

VIRGINIA ELECTRIC AND POWER COMPANY
Adjusted ATRR and the True-Up Adjustment Before Interest for 2008

To: Interested Parties (as defined in Section 1.b. of the Formula Rate Implementation Protocols)

In accordance with Section 2.a. of the Formula Rate Implementation Protocols, Virginia Electric and Power Company (“VEPCO”) is providing the following information to be posted on the www.pjm.com website:

- (i) the adjusted ATRR for the previous calendar year, calculated by applying the methodology set out in Attachment H-16A Appendix A to VEPCO’s actual costs for that calendar year; and
- (ii) the True-Up Adjustment Before Interest for the previous calendar year, calculated pursuant to Attachment H-16A, Attachment 6.

The True-Up Adjustment Before Interest for 2008 is shown on page 24 of the Attachment.

In addition to the above information, VEPCO is also providing the adjusted Annual Revenue Requirement for the previous calendar year and True-up Adjustment before interest for each Annual Revenue Requirement included in Attachment 7 that is calculated in accordance with Attachment H-16A, Attachment 6A. This information is shown on pages 26 through 30 of the Attachment.

Please note that in this instance the previous calendar year is 2008 and that the information being provided will not affect transmission rates until January 1, 2010.

VEPCO intends to revise the text of Attachment H-16A, Attachment 9, to reflect the individual depreciation rates underlying the data in VEPCO’s FERC Form No. 1 and as reflected in the depreciation study provided to FERC by VEPCO in Docket No. ER08-92-003, rather than composite values reflected in the present version of Attachment H-16A, Attachment 9.

Virginia Electric and Power Company
ATTACHMENT H-16A

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Formula Rate -- Appendix A

Notes

Instruction (Note H)

2008

Shaded cells are input cells

(000's)

Allocators

Wages & Salary Allocation Factor				
1	Transmission Wages Expense	p354.21b/ Attachment 5	\$	18,595
2	Less Generator Step-ups	Attachment 5		30
3	Net Transmission Wage Expenses	(Line 1 - 2)		18,565
4	Total Wages Expense	p354.28b/Attachment 5		642,556
5	Less A&G Wages Expense	p354.27b/Attachment 5		163,553
6	Total	(Line 4 - 5)	\$	479,003
7	Wages & Salary Allocator	(Note B) (Line 3 / 6)		3.8758%
Plant Allocation Factors				
8	Electric Plant in Service	(Notes A & Q) p207.104.g/Attachment 5	\$	20,379,079
9	Common Plant In Service - Electric	(Line 26)		0
10	Total Plant In Service	(Sum Lines 8 & 9)		20,379,079
11	Accumulated Depreciation (Total Electric Plant)	(Notes A & Q) (Line 15 - 14 - 13 - 12)		8,404,249
12	Accumulated Intangible Amortization	(Notes A & Q) p200.21c/Attachment 5		176,272
13	Accumulated Common Amortization - Electric	(Notes A & Q) p356/Attachment 5		0
14	Accumulated Common Plant Depreciation - Electric	(Notes A & Q) p356/Attachment 5		0
15	Total Accumulated Depreciation	p219.29c/Attachment 5		8,580,521
16	Net Plant	(Line 10 - 15)		11,798,558
17	Transmission Gross Plant	(Line 31 - 30)		1,965,338
18	Gross Plant Allocator	(Note B) (Line 17 / 10)		9.6439%
19	Transmission Net Plant	(Line 44 - 30)	\$	1,163,789
20	Net Plant Allocator	(Note B) (Line 19 / 16)		9.8638%

Plant Calculations

Plant In Service				
21	Transmission Plant In Service	(Notes A & Q) p207.58.g/Attachment 5	\$	2,036,568
22	Less: Generator Step-ups	(Notes A & Q) Attachment 5		79,129
23	Less: Interconnect Facilities Installed After March 15, 2000	(Notes A & Q) Attachment 5		23,804
24	Total Transmission Plant In Service	(Lines 21 - 22 - 23)		1,933,634
25	General & Intangible	(Notes A & Q) p205.5.g + p207.99.g/Attachment 5		818,000
26	Common Plant (Electric Only)	p356/Attachment 5		0
27	Total General & Common	(Line 25 + 26)		818,000
28	Wage & Salary Allocation Factor	(Line 7)		3.8758%
29	General & Common Plant Allocated to Transmission	(Line 27 * 28)	\$	31,704
30	Plant Held for Future Use (Including Land)	(Notes C & Q) p214.47.d/Attachment 5	\$	3,909
31	TOTAL Plant In Service	(Line 24 + 29 + 30)	\$	1,969,247
Accumulated Depreciation				
32	Transmission Accumulated Depreciation	(Notes A & Q) p219.25.c/Attachment 5	\$	792,341
33	Less Accumulated Depreciation for Generator Step-ups	(Notes A & Q) Attachment 5		4,653
34	Less Accumulated Depreciation for Interconnect Facilities Installed After March 15, 2000	(Notes A & Q) Attachment 5		3,888
35	Total Accumulated Depreciation for Transmission	(Line 32 - 33 - 34)		783,800
36	Accumulated General Depreciation	(Notes A & Q) p219.28.b/Attachment 5		281,676
37	Accumulated Intangible Amortization	(Notes A & Q) (Line 12)		176,272
38	Accumulated Common Amortization - Electric	(Line 13)		0
39	Common Plant Accumulated Depreciation (Electric Only)	(Line 14)		0
40	Total Accumulated Depreciation	(Sum Lines 36 to 39)		457,948
41	Wage & Salary Allocation Factor	(Line 7)		3.8758%
42	General & Common Allocated to Transmission	(Line 40 * 41)		17,749
43	TOTAL Accumulated Depreciation	(Line 35 + 42)	\$	801,549
44	TOTAL Net Property, Plant & Equipment	(Line 31 - 43)	\$	1,167,698

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Notes

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Adjustment To Rate Base

Accumulated Deferred Income Taxes			
45	ADIT net of FASB 106 and 109	Attachment 1	\$ (167,776)
46	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 45)	\$ (167,776)
Transmission O&M Reserves			
47	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	\$ (1,149)
Prepayments			
48	Prepayments	(Notes A & R) Attachment 5	\$ 3,801
49	Total Prepayments Allocated to Transmission	(Line 48)	\$ 3,801
Materials and Supplies			
50	Undistributed Stores Exp	(Notes A & R)	\$ -
51	Wage & Salary Allocation Factor	p227.6c & 16.c (Line 7)	3.8758%
52	Total Transmission Allocated Materials and Supplies	(Line 50 * 51)	0
53	Transmission Materials & Supplies	p227.8c/2	3,778
54	Total Materials & Supplies Allocated to Transmission	(Line 52 + 53)	\$ 3,778
Cash Working Capital			
55	Transmission Operation & Maintenance Expense	(Line 85)	\$ 52,461
56	1/8th Rule	x 1/8	12.5%
57	Total Cash Working Capital Allocated to Transmission	(Line 55 * 56)	\$ 6,558
Network Credits			
58	Outstanding Network Credits	(Note N) Attachment 5 / From PJM	0
59	Less Accumulated Depreciation Associated with Facilities with Outstanding Net	(Note N) Attachment 5 / From PJM	0
60	Net Outstanding Credits	(Line 58 - 59)	0
61	TOTAL Adjustment to Rate Base	(Line 46 + 47 + 49 + 54 + 57 - 60)	\$ (154,788)
62	Rate Base	(Line 44 + 61)	\$ 1,012,909

O&M

Transmission O&M			
63	Transmission O&M	p321.112.b/Attachment 5	\$ 36,837
64	Less GSU Maintenance	Attachment 5	54
65	Less Account 565 - Transmission by Others	p321.96.b/Attachment 5	54
66	Plus Schedule 12 Charges billed to Transmission Owner and booked to Accou	PJM Data	0
67	Transmission O&M	(Lines 63 - 64 + 65 + 66)	\$ 36,729
Allocated General & Common Expenses			
68	Common Plant O&M	(Note A) p356	0
69	Total A&G	Attachment 5	425,651
70	Less Property Insurance Account 924	p323.185b	3,817
71	Less Regulatory Commission Exp Account 928	(Note E) p323.189b/Attachment 5	22,693
72	Less General Advertising Exp Account 930.1	p323.911b/Attachment 5	4,582
73	Less EPRI Dues	(Note D) p352-353/Attachment 5	2,595
74	General & Common Expenses	(Lines 68 + 69) - Sum (70 to 73)	\$ 391,964
75	Wage & Salary Allocation Factor	(Line 7)	3.8758%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	\$ 15,192
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b/Attachment 5	\$ 164
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	164
80	Property Insurance Account 924	p323.185b	3,817
81	General Advertising Exp Account 930.1	(Note F) Attachment 5	0
82	Total	(Line 80 + 81)	3,817
83	Net Plant Allocation Factor	(Line 20)	9.8638%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	\$ 377
85	Total Transmission O&M	(Line 67 + 76 + 79 + 84)	\$ 52,461

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Notes

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Depreciation & Amortization Expense

