553,808)		(0)
Total with interest				(6,645,698)		

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest (6,645,698)
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 64,289,465
 Revenue Requirement for Year 3 57,643,767

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 57,643,767 Post results of Step 3 on PJM web site

11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
 \$ 57,643,767

come effective on December 1, 2007. Per FERC orders in Dockets No. ER08-686 and ER08-1423 the ROE for specific project:
 (C to become effective June 1, 2008 and November 1, 2008 respectively)

B0494.1-4 Red Lion-Keeney				B0241.1-2 Red Lion-Keeney						
No 35				No 35						
No 150				No 150						
12.5524%				12.5524%						
13.5437%				13.5437%						
3,099,104				2,418,717						
88,546				69,106						
6.00				6.00						
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
		-	-			-	-	\$ 22,130		\$ 22,130
								\$ 23,878	\$ 23,878	
3,099,104	44,273	3,054,831	427,729	2,418,717	34,553	2,384,164	333,824	\$ 4,081,244		\$ 4,081,244
3,099,104	44,273	3,054,831	458,010	2,418,717	34,553	2,384,164	357,457	\$ 4,380,735	\$ 4,380,735	
3,054,831	88,546	2,966,285	460,887	2,384,164	69,106	2,315,058	359,703	\$ 4,297,444		\$ 4,297,444
3,054,831	88,546	2,966,285	490,290	2,384,164	69,106	2,315,058	382,650	\$ 4,591,212	\$ 4,591,212	
2,966,285	88,546	2,877,739	449,773	2,315,058	69,106	2,245,952	351,028	\$ 4,224,974		\$ 4,224,974
2,966,285	88,546	2,877,739	478,298	2,315,058	69,106	2,245,952	373,291	\$ 4,513,019	\$ 4,513,019	
2,877,739	88,546	2,789,194	438,658	2,245,952	69,106	2,176,845	342,354	\$ 4,152,504		\$ 4,152,504
2,877,739	88,546	2,789,194	466,305	2,245,952	69,106	2,176,845	363,931	\$ 4,434,826	\$ 4,434,826	
2,789,194	88,546	2,700,648	427,543	2,176,845	69,106	2,107,739	333,679	\$ 4,080,033		\$ 4,080,033
2,789,194	88,546	2,700,648	454,313	2,176,845	69,106	2,107,739	354,572	\$ 4,356,632	\$ 4,356,632	
2,700,648	88,546	2,612,102	416,429	2,107,739	69,106	2,038,633	325,005	\$ 4,007,563		\$ 4,007,563
2,700,648	88,546	2,612,102	442,321	2,107,739	69,106	2,038,633	345,212	\$ 4,278,439	\$ 4,278,439	
2,612,102	88,546	2,523,556	405,314	2,038,633	69,106	1,969,527	316,330	\$ 3,935,092		\$ 3,935,092
2,612,102	88,546	2,523,556	430,328	2,038,633	69,106	1,969,527	335,853	\$ 4,200,246	\$ 4,200,246	
2,523,556	88,546	2,435,010	394,199	1,969,527	69,106	1,900,421	307,656	\$ 3,862,622		\$ 3,862,622
2,523,556	88,546	2,435,010	418,336	1,969,527	69,106	1,900,421	326,493	\$ 4,122,053	\$ 4,122,053	
2,435,010	88,546	2,346,464	383,085	1,900,421	69,106	1,831,314	298,981	\$ 3,790,152		\$ 3,790,152
2,435,010	88,546	2,346,464	406,344	1,900,421	69,106	1,831,314	317,134	\$ 4,043,860	\$ 4,043,860	
2,346,464	88,546	2,257,919	371,970	1,831,314	69,106	1,762,208	290,306	\$ 3,717,681		\$ 3,717,681
2,346,464	88,546	2,257,919	394,351	1,831,314	69,106	1,762,208	307,774	\$ 3,965,666	\$ 3,965,666	
2,257,919	88,546	2,169,373	360,855	1,762,208	69,106	1,693,102	281,632	\$ 3,645,211		\$ 3,645,211
2,257,919	88,546	2,169,373	382,359	1,762,208	69,106	1,693,102	298,415	\$ 3,887,473	\$ 3,887,473	
2,169,373	88,546	2,080,827	349,741	1,693,102	69,106	1,623,996	272,957	\$ 3,572,740		\$ 3,572,740
2,169,373	88,546	2,080,827	370,367	1,693,102	69,106	1,623,996	289,055	\$ 3,809,280	\$ 3,809,280	
2,080,827	88,546	1,992,281	338,626	1,623,996	69,106	1,554,890	264,283	\$ 3,500,270		\$ 3,500,270
2,080,827	88,546	1,992,281	358,374	1,623,996	69,106	1,554,890	279,696	\$ 3,731,087	\$ 3,731,087	
1,992,281	88,546	1,903,735	327,511	1,554,890	69,106	1,485,783	255,608	\$ 3,427,800		\$ 3,427,800
1,992,281	88,546	1,903,735	346,382	1,554,890	69,106	1,485,783	270,336	\$ 3,652,894	\$ 3,652,894	
1,903,735	88,546	1,815,189	316,397	1,485,783	69,106	1,416,677	246,934	\$ 3,355,329		\$ 3,355,329
1,903,735	88,546	1,815,189	334,389	1,485,783	69,106	1,416,677	260,977	\$ 3,574,700	\$ 3,574,700	
1,815,189	88,546	1,726,644	305,282	1,416,677	69,106	1,347,571	238,259	\$ 3,282,859		\$ 3,282,859
1,815,189	88,546	1,726,644	322,397	1,416,677	69,106	1,347,571	251,617	\$ 3,496,507	\$ 3,496,507	
1,726,644	88,546	1,638,098	294,167	1,347,571	69,106	1,278,465	229,585	\$ 3,210,388		\$ 3,210,388
1,726,644	88,546	1,638,098	310,405	1,347,571	69,106	1,278,465	242,257	\$ 3,418,314	\$ 3,418,314	
1,638,098	88,546	1,549,552	283,053	1,278,465	69,106	1,209,359	220,910	\$ 3,137,918		\$ 3,137,918
1,638,098	88,546	1,549,552	298,412	1,278,465	69,106	1,209,359	232,898	\$ 3,340,121	\$ 3,340,121	
1,549,552	88,546	1,461,006	271,938	1,209,359	69,106	1,140,252	212,236	\$ 3,065,448		\$ 3,065,448
1,549,552	88,546	1,461,006	286,420	1,209,359	69,106	1,140,252	223,538	\$ 1,867,529	\$ 1,867,529	
.....	\$		\$
.....	\$		\$
								\$	73,688,469	\$ 70,369,404

Delmarva Power & Light Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest		
101	Less LTD Interest on Securitization Bonds		0
	Capitalization		
112	Less LTD on Securitization Bonds		0

Calculation of the above Securitization Adjustments