Depreciation Expense				
86	Transmission Depreciation Expense	(Notes A and S)	p336.7b&c/Attachment 5	\$ 40,674
87	Less: GSU Depreciation		Attachment 5	1,604
88	Less Interconnect Facilities Depreciation		Attachment 5	484
89	Extraordinary Property Loss		Attachment 5	0
90	Total Transmission Depreciation		(Line 86 - 87 - 88 + 89)	38,586
91	General Depreciation	(Note A)	p336.10b&c&d/Attachment 5	23,902
92	Intangible Amortization	(Note A)	p336.1d&e/Attachment 5	24,125
93	Total		(Line 91 + 92)	48,027
94	Wage & Salary Allocation Factor		(Line 7)	3.8758%
95	General and Intangible Depreciation Allocated to Transmission		(Line 93 * 94)	1,861
96	Common Depreciation - Electric Only	(Note A)	p336.11.b	0
97	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0
98	Total		(Line 96 + 97)	0
99	Wage & Salary Allocation Factor		(Line 7)	3.8758%
100	Common Depreciation - Electric Only Allocated to Transmission		(Line 98 * 99)	0

101	Total Transmission Depreciation & Amortization		(Line 90 + 95 + 100)	\$ 40,448
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Taxes Other than Income

102	Taxes Other than Income		Attachment 2	\$ 10,348
103	Total Taxes Other than Income		(Line 102)	\$ 10,348

Return / Capitalization Calculations

Long Term Interest				
104	Long Term Interest	(Note T)	p117.62c through 67c	\$ 314,238
105	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
106	Long Term Interest		(Line 104 - 105)	\$ 314,238
107	Preferred Dividends	(Note T), enter positive	p118.29c	\$ 16,659
Common Stock				
108	Proprietary Capital		p112.16c,d/2	\$ 6,166,098
109	Less Preferred Stock	(Note T), enter negative	(Line 117)	-259,014
110	Less Account 219 - Accumulated Other Comprehensive Income	(Note T), enter negative	p112.15c,d/2	-15,590
111	Common Stock		(Sum Lines 108 to 110)	\$ 5,891,494
Capitalization				
112	Long Term Debt		p112.24c,d/2	\$ 5,863,256
113	Less Loss on Reacquired Debt	(Note T), enter negative	p111.81c,d/2	-6,527
114	Plus Gain on Reacquired Debt	(Note T), enter positive	p113.61c,d/2	1,908
115	Less LTD on Securitization Bonds	(Note P)	(Note T), enter negative Attachment 8	0
116	Total Long Term Debt		(Sum Lines 112 to 115)	5,858,638
117	Preferred Stock	(Note T), enter positive	p112.3c,d/2	259,014
118	Common Stock		(Line 111)	5,891,494
119	Total Capitalization		(Sum Lines 116 to 118)	\$ 12,009,146
120	Debt %	Total Long Term Debt	(Line 116 / 119)	48.8%
121	Preferred %	Preferred Stock	(Line 117 / 119)	2.2%
122	Common %	Common Stock	(Line 118 / 119)	49.1%
123	Debt Cost	Total Long Term Debt	(Line 106 / 116)	0.0536
124	Preferred Cost	Preferred Stock	(Line 107 / 117)	0.0643
125	Common Cost	Common Stock	(Note J) Fixed	0.1140
126	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 120 * 123)	0.0262
127	Weighted Cost of Preferred	Preferred Stock	(Line 121 * 124)	0.0014
128	Weighted Cost of Common	Common Stock	(Line 122 * 125)	0.0559
129	Total Return (R)		(Sum Lines 126 to 128)	0.0835
130	Investment Return = Rate Base * Rate of Return		(Line 62 * 129)	84,558

Virginia Electric and Power Company ATTACHMENT H-16A Formula Rate -- Appendix A		Notes	Instruction (Note H)	2008
Composite Income Taxes				
Income Tax Rates				
131	FIT=Federal Income Tax Rate		Attachment 5	35.00%
132	SIT=State Income Tax Rate or Composite	(Note I)	Attachment 5	6.13%
133	p	(percent of federal income tax deductible for ePer State Tax Code		0.00%
134	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		38.98%
135	T / (1-T)			63.89%
ITC Adjustment				
136	Amortized Investment Tax Credit	(Note I) enter negative	Attachment 1 (Line 135)	\$ (1,050)
137	T/(1-T)			63.89%
138	ITC Adjustment Allocated to Transmission		(Line 136 * (1 + 137))	\$ (1,721)
139	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WC)[Line\ 135 * 130 * (1-(126 / 129))]$		37,088
140	Total Income Taxes		(Line 138 + 139)	\$ 35,367
REVENUE REQUIREMENT				
Summary				
141	Net Property, Plant & Equipment		(Line 44)	\$ 1,167,698
142	Adjustment to Rate Base		(Line 61)	-154,768
143	Rate Base		(Line 62)	\$ 1,012,909
144	O&M		(Line 85)	52,461
145	Depreciation & Amortization		(Line 101)	40,448
146	Taxes Other than Income		(Line 103)	10,348
147	Investment Return		(Line 130)	84,558
148	Income Taxes		(Line 140)	35,367
149				
150	Revenue Requirement		(Sum Lines 144 to 149)	\$ 223,182
Net Plant Carrying Charge				
151	Revenue Requirement		(Line 150)	\$ 223,182
152	Net Transmission Plant		(Line 24 - 35)	1,149,834
153	Net Plant Carrying Charge		(Line 151 / 152)	19,4099%
154	Net Plant Carrying Charge without Depreciation		(Line 151 - 86) / 152	15.8725%
155	Net Plant Carrying Charge without Depreciation, Return or Income Taxes		(Line 151 - 86 - 130 - 140) / 152	5.4428%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE				
156	Gross Revenue Requirement Less Return and Taxes		(Line 150 - 147 - 148)	\$ 103,257
157	Increased Return and Taxes		Attachment 4	128,069
158	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 156 + 157)	231,326
159	Net Transmission Plant		(Line 152)	1,149,834
160	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 158 / 159)	20.1182%
161	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation		(Line 158 - 86) / 159	16.5808%
162	Revenue Requirement		(Line 150)	\$ 223,182
163	True-up Adjustment		Attachment 6	-
164	Plus any increased ROE calculated on Attachment 7 other than PJM Schedule 12 projects.		Attachment 7	-
165	Facility Credits under Section 30.9 of the PJM OATT.		Attachment 5	-
166	Revenue Credits		Attachment 3	(10,057)
167	Interest on Network Credits		PJM data	0
168	Annual Transmission Revenue Requirement (ATRR)		(Line 162 + 163 + 164 + 165 + 166 + 167)	\$ 213,125
Rate for Network Integration Transmission Service				
169	1 CP Peak	(Note L)	PJM Data	19,687.8
170	Rate (\$/MW-Year)		(Line 168 / 169)	10,825.22
171	Rate for Network Integration Transmission Service Rate (\$/MW/Year)		(Line 170)	10,825.22

Virginia Electric and Power Company
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Notes

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Notes

- A Electric portion only - VEPCO does not have Common Plant.
- B Excludes amounts for Generator Step-ups and Interconnection Facilities, when appropriate.
- C Includes Transmission portion only.
- D Excludes all EPRI Annual Membership Dues.
- E Includes all regulatory commission expenses.
- F Includes all safety related advertising included in Account 930.1.
- G Includes all regulatory commission expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H The Form 1 reference indicates only the end-of-year balance used to derive the amount beside the reference. Each plant balance with a Form 1 reference will include the Form 1 balance in an average of the 13 month balances for the year. Each non-plant balance included in rate base with a Form 1 reference will include Form 1 balances in the calculation of the average of the beginning and end of year balances for the year. See notes Q and R below.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ the percentage of federal income tax deductible for state income taxes. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$. A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE will be supported in the original filing and no change in ROE will be made absent a filing at FERC. The basis point increase in ROE for new investment will be set at 100 basis points in Attachment 4 but not applied to determine any of the charges resulting from this formula absent a filing at FERC.
- 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.
- 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) toward 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 on Line 167.
- 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 on Line 66.
- P Securitization bonds may be included in the capital structure.
- Q Calculated using 13 month average balance. Only beginning and end of year balances are from Form 1.
- R Calculated using average of beginning and end of year balances. Beginning and end of year balances are from Form 1.
- S The depreciation rates are included in Attachment 9.
- T For the initial formula rate calculation, the projected capital structure shall reflect the capital structure from the 2006 FERC Form No. 1 data. For all other formula rate calculations, the projected capital structure and actual capital structure shall reflect the capital structure from the most recent FERC Form No. 1 data available.

END

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008
(000's)

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	(180,002)	(26,594)	(22,397)	
ADIT-283	0	(10,904)	(1,784)	
ADIT-190	0	108,368	70,112	
Subtotal	(180,002)	70,870	45,931	
Wages & Salary Allocator			3.8758%	
Gross Plant Allocator		9.6439%		
End of Year ADIT	(180,002)	6,835	1,780	(171,388)
End of Previous Year ADIT (from Sheet 1A-ADIT (3))	(167,747)	3,702	(118)	(164,163)
Average Beginning and End of Year ADIT	(173,875)	5,268	831	(167,776)
End of Year ADIT	(171,388)			
End of Previous Year ADIT	(164,163)			
Average Beginning and End of Year ADIT	(167,776)			

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.

End of Year Balances :

A	B	C	D	E	F	G
ADIT-190	Total	Production Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
BAD DEBTS	5,190	5,190				For tax purposes bad debts are deductible when they are deemed to be uncollectible / worthless.
CAPITAL LEASE	426	426				Not applicable to Transmission Cost of Service calculation.

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Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

CAPITALIZED BROKERS FEES	749	749			Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST - NONOP CWIP	-	-			Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST NONOP IN SERVICE	307	307			Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST OPERATING CWIP	39,778	39,778			Represents tax capitalized interest on projects in CWIP - increase in taxable income.
CAPITALIZED INTEREST OPERATING IN SERVICE	105,501		105,501		Represents tax "In Service" capitalized interest placed in service net of tax amortization.
CIAC NC - NONOP CWIP	7	7			Not applicable to Transmission Cost of Service calculation.
CIAC NC - NONOP IN SERVICE	2,679	2,679			Not applicable to Transmission Cost of Service calculation.
CIAC VA - NONOP CWIP	3,215	3,215			Not applicable to Transmission Cost of Service calculation.
CIAC VA - NONOP IN SERVICE	100,213	100,213			Not applicable to Transmission Cost of Service calculation.
CONTINGENT CLAIMS CURRENT	-	-			Not applicable to Transmission Cost of Service calculation.
CONTINGENT CLAIMS NONCURRENT	1,455	1,455			Not applicable to Transmission Cost of Service calculation.
DECOMMISSIONING & DECONTAMINATION	(2)	(2)			Book expensed as billed over 15 yr assessment period; tax deduct in year of assessment because all events test met as liability is based on prior facility use.
DEFERRED GAIN/LOSS NONOPERATING	(53)	(53)			Not applicable to Transmission Cost of Service calculation.
DEFERRED GAIN/LOSS OPERATING	(498)		(498)		Represents the ADIT on Book Gain/Loss as accrued.
DEFERRED GAIN/LOSS-FUTURE USE	(736)	(736)			Not applicable to Transmission Cost of Service calculation.
DEFERRED GAIN/LOSS-FUTURE USE NONOP	1,917	1,917			Not applicable to Transmission Cost of Service calculation.
DFIT - ITC ASSET FIT DEREGULATED	-	-			Not applicable to Transmission Cost of Service calculation.
DFIT 190 OPERATING NONCURRENT ASSET	(526)	(526)			Not applicable to Transmission Cost of Service calculation.
DFIT 282 NONOPERATING PLANT NONCURR LIAB	(3,368)	(3,368)			Not applicable to Transmission Cost of Service calculation.
DFIT 282 NONOPERATING PLANT NONCURR LIAB	-	0			Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB	94,973	94,973			Not applicable to Transmission Cost of Service calculation.
DFIT 283 NONOPERATING CURRENT LIAB	2	2			Not applicable to Transmission Cost of Service calculation.
DFIT 283 NONOPERATING NONCURRENT LIAB	5,650	5,650			Not applicable to Transmission Cost of Service calculation.
DFIT 283 OPERATING CURRENT LIABILITY	5,487	5,487			Not applicable to Transmission Cost of Service calculation.
DFIT 283 OPERATING NONCURRENT LIAB	32,142	32,142			Not applicable to Transmission Cost of Service calculation.
DFIT EFFECT ON SIT NONOP - OCI	225	225			Not applicable to Transmission Cost of Service calculation.
DIRECTOR CHARITABLE DONATION	175	175			Not applicable to Transmission Cost of Service calculation.
DSIT - ITC SIT ASSET N.C. DEREGULATED	-	-			Not applicable to Transmission Cost of Service calculation.
DSIT - ITC SIT ASSET Va. DEREGULATED	-	-			Not applicable to Transmission Cost of Service calculation.
DSIT - ITC SIT ASSET W.V. DEREGULATED	-	-			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP CURRENT ASSET N.C.	2	2			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP CURRENT ASSET VA	22	22			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP CURRENT ASSET W.V.	1	1			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP NONCURRENT ASSET N.C.	3,786	3,786			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP NONCURRENT ASSET VA	50,112	50,112			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP NONCURRENT ASSET W.V.	1,725	1,725			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP PLANT NONCURR ASSET N.C.	1,286	1,286			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP PLANT NONCURR ASSET VA	16,992	16,992			Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP PLANT NONCURR ASSET W.V.	585	585			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING CURRENT ASSET N.C.	807	807			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING CURRENT ASSET VA	10,692	10,692			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING CURRENT ASSET W.V.	367	367			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING NONCURR ASSET N.C.	451	451			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING NONCURR ASSET VA	5,888	5,888			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING NONCURR ASSET W.V.	443	443			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING NONCURR ASSET VA MIN	204	204			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING PLANT NONCURR ASSET N.C.	5,356	5,356			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING PLANT NONCURR ASSET VA	70,790	70,790			Not applicable to Transmission Cost of Service calculation.
DSIT 190 OPERATING PLANT NONCURR ASSET W.V.	2,439	2,439			Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB NC	(17)	(17)			Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB VA	(230)	(230)			Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB W.V.	(8)	(8)			Not applicable to Transmission Cost of Service calculation.
EMISSIONS ALLOWANCES	0	0			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DFIT DEFICIENCY (190)	6,480	6,480			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY N.C.(190)	83	83			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY VA (190)	1,086	1,086			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY W.V. (190)	38	38			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP NC	53	53			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP VA	693	693			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP WV	24	24			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC GROSSUP (190)	4,138	4,138			Not applicable to Transmission Cost of Service calculation.
FAS 133	22,314	22,314			Not applicable to Transmission Cost of Service calculation.
FAS 143 ASSET OBLIGATION	11,912	11,839	73		Represents ARO accruals not deductible for tax.
FAS143 DECOMMISSIONING	284,921	284,921			Represents ARO accruals not deductible for tax.
FEDERAL TAX INTEREST EXPENSE NON CURRENT	860	860			Not applicable to Transmission Cost of Service calculation.
FLEET LEASE CREDIT - CURRENT	102		102		Books amortize the fleet lease extension credit over the new lease; tax takes the deduction when incurred.
FLEET LEASE CREDIT - NONCURRENT	154		154		Books amortize the fleet lease extension credit over the new lease; tax takes the deduction when incurred.
GAIN SALE/LEASEBACK - SYSTEM OFFICE	(3)	(3)			Not applicable to Transmission Cost of Service calculation.
GROSS REC-UNBILLED REV-NC	98	98			Books include income when meter is read; taxed when service is provided.
HEADWATER BENEFITS	461	461			Not applicable to Transmission Cost of Service calculation.
INT STOR NORTH ANNA	4,227	4,227			Books recognizes the expense as incurred. For tax the deduction is recognized when the casks are filled.
INT STOR SURRY	(778)	(778)			Books recognizes the expense as incurred. For tax the deduction is recognized when the casks are filled.
LONG TERM DISABILITY RESERVE	4,623			4,623	Book estimate accrued and expensed; tax deduction when paid.
METERS	6,995	6,995			Books pre-capitalize when purchased; tax purposes when installed.
NUCLEAR FUEL - PERMANENT DISPOSAL	19	19			Books estimate expense, tax deduction taken when paid.
OBSOLETE INVENTORY	425	425			Not applicable to Transmission Cost of Service calculation.
OPEB	24,839			24,839	Represents the difference between the book accrual expense and the actual funded amount.
PERFORMANCE ACHIEVEMENT PLAN	4	4			Not applicable to Transmission Cost of Service calculation.
POWER PURCHASE BUYOUT	499	499			Represents the difference between the book accrual expense and the actual funded amount.
PREMIUM, DEBT, DISCOUNT AND EXPENSE	3,108		3,108		Books record the yield to maturity method; taxes amortize straight line.
P'SHIP INCOME - NC ENTERPRISE	37	37			Not applicable to Transmission Cost of Service calculation.
P'SHIP INCOME - VIRGINIA CAPITAL	219	219			Not applicable to Transmission Cost of Service calculation.
QUALIFIED SETTLEMENT FUND	140	140			Not applicable to Transmission Cost of Service calculation.
REACTOR DECOMMISSIONING LIABILITY	350	350			Represents the difference between the accrual and payments.
REG ASSET FUEL HEDGE	1,543	1,543			Not applicable to Transmission Cost of Service calculation.
REG LIABILITY DECOMMISSIONING TRUST - NC	310,992	310,992			Not applicable to Transmission Cost of Service calculation.
REGULATORY LIABILITY - ARO	(236,453)	(236,453)			Not applicable to Transmission Cost of Service calculation.
DSIT OPERATING	(41,384)	(41,384)			Not applicable to Transmission Cost of Service calculation.
DFIT OF STATE OPERATING	14,485	14,485			Not applicable to Transmission Cost of Service calculation.
REG LIABILITY HEDGES CAPACITY - NC	13,906	13,906			Not applicable to Transmission Cost of Service calculation.
REG LIABILITY HEDGES DEBT	3,862	3,862			Not applicable to Transmission Cost of Service calculation.
REGULATORY ASSET - D & D	4	4			Not applicable to Transmission Cost of Service calculation.
RESTRICTED STOCK AWARD	1,815	1,815			Not applicable to Transmission Cost of Service calculation.

ATTACHMENT H-16A

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

RETIREMENT - (FASB 87)	33,818			33,818	Book estimate accrued and expensed; tax deduction when paid.
RETIREMENT - EXEC SUPP RET (ESRP) - NONOP	129	129			Not applicable to Transmission Cost of Service calculation.
RETIREMENT - SUPPLEMENTAL RETIREMENT	141	141			Not applicable to Transmission Cost of Service calculation.
SEPARATION/ERT	43			43	Not applicable to Transmission Cost of Service calculation.
SUCCESS SHARE PLAN	6,789			6,789	Book amount accrued as its earned; tax deduction is actual payout.
VA SALES & USE TAX AUDIT (INCL. INT)	210	210			Not applicable to Transmission Cost of Service calculation.
VACATION ACCRUAL	13,116	13,116			Not applicable to Transmission Cost of Service calculation.
W.VA. STATE POLLUTION CONTROL - FEDERAL EFFECT	3,816	3,816			Federal effect of state deductions.
WEST VA PROPERTY TAX	1,558	1,558			Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC REG LIABILITY	-				Represents the tax effect of ITC that will be refunded to the customer.
Subtotal - p234	1,073,111	894,557	73	108,368	70,112
Less FASB 109 Above if not separately removed	73		73		
Less FASB 106 Above if not separately removed	-		0		0
Total	1,073,038	894,557	0	108,368	70,112

Instructions for Account 190:

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

ATTACHMENT H-16A
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

A	B	C	D	E	F	G
ADIT-282	Total	Production Or Other	Only Transmission	Plant	Labor	Justification
		Related	Related	Related	Related	
AFC DEFERRED TAX - FUEL CWIP	(9)	(9)				Not applicable to Transmission Cost of Service calculation.
AFC DEFERRED TAX - FUEL IN SERVICE	(47)	(47)				Represents the amount of amortization of AFC in service not allowable for tax.
AFC DEFERRED TAX - PLANT CWIP	(7,130)	(7,130)				Not applicable to Transmission Cost of Service calculation.
AFC DEFERRED TAX - PLANT IN SERVICE	(9,804)	(5,113)	(4,691)			Represents the amount of amortization of AFC in service not allowable for tax.
AFUDC - DEBT - GENERATION RIDER	(2,051)	(2,051)				Not applicable to Transmission Cost of Service calculation.
BOOK CAPITALIZED INTEREST CWIP	(2,216)			(2,216)		Represents the unallowable amount of book interest.
CAP EXPENSE	(7,744)			(7,744)		Capitalized for books and current deduction for tax as repairs.
CAPITAL LEASE	(460)	(460)				Not applicable to Transmission Cost of Service calculation.
CASUALTY LOSS	(15,412)			(15,412)		Book varies in treatment; tax sec. 165 casualty loss for the decline in value (up to the adj. basis) and Sec 162 deduction for repairs to restore to pre-casualty condition.
COMPUTER SOFTWARE-BOOK AMORT	8,090			8,090		Not applicable to Transmission Cost of Service calculation.
COMPUTER SOFTWARE-CWIP	(3,846)	(3,846)				Represents the allowable "In house" deduction for tax.
COMPUTER SOFTWARE-TAX AMORT	(20,645)				(20,645)	Total tax amortization shown as a schedule M deduction and add back total book amortization.
COST OF REMOVAL	(93,787)	(88,115)	(5,672)			Represents the actual cost of removal allowable for tax over the accrued amount.
DECOMMISSIONING	(0)	(0)				Not applicable to Transmission Cost of Service calculation.
DECOMMISSIONING TRUST BOOK INCOME	(302,783)	(302,783)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 NONOPERATING NONCURR ASSET	(6,603)	(6,603)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 OPERATING NONCURRENT ASSET	(27,506)	(27,506)				Not applicable to Transmission Cost of Service calculation.
DSIT 282 NONOP PLANT NONCURR LIAB N.C.	268	268				Not applicable to Transmission Cost of Service calculation.
DSIT 282 NONOP PLANT NONCURR LIAB VA	3,837	3,837				Not applicable to Transmission Cost of Service calculation.
DSIT 282 NONOP PLANT NONCURR LIAB W.V.	122	122				Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB N.C.	(31,476)	(31,476)				Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB VA	(219,986)	(219,986)				Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB W.V.	(14,827)	(14,827)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DFIT DEFICIENCY (282)	(22,712)	(22,712)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DFIT DEFICIENCY (282) - GENERATION R	(4,280)	(4,280)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY N.C. (282)	(79)	(79)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY N.C. (282) - GENERAT	(53)	(53)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY VA (282)	(1,050)	(1,050)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY VA (282) - GENERATIO	(725)	(725)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY W.V. (282)	(36)	(36)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY W.V. (282) - GENERAT	(25)	(25)				Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS	(9,312)			(9,312)		Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS	-					Represents IRS audit adjustments to plant-related differences.
FIXED ASSETS - NC	27	27				Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS - VA	361	361				Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS - WV	13	13				Not applicable to Transmission Cost of Service calculation.
GAIN(LOSS) INTERCO SALES - BOOK/TAX	(290)	(290)				Not applicable to Transmission Cost of Service calculation.
INVOLUNTARY CONVERSION - TELECOMMUNICATIONS	(1,104)	(1,104)				Represents the difference between book and tax related to the disposal of telecommunication equipment. Recognized for tax purposes when utilized.
LIBERALIZED DEPRECIATION - FUEL	(5,266)	(5,266)				Represents difference between book burn of nuclear fuel based on usage vs. tax depreciation.
LIBERALIZED DEPRECIATION - FUEL CWIP						Difference between book CWIP and Tax CWIP as a result of Euro exchange utilization.
LIBERALIZED DEPRECIATION - PLANT ACUFILE	(2,029,358)	(1,859,718)	(169,640)			Difference between book and tax depreciation taking in consideration flow-through and ARAM.
LIBERALIZED DEPRECIATION - PLANT LAND FUTURE USE	228	228				Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT LAND NONUTILITY	(532)	(532)				Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLAN OPER LAND	707	707				Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT OTHER	(232,500)	(232,500)				Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT FUTURE USE	(0)	(0)				Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT NON UTILITY	7	7				Not applicable to Transmission Cost of Service calculation.
SUCCESS SHARE PLAN	(1,752)				(1,752)	Not applicable to Transmission Cost of Service calculation.
YORKTOWN IMPLSION - TAX DEP. - LIB - NONOP	0	0				Not applicable to Transmission Cost of Service calculation.
Subtotal - p275 (Form 1-F filer: see note 6 below)	(3,061,747)	(2,832,753)	(180,002)	(26,594)	(22,397)	
Less FASB 109 Above if not separately removed	0					
Less FASB 106 Above if not separately removed	0					
Total	(3,061,747)	(2,832,753)	(180,002)	(26,594)	(22,397)	

ATTACHMENT H-16A

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

Instructions for Account 282:

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

A	B	C	D	E	F	G
ADIT-283	Total	Production Or Other	Only Transmission	Plant	Labor	Justification
		Related	Related	Related	Related	
ADFIT - OTHER COMPREHENSIVE INCOME	(3,667)	(3,667)				Not applicable to Transmission Cost of Service calculation.
CONTINGENT CLAIMS CURRENT	(2,406)	(2,406)				Not applicable to Transmission Cost of Service calculation.
DECOMMISSIONING TRUST - UNREALIZED GAIN/LOSS - NC	(8,280)	(8,280)				Not applicable to Transmission Cost of Service calculation.
DEFERRED FUEL EXPENSE	(283,143)	(283,143)				Not applicable to Transmission Cost of Service calculation.
DEFERRED FUEL EXPENSE - OTHER	(29,515)	(29,515)				Not applicable to Transmission Cost of Service calculation.
DEFERRED N.C. SIT NONOP - OCI	(47)	(47)				Not applicable to Transmission Cost of Service calculation.
DEFERRED SIT NONOP - OCI	(595)	(595)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 NONOPERATING CURR ASSET	(9)	(9)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 NONOPERATING NONCURR ASSET	(19,635)	(19,635)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 OPERATING CURRENT ASSET	(4,153)	(4,153)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 OPERATING NONCURR ASSET	(4,346)	(4,346)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 OPERATING NONCURRENT ASSET	2,428	2,428				Not applicable to Transmission Cost of Service calculation.
DFIT 283 OPERATING NONCURRENT LIAB	89	89				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY N.C.	-	-				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY VA	-	-				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY W.V.	(4)	(4)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY N.C.	(627)	(627)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY VA	(14,759)	(14,759)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY W.V.	(278)	(278)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB N.C.	(6,253)	(6,253)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB VA	(82,721)	(82,721)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB VA MIN	(10)	(10)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB W.V.	(2,849)	(2,849)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY N.C.	(1,067)	(1,067)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY VA	(14,134)	(14,134)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY W.V.	(474)	(474)				Not applicable to Transmission Cost of Service calculation.
DSM	-	-				Not applicable to Transmission Cost of Service calculation.
EMISSIONS ALLOWANCES	(2,696)	(2,696)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DFIT GROSSUP (283)	(12,857)	(12,857)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DFIT GROSSUP (283) - GENERATION RIDE	(2,737)	(2,737)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP NC	(164)	(164)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP NC - GENERATION RIDER	(34)	(34)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP VA	(2,158)	(2,158)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP VA - GENERATION RIDER	(464)	(464)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP WV	(74)	(74)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP WV - GENERATION RIDER	(16)	(16)				Not applicable to Transmission Cost of Service calculation.
FAS 133	(16,651)	(16,651)				Not applicable to Transmission Cost of Service calculation.
FAS 133	(6,918)	(6,918)				Not applicable to Transmission Cost of Service calculation.
FAS 133	6,859	6,859				Not applicable to Transmission Cost of Service calculation.
FAS 133	-	-				Not applicable to Transmission Cost of Service calculation.
FAS 133	-	-				Not applicable to Transmission Cost of Service calculation.
FEDERAL TAX INTEREST EXPENSE	(3,818)	(3,818)				Not applicable to Transmission Cost of Service calculation.
FINANCIAL DERIVATIVES CURRENT ASSET	-	-				Not applicable to Transmission Cost of Service calculation.
FUEL HANDLING COSTS	(77)	(77)				IRS settlement required additional tax capitalization of handling costs.
GAIN SALE/LEASEBACK-SYSTEM OFFICE	-	-				Not applicable to Transmission Cost of Service calculation.
GOODWILL AMORTIZATION	(3)	(3)				Not applicable to Transmission Cost of Service calculation.
NUCLEAR FUEL - PERMANENT DISPOSAL	(9)	(9)				Not applicable to Transmission Cost of Service calculation.
PERFORMANCE ACHIEVEMENT PLAN	(4)	(4)				Not applicable to Transmission Cost of Service calculation.
POWERTREE CARBON CO. LLC.	(31)	(31)				Not applicable to Transmission Cost of Service calculation.
REACQUIRED DEBT GAIN/LOSS)	(2,507)	(2,507)				Not applicable to Transmission Cost of Service calculation.
REG ASSET FUEL HEDGE	(0)	(0)				Not applicable to Transmission Cost of Service calculation.
REG ASSET HEDGES CAPACITY	-	-				Not applicable to Transmission Cost of Service calculation.
REG ASSET POWER HEDGE	(2,960)	(2,960)				Not applicable to Transmission Cost of Service calculation.
REG LIABILITY - FTR	(19,354)	(19,354)				Not applicable to Transmission Cost of Service calculation.
REG LIABILITY HEDGES DEBT	-	-				Not applicable to Transmission Cost of Service calculation.
REGULATORY ASSET - FAS 112	(1,784)				(1,784)	Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REGULATORY ASSET - NUG	(6,190)	(6,190)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REGULATORY ASSET - PJM	(42,767)	(42,767)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REGULATORY ASSET - VA SLS TAX	(5,753)	(5,753)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REG LIABILITY - ARO	-	-				Not applicable to Transmission Cost of Service calculation.
DSIT OPERATING	41,384	41,384				Not applicable to Transmission Cost of Service calculation.
DFIT OF STATE OPERATING	(14,485)	(14,485)				Not applicable to Transmission Cost of Service calculation.
W.VA. STATE POLLUTION CONTROL	(10,904)			(10,904)		Represents the deferred state tax impact related to WV Pollution control projects. This deferral will turn around once placed in service.
Subtotal - p277 (Form 1-F filer: see note 6, below)	(583,629)	(570,941)		(10,904)	(1,784)	
Less FASB 109 Above if not separately removed	-	-		-	-	
Less FASB 106 Above if not separately removed	-	-		-	-	
Total	(583,629)	(570,941)		(10,904)	(1,784)	

ATTACHMENT H-16A

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2008

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

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Amortization ITC-255

	Item	Balance	Amortization
1	Amortization		3,272
2	Amortization to line 136 of Appendix A	Total	1,050
3	Total		4,322
4	Total Form No. 1 (p.266 & 267)	Form No. 1 balance (p.266) for amortiza	4,322
5	Difference /1		-

/1 Difference must be zero

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007
(000's)

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	(167,747)	(55,592)	(50,497)	
ADIT-283	0	(19,089)	(564)	
ADIT-190	0	113,063	48,016	
Subtotal	(167,747)	38,382	(3,045)	
Wages & Salary Allocator			3.8758%	
Gross Plant Allocator		9.6439%		
ADIT	(167,747)	3,702	(118)	(164,163)

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 ADIT-190	B Total	C Production Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
ADFIT - OTHER COMPREHENSIVE INCOME	27	27				Not applicable to Transmission Cost of Service calculation.
BAD DEBTS	4,931	4,931				For tax purposes bad debts are deductible when they are deemed to be uncollectible / worthless.
CAP EXPENSE	-					Represents 162 deduction for tax: capital for books.
CAPITAL LEASE	857	857				Not applicable to Transmission Cost of Service calculation.
CAPITALIZED BROKERS FEES	752	752				Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST-NONOP CWIP	358	358				Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST-NONOP IN SERVICE	307			307		Not applicable to Transmission Cost of Service calculation.
CAPITALIZED INTEREST OPERATING CWIP	37,310	37,310				Represents tax capitalized interest on projects in CWIP - increase in taxable income.
CAPITALIZED INTEREST OPERATING IN SERVICE	108,008			108,008		Represents tax "In Service" Capitalized Interest placed in service net of tax amortization.
CIAC NC - NONOP CWIP	16	16				Not applicable to Transmission Cost of Service calculation.
CIAC NC - NONOP IN SERVICE	2,676	2,676				Not applicable to Transmission Cost of Service calculation.
CIAC VA - NONOP CWIP	(159)	(159)				Not applicable to Transmission Cost of Service calculation.
CIAC VA - NONOP IN SERVICE	98,852	98,852				Not applicable to Transmission Cost of Service calculation.
CONTINGENT CLAIMS CURRENT	3,863	3,863				Not applicable to Transmission Cost of Service calculation.
CONTINGENT CLAIMS NONCURRENT	1,427	1,427				Not applicable to Transmission Cost of Service calculation.
DEFERRED GAIN/LOSS NONOPERATING	(53)	(53)				Not applicable to Transmission Cost of Service calculation.
DEFERRED GAIN/LOSS OPERATING	70			70		Represents the ADIT on Book Gain/Loss as accrued.
DEFERRED GAIN/LOSS-FUTURE USE	(789)	(789)				Not applicable to Transmission Cost of Service calculation.
DEFERRED GAIN/LOSS-FUTURE USE NONOP	1,917	1,917				Not applicable to Transmission Cost of Service calculation.
DEFERRED NC SIT NONOP-OCI	18	18				Not applicable to Transmission Cost of Service calculation.
DEFERRED SIT NONOP -OCI	5	5				Not applicable to Transmission Cost of Service calculation.
DFIT-ITC ASSET FIT DEREGULATED	900	900				Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB	61,672	61,672				Not applicable to Transmission Cost of Service calculation.
DFIT 283 NONOPERATING CURRENT LIAB	146	146				Not applicable to Transmission Cost of Service calculation.
DFIT 283 NONOPERATING NONCURRENT LIAB	5,052	5,052				Not applicable to Transmission Cost of Service calculation.
DFIT 283 OPERATING CURRENT LIABILITY	299	299				Not applicable to Transmission Cost of Service calculation.
DFIT 283 OPERATING NONCURRENT LIAB	20,858	20,858				Not applicable to Transmission Cost of Service calculation.
DFIT EFFECT ON SIT NONOP-OCI	969	969				Not applicable to Transmission Cost of Service calculation.
DIRECTOR CHARITABLE DONATION	245	245				Not applicable to Transmission Cost of Service calculation.
DSIT-ITC SIT ASSET NC DEREGULATED	12	12				Not applicable to Transmission Cost of Service calculation.
DSIT-ITC SIT ASSET VA DEREGULATED	152	152				Not applicable to Transmission Cost of Service calculation.
DSIT ITC SIT ASSET WV DEREGULATED	7	7				Not applicable to Transmission Cost of Service calculation.
DSIT 1909 NONOP NONCURRENT ASSET NC	5,092	5,092				Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP NONCURRENT ASSET VA	65,568	65,568				Not applicable to Transmission Cost of Service calculation.
DSIT 190 NONOP NONCURRENT ASSET WV	3,305	3,305				Not applicable to Transmission Cost of Service calculation.
DSM	262	262				Represents a regulatory asset associated with Demand Side Mgt. Program that is being amortized for books.
EMISSIONS ASSOWANCES	-	-				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DFIT DEFICIENCY (190)	7,016	7,016				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY NC (190)	87	87				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY VA (190)	1,191	1,191				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT DEFICIENCY WV (190)	54	54				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP NC	55	55				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP VA	764	764				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC DSIT GROSSUP WV	35	35				Not applicable to Transmission Cost of Service calculation.
FAS 109 ITC GROSSUP (190)	4,496	4,496				Not applicable to Transmission Cost of Service calculation.
FAS 133	92	92				Not applicable to Transmission Cost of Service calculation.
FAS 143 ASSET OBLIGATION	11,378	11,310	68			Represents ARO accruals not deductible for tax.
FAS 143 DECOMMISSIONING	277,623	277,623				Represents ARO accruals not deductible for tax.
FEDERAL TAX INTEREST EXPENSE NON CURRENT	1,088	1,088				Not applicable to Transmission Cost of Service calculation.
FINANCIAL DERIVATIVES CURRENT ASSET	-	-				Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS	6	6				Not applicable to Transmission Cost of Service calculation.
FLEET LEASE CREDIT - CURRENT	118			118		Books amortizes the fleet lease extension credit over the new lease; tax takes the deduction when incurred.
FLEET LEASE CREDIT - NONCURRENT	257			257		Books amortizes the fleet lease extension credit over the new lease; tax takes the deduction when incurred.
GAIN SALE/LEASEBACK-SYSTEM OFFICE	7	7				Not applicable to Transmission Cost of Service calculation.
GROSS REC-UNBILLED REV-NC	100	100				Books include income when meter is read, tax when service is provided.
HEADWATER BENEFITS	368	368				Not applicable to Transmission Cost of Service calculation.
INT STOR NORTH ANNA	8,794	8,794				Books recognizes the expense as incurred. For tax the deduction is recognized when the casks are filled.
INT STOR SURRY	5,305	5,305				Books recognizes the expense as incurred. For tax the deduction is recognized when the casks are filled.
LONG TERM DISABILITY RESERVE	4,283				4,283	Book estimate accrued and expensed; tax deduction when paid.
METERS	1,970	1,970				Books pre-capitalize when purchased; tax purposes when installed.

ATTACHMENT H-16A
Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007

OBSOLETE INVENTORY	425	425				Not applicable to Transmission Cost of Service calculation.
OPEB	20,759				20,759	Represents the difference between the book accrual expense and the actual funded amount.
POWER PURCHASE BUYOUT	499	499				Represents the difference between the book accrual expense and the actual funded amount.
PREMIUM, DEBT, DISCOUNT AND EXPENSE	3,173			3,173		Books record the yield to maturity method ; taxes amortize straight line.
P'SHIP INCOME - NC ENTERPRISE	37	37				Not applicable to Transmission Cost of Service calculation.
P'SHIP INCOME - VIRGINIA CAPITAL	109	109				Not applicable to Transmission Cost of Service calculation.
QUALIFIED SETTLEMENT FUND	140	140				Not applicable to Transmission Cost of Service calculation.
REACQUIRED DEBT GAIN(LOSS)	1,130			1,130		Amortized for books and expensed for tax purposes.
REACTOR DECOMMISSIONING LIABILITY	350	350				Represents the difference between the accrual and payments.
REG LIABILITY - DECOMMISSIONING TRUST-NC	395,092	395,092				Not applicable to Transmission Cost of Service calculation.
REG LIABILITY HEDGES CAPACITY-NC	15,697	15,697				Not applicable to Transmission Cost of Service calculation.
REG LIABILITY HEDGES DEBT	1,385	1,385				Not applicable to Transmission Cost of Service calculation.
REGULATORY ASSET - D & D	4	4				Not applicable to Transmission Cost of Service calculation.
REGULATORY LIABILITY - FAS 143	4,592	4,592				Represents regulatory liability established due to adoption of FAS 143.
RESTRICTED STOCK AWARD	1,135	1,135				Not applicable to Transmission Cost of Service calculation.
RETIREMENT - (FASB 87)	22,668				22,668	Book estimate accrued and expensed; tax deduction when paid.
RETIREMENT-EXEC SUPP RET (ESRP) - NONOP	125				125	Not applicable to Transmission Cost of Service calculation.
RETIREMENT-SUPPLEMENTAL RETIREMENT	147				147	Not applicable to Transmission Cost of Service calculation.
SEPARATION/ERT	34				34	Book amount accrued and expensed; tax deduction when paid.
VA SALES & USE TAX AUDIT (INCL INT)	210	210				Not applicable to Transmission Cost of Service calculation.
VACATION ACCRUAL	11,939	11,939				Not applicable to Transmission Cost of Service calculation.
W.VA. STATE POLLUTION CONTROL - FEDERAL EFFECT	6,681	6,681				Federal effect of state deductions.
WEST VA PROPERTY TAX	1,555	1,555				Property tax expense is accrued for accounting purposes using the prior year's rates on the balance of the property located in the state at December 31 of the previous year. Tax takes a deduction when paid.
REG LIABILITY FX FUEL HEDGE	4,959	4,959				
	-					
Subtotal - p234	1,242,863	1,081,716	68	113,063	48,016	
Less FASB 109 Above if not separately removed	68		68			
Less FASB 106 Above if not separately removed	0		0		0	
Total	1,242,795	1,081,716	0	113,063	48,016	

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

A	B	C	D	E	F	G
ADIT- 282	Total	Production Or Other	Only Transmission	Plant	Labor	Justification
		Related	Related	Related	Related	
AFC DEFERRED TAX - FUEL CWIP	124	124				Represents the amount of amortization of AFC in service not allowable for tax.
AFC DEFERRED TAX - FUEL IN SERVICE	(249)	(249)				Represents the amount of amortization of AFC in service not allowable for tax.
AFC DEFERRED TAX - PLANT IN SERVICE	(7,422)	(3,965)	(3,355)		(102)	Represents the amount of amortization of AFC in service not allowable for tax.
AFC DEFERRED TAX - PLANT CWIP	(4,224)	(4,224)				Represents the amount of amortization of AFC in service not allowable for tax.
AFUDC - DEBT - GENERATION RIDER	(43)	(43)				Not applicable to Transmission Cost of Service calculation.
BOOK CAPITALIZED INTEREST CWIP	(6,284)			(6,284)		Represents the unallowable amount of book interest.
CAP EXPENSE	(1,517)			(1,517)		Capitalized for books and current deduction for tax as repairs.
CASUALTY LOSS	(9,061)			(9,061)		Book varies in treatment; tax sec. 165 casualty loss for the decline in value (up to the adj. basis) and Sec. 162 deduction for repairs to restore to pre-casualty condition.
COMPUTER SOFTWARE-CWIP	(2,650)	(2,650)				Represents the allowable "in house" deduction for tax.
COMPUTER SOFTWARE-TAX AMORT	(17,865)				(17,865)	Total tax amortization shown as a schedule M deduction and add back total book amortization.
COST OF REMOVAL	(123,955)	(111,615)	(10,324)		(2,016)	Represents the actual cost of removal allowable for tax over the accrued amount.
COST OF REMOVAL-OTHER	7,814	7,814				Represents the actual cost of removal allowable for tax over the accrued amount.
DECOMMISSIONING	(4,519)	(4,519)				Tax deduction for funding decomm trust and tax deferral of book income generated by trust.
DECOMMISSIONING TRUST BOOK INCOME	(321,542)	(321,542)				Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB NC	(24,431)	(24,431)				Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB VA	(136,076)	(136,076)				Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB WV	(15,670)	(15,670)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DFIT DEFICIENCY (282)	(25,182)	(25,182)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DFIT DEFICIENCY (282) - GENERATION R	(179)	(179)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY NC	(68)	(68)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY NC (282) GENERAT	(2)	(2)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY VA	(983)	(983)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY VA (282) GENERAT	(31)	(31)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY WV	(45)	(45)				Not applicable to Transmission Cost of Service calculation.
FAS 109 PLANT DSIT DEFICIENCY WV (282) GENERAT	(1)	(1)				Not applicable to Transmission Cost of Service calculation.
FERC FULL NORM CURR PROV - COOPS	158			158		Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM CURR PROV - MS	(1,918)			(1,918)		Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM CURR PROV - MUNIS	(779)			(779)		Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM CURR PROV - ODECO OTHER	878			878		Represents the difference between book and tax depreciation for FERC jurisdiction.

ATTACHMENT H-16A
Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007

FERC FULL NORM RES PROV - COOPS	(4,892)			(4,892)	Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM RES PROV - MS	(11,495)			(11,495)	Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM RES PROV - MUNIS	(5,043)			(5,043)	Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM RES PROV - ODEC	(6,323)			(6,323)	Represents the difference between book and tax depreciation for FERC jurisdiction.
FERC FULL NORM RES PROV - ODEC NO. ANNA	749			749	Represents the difference between book and tax depreciation for FERC jurisdiction.
FIXED ASSETS	(10,034)			(10,034)	Represents IRS audit adjustments to plant-related differences.
FIXED ASSETS - NC	(2)			(2)	Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS - VA	(27)			(27)	Not applicable to Transmission Cost of Service calculation.
FIXED ASSETS - WV	(1)			(1)	Not applicable to Transmission Cost of Service calculation.
GAIN/(LOSS) INTERCO SALES - BOOK/TAX	(904)	(904)			Not applicable to Transmission Cost of Service calculation.
INVOLUNTARY CONVERSION - TELECOMMUNICATIONS	(1,104)	(1,104)			Represents the difference between book and tax related to the disposal of telecommunication equipment. Recognized for tax purposes when utilized.
LIBERALIZED DEPRECIATION - FUEL	(5,035)	(5,035)			Represents difference between book burn of nuclear fuel based on usage vs. tax depreciation.
LIBERALIZED DEPRECIATION - FUEL CWIP	(1,589)	(1,589)			Difference between book CWIP and Tax CWIP as a result of Euro exchange utilization.
LIBERALIZED DEPRECIATION - PLANT ACUFILE	(1,880,716)	(1,696,134)	(154,068)	(30,514)	Difference between book and tax depreciation taking in consideration flow-through and ARAM.
LIBERALIZED DEPRECIATION - PLANT LAND FUTURE USE	228	228			Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT LAND NON UTILITY	(502)	(502)			Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLAN OPER LAND	707	707			Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT OTHER	(218,351)	(218,351)			Not applicable to Transmission Cost of Service calculation.
METERS	-	-			Books pre-capitalize when purchased ; tax purposes when installed.
REG ASSET - ASBESTOS	-	-			Amortized into expense for book purposes over the recovery period; capitalization of the cost for tax purposes.
UNCERTAIN TAX POSITIONS	(20,069)	(20,069)			Not applicable to Transmission Cost of Service calculation.
UTP ADJUSTMENT	24,222	24,222			Not applicable to Transmission Cost of Service calculation.
UTP ADJUSTMENT	(4,153)	(4,153)			Not applicable to Transmission Cost of Service calculation.
LIBERALIZED DEPRECIATION - PLANT ACUFILE	(761)	(761)			Not applicable to Transmission Cost of Service calculation.
DFIT 282 OPERATING PLANT NONCURR LIAB	803	803			Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB NC	3	3			Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB VA	(44)	(44)			Not applicable to Transmission Cost of Service calculation.
DSIT 282 OPERATING PLANT NONCURR LIAB WV	(1)	(1)			Not applicable to Transmission Cost of Service calculation.
Subtotal - p275 (Form 1-F filer: see note 6 below)	(2,840,057)	(2,566,221)	(167,747)	(55,592)	(50,497)
Less FASB 109 Above if not separately removed					
Less FASB 106 Above if not separately removed					
Total	(2,840,057)	(2,566,221)	(167,747)	(55,592)	(50,497)

Instructions for Account 282:

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

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

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

ATTACHMENT H-16A
Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet - December 31, 2007

A	B	C	D	E	F	G
ADIT-283	Total	Production Or Other	Only Transmission	Plant	Labor	Justification
		Related	Related	Related	Related	
ADFIT-OTHER COMPREHENSIVE INCOME	(15,555)	(15,555)				Not applicable to Transmission Cost of Service calculation.
DECOMMISSIONING TRUST-UNREALIZED GAIN/LOSS NC	(78,278)	(78,278)				Not applicable to Transmission Cost of Service calculation.
DEFERRED FUEL EXP	(135,211)	(135,211)				Not applicable to Transmission Cost of Service calculation.
DEFERRED FUEL EXP-OTHER	(15,826)	(15,826)				Not applicable to Transmission Cost of Service calculation.
DEFERRED SIT NONOP-OCI	(2,787)	(2,787)				Not applicable to Transmission Cost of Service calculation.
DFIT 190 NONOPERATING NONCURR ASSET	(26,055)	(26,055)				Not applicable to Transmission Cost of Service calculation.
DFIT EFFECT ON SIT NONOP-OCI	(2)	(2)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY NC	(25)	(25)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY VA	(374)	(374)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP CURRENT LIABILITY WV	(17)	(17)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY NC	(844)	(844)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY VA	(12,536)	(12,536)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 NONOP NONCURRENT LIABILITY WV	(576)	(576)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB NC	(3,857)	(3,857)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB VA	(53,315)	(53,315)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB VA MIN	(10)	(10)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OP OTHER NONCURR LIAB WV	(2,412)	(2,412)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY NC	(52)	(52)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY VA	(767)	(767)				Not applicable to Transmission Cost of Service calculation.
DSIT 283 OPERATING CURRENT LIABILITY WV	(35)	(35)				Not applicable to Transmission Cost of Service calculation.
EMISSIONS ALLOWANCES	(1,830)	(1,830)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTH REFIT GROSSUP (283)	(14,150)	(14,150)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DFIT GROSSUP(283) GENERATION RIDE	(115)	(115)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP NC	(174)	(174)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP NC-GENERATION RIDER	(11)	(11)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP VA	(2,404)	(2,404)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP VA-GENERATION RIDER	(19)	(19)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP WV	(109)	(109)				Not applicable to Transmission Cost of Service calculation.
FAS 109 OTHER DSIT GROSSUP WV-GENERATION RIDER	(1)	(1)				Not applicable to Transmission Cost of Service calculation.
FAS 133	(19,815)	(19,815)				Not applicable to Transmission Cost of Service calculation.
FEDERAL TAX INTEREST EXPENSE	(9,440)	(9,440)				Not applicable to Transmission Cost of Service calculation.
FUEL HANDLING COST	(152)	(152)				IRS settlement required additional tax capitalization of handling costs.
GOODWILL AMORTIZATION	(3)	(3)				Not applicable to Transmission Cost of Service calculation.
NUCLEAR FUEL-PERMANENT DISPOSAL	(9)	(9)				Not applicable to Transmission Cost of Service calculation.
OBSOLETE INVENTORY	0	0				Not applicable to Transmission Cost of Service calculation.
PERFORMANCE ACHIEVEMENT PLAN	-	-				Not applicable to Transmission Cost of Service calculation.
POWERTREE CARBON CO, LLC	(30)	(30)				Not applicable to Transmission Cost of Service calculation.
REG ASSET FUEL HEDGE	(1)	(1)				Not applicable to Transmission Cost of Service calculation.
REG ASSET HEDGES CAPACITY	(2)	(2)				Not applicable to Transmission Cost of Service calculation.
REG ASSET POWER HEDGE	(92)	(92)				Not applicable to Transmission Cost of Service calculation.
REG LIABILITY - ARO	(229,078)	(229,078)				Not applicable to Transmission Cost of Service calculation.
REG ASSET - FAS 112	(564)				(564)	Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REG ASSET - ISABEL	(670)	(670)				Not applicable to Transmission Cost of Service calculation.
REG ASSET - NUG	(6,935)	(6,935)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REG ASSET - PJM	(33,086)	(33,086)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
REG ASSET - VA SLS TAX	(2,628)	(2,628)				Represents cost that for regulatory purposes needs to be amortized over a prescribed life. However, allowable for tax when incurred.
WVA STATE POLLUTION CONTROL	(19,089)			(19,089)		Represents the deferred state tax impact related to WV Pollution control projects. This deferral will turn around once placed in service.
REG LIABILITY FX FUEL HEDGE	(262)	-262				
Subtotal - p277 (Form 1-F filer: see note 6, below)	(689,192)	(669,539)	-	(19,089)	(564)	
Less FASB 109 Above if not separately removed						
Less FASB 106 Above if not separately removed						
Total	(689,192)	(669,539)	-	(19,089)	(564)	

Instructions for Account 283:

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

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

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

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 2 - Taxes Other Than Income Worksheet
2008 (000's)

<i>Other Taxes</i>	<i>Page 263 Col (j)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related			
		Gross Plant Allocator	
1 Transmission Personal Property Tax (directly assigned to Transmission)	\$ 8,743	100.0000%	\$ 8,743
1a Other Plant Related Taxes	0	9.6439%	-
2			-
3			-
4			-
5			-
Total Plant Related	\$ 8,743		\$ 8,743
Labor Related			
		Wages & Salary Allocator	
6 Federal FICA & Unemployment & State Unemployment	\$ 41,054		
Total Labor Related	\$ 41,054	3.8758%	\$ 1,591
Other Included			
		Gross Plant Allocator	
7 Sales and Use Tax	\$ 141		
Total Other Included	\$ 141	9.6439%	\$ 14
Total Included			\$ 10,348
Currently Excluded			
8 Business and Occupation Tax - West Virginia	\$ 19,984		
9 Gross Receipts Tax	9,967		
10 IFTA Fuel Tax			
11 Property Taxes - Other	99,287		
12 Property Taxes - Generator Step Ups, Interconnects	627		
13 Sales and Use Tax - not allocated to Transmission	331		
14 Sales and Use Tax - Retail	578		
15 Other	(266)		
16	0		
17	0		
18	0		
19	0		
20	0		
21 Total "Other" Taxes (included on p. 263)	\$ 130,508		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	<u>\$ 180,446</u>		
23 Difference	\$ (49,938)		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be either directly assigned or 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.

VEPCO
ATTACHMENT H-16A
Attachment 2A - Direct Assignment of Property
Taxes Per Function
2008 (000's)

Directly Assigned Property Taxes \$ 108,657

Production Property Tax	50,517
Transmission Property Tax	8,685
GSU/Interconnects Property Tax	627
Distribution Property tax	47,324
General Property Tax	<u>1,503</u>
Total check	108,657

Allocation of General Property Tax to Transmission

General Property Tax	\$ 1,503
Wages & Salary Allocator	3.8758%
Trans General	58

<u>Total Transmission Property Taxes</u>	
Transmission	\$ 8,685
General	<u>58</u>
Total Transmission Property Taxes	\$ 8,743

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 3 - Revenue Credit Workpaper
2008 (000's)

		Transmission <u>Related</u>	Production/Other <u>Related</u>	<u>Total</u>
Account 454 - Rent from Electric Property				
1	Rent from Electric Property - Transmission Related (Note 3)	6,580	12,984	19,564
2	Total Rent Revenues (Sum Lines 1)	6,580	12,984	19,564
Account 456 - Other Electric Revenues (Note 1)				
3	Schedule 1A			
4	Net revenues associated with Network Integration Transmission Service (NITS) and for the transmission component of the NCEMPA contract rate for which the load is not included in the divisor. (Note 4)	1,949	34,215	36,164
5	Point to Point Service revenues received by Transmission Owner for which the load is not included in the divisor (Note 4)	-	-	-
6	PJM Transitional Revenue Neutrality (Note 1)	-	-	-
7	PJM Transitional Market Expansion (Note 1)	-	-	-
8	Professional Services (Note 3)	7,141	83,365	90,506
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2) (*)	3,452	-	3,452
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-	-	-
11	Gross Revenue Credits (Accounts 454 and 456) (Sum Lines 2-10)	19,122	130,564	149,686
12	Less line 14g	(9,065)	(48,175)	(57,240)
13	Total Revenue Credits	10,057	82,390	92,447
Revenue Adjustment to Determine Revenue Credit				
14a	Revenues included in lines 1-11 which are subject to 50/50 sharing. (Lines 1 + 8 + 10)	13,721	96,349	110,070
14b	Costs associated with revenues in line 14a	4,409	-	4,409
14c	Net Revenues (14a - 14b)	9,312	96,349	105,661
14d	50% Share of Net Revenues (14c / 2)	4,656	48,175	52,831
14e	Cost associated with revenues in line 14b 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	-	-	-
14f	Net Revenue Credit (14d + 14e)	4,656	48,175	52,831
14g	Line 14f less line 14a	(9,065)	(48,175)	(57,240)

(*) Includes \$2,891 facilities charges recovered through retail tariff and charged to FERC accounts 440-445 and \$41 in RKVA charges recovered from wholesale customers and \$520 in PJM billed transmission facility charges.

Revenue Adjustment to Determine Revenue Credit

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 169 of Appendix A.

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.

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). VEPCO will retain 50% of net revenues consistent with *Pacific Gas and Electric Company*, 90 FERC ¶ 61,314. In order to use lines 14a - 14g, 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).

Note 4: Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12. In addition, revenues from Schedule 7, Schedule 8 and H-A are not included in the total above to the extent PJM credits VEPCO's share of these revenues monthly to network customers under Attachment H-16.

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 4 - Calculation of 100 Basis Point Increase in ROE
2008 (000's)

A	Return and Taxes with Basis Point increase in ROE			
	Basis Point increase in ROE and Income Taxes		(Line 130 + 140)	128,069
B	100 Basis Point increase in ROE	(Note J from Appendix A)	Fixed	1.00%
Return Calculation				
Line Ref.	Rate Base		(Line 44 + 61)	1,012,909
	Long Term Interest			
104	Long Term Interest		p117.62c through 67c	314,238
105	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
106	Long Term Interest		(Line 104 - 105)	314,238
107	Preferred Dividends	enter positive	p118.29c	16,659
	Common Stock			
108	Proprietary Capital		p112.16c,d/2	6,166,098
109	Less Preferred Stock	enter negative	(Line 117)	-259,014
110	Less Account 219 - Accumulated Other Comprehensive Income	enter negative	p112.15c,d/2	-15,590
111	Common Stock		(Sum Lines 108 to 110)	5,891,494
	Capitalization			
112	Long Term Debt		p112.24c,d/2	5,863,256
113	Less Loss on Reacquired Debt	enter negative	p111.81c,d/2	-6,527
114	Plus Gain on Reacquired Debt	enter positive	p113.61c,d/2	1,908
115	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
116	Total Long Term Debt		(Sum Lines 112 to 115)	5,858,638
117	Preferred Stock		p112.3c,d/2	259,014
118	Common Stock		(Line 111)	5,891,494
119	Total Capitalization		(Sum Lines 116 to 118)	12,009,146
120	Debt %	Total Long Term Debt	(Line 116 / 119)	48.8%
121	Preferred %	Preferred Stock	(Line 117 / 119)	2.2%
122	Common %	Common Stock	(Line 118 / 119)	49.1%
123	Debt Cost	Total Long Term Debt	(Line 106 / 116)	0.0536
124	Preferred Cost	Preferred Stock	(Line 107 / 117)	0.0643
125	Common Cost	Common Stock	Appendix A Line 125 + 100 Basis Points	0.1240
126	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 120 * 123)	0.0262
127	Weighted Cost of Preferred	Preferred Stock	(Line 121 * 124)	0.0014
128	Weighted Cost of Common	Common Stock	(Line 122 * 125)	0.0608
129	Total Return (R)		(Sum Lines 126 to 128)	0.0884
130	Investment Return = Rate Base * Rate of Return		(Line 62 * 129)	89,527
Composite Income Taxes				
	Income Tax Rates			
131	FIT=Federal Income Tax Rate			0.3500
132	SIT=State Income Tax Rate or Composite			0.0613
133	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.0000
134	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		0.3898
135	T / (1-T)			0.6389
	ITC Adjustment			
136	Amortized Investment Tax Credit	enter negative	Attachment 1	-1,050
137	T/(1-T)		(Line 135)	0.6389
138	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 136 * (1 + 137))	-1,721
139	Income Tax Component =	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		40,262
140	Total Income Taxes		(Line 138 + 139)	38,542

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 5 - Cost Support

Electric / Non-electric Cost Support			2008 (000's)																
			Previous Year		Current Year														
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average	Non-electric Portion	Details
Plant Allocation Factors																			
8	Electric Plant in Service	(Notes A & Q)	p207.104g/Plant-Acc. Deprc Wkst	19,858,372	19,931,034	20,031,517	20,069,172	20,117,534	20,168,324	20,191,566	20,236,075	20,769,847	20,810,143	20,837,106	20,879,082	21,028,257	20,379,079	0	
15	Accumulated Depreciation (Total Electric Plant)	(Notes A & Q)	p219.29c	8,398,358	8,440,928	8,483,226	8,502,155	8,522,168	8,559,744	8,581,395	8,612,022	8,645,489	8,667,888	8,685,006	8,721,305	8,727,087	8,580,521	0	
12	Accumulated Intangible Amortization	(Notes A & Q)	p200.21c	182,765	184,655	186,607	171,134	173,336	175,306	170,831	172,915	174,986	177,026	172,036	174,096	175,841	176,722	0	Respondent is Electric Utility only.
13	Accumulated Common Amortization - Electric	(Notes A & Q)	p356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
14	Accumulated Common Plant Depreciation - Electric	(Notes A & Q)	p356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Plant In Service																			
21	Transmission Plant in Service	(Notes A & Q)	p207.58.g/Trans.Input Sht	1,926,792	1,977,802	2,004,038	2,037,462	2,037,234	2,039,792	2,048,187	2,053,189	2,054,802	2,064,241	2,064,676	2,065,769	2,101,400	2,036,568	0	
15	Generator Step-Ups		Trans. Input Sht	75,991	75,991	75,991	75,991	77,377	77,377	80,071	80,071	80,071	80,071	80,071	80,071	89,538	79,129	0	
23	Generator Interconnect Facilities		Input Sht	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	23,820	0	
25	General & Intangible		p205.5.g & p207.99.g/G&I Wksh	814,501	826,171	831,171	801,240	808,040	824,305	821,836	821,493	822,519	823,892	818,139	819,402	801,289	818,000	0	
26	Common Plant (Electric Only)	(Notes A & Q)	p356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Accumulated Depreciation																			
32	Transmission Accumulated Depreciation	(Notes A & Q)	p219.25.c/Trans.Input Sht	781,818	784,905	786,721	788,878	790,865	793,036	796,008	792,028	794,428	795,502	798,159	799,010	799,077	792,341	0	
33	Transmission Accumulated Depreciation - Generator Step-Ups		GSU Input Sht	3,867	3,994	4,122	4,250	4,381	4,511	4,646	4,780	4,915	5,050	5,184	5,320	5,470	4,653	0	
34	Transmission Accumulated Depreciation - Interconnection Facilities		Input Sht	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	3,888	0	
36	Accumulated General Depreciation	(Notes A & Q)	p219.28.b	271,236	276,843	278,242	279,875	281,912	283,881	280,595	282,691	284,256	285,169	286,425	287,909	282,759	281,676	0	
Materials and Supplies																			
50	Undistributed Stores Exp	(Notes A & R)	p227.6c & 16.c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	Respondent is Electric Utility only.
Allocated General & Common Expenses																			
68	Common Plant O&M	(Note A)	p356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
Depreciation Expense																			
86	Depreciation-Transmission	(Note A)	p336.7.b&c														40,674	0	
91	Depreciation-General	(Note A)	p336.10.b&c														23,902	0	
92	Depreciation-Intangible	(Note A)	p336.10&a/Attachment 5														24,125	0	Respondent is Electric Utility only.
87	Depreciation - Generator Step-Ups																1,604	0	
88	Depreciation - Interconnection Facilities																484	0	
96	Common Depreciation - Electric Only	(Note A)	p336.11.b														0	0	
97	Common Amortization - Electric Only	(Note A)	p356 or p336.11.d														0	0	

O&M Expenses			2008 (000's)																
			Previous Year		Current Year														
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Totals	Non-electric Portion	Details
63	Transmission O&M	(Note A)	p321.112.b/Trans. Input Sht	-	2,325	4,146	2,640	2,502	1,236	5,045	3,474	3,511	3,199	2,978	1,959	3,822	36,837	8,947	Excludes PJM admin & ODEC ancillary revenue reimbursements & PJM load response program
64	Generator Step-Ups		Input Sheet	-	-	-	-	-	-	-	-	-	-	-	-	-	54	0	
65	Transmission by Others		p321.96.b	-	14	14	3	3	2	3	2	3	3	2	3	2	54	0	

Wages & Salary			2008 (000's)																
			Previous Year		Current Year														
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Totals	Non-electric Portion	Details
4	Total Wage Expense	(Note A)	p354.28b/Trans. Wksh	-	-	-	-	-	-	-	-	-	-	-	-	-	642,556	0	
5	Total A&G Wages Expense	(Note A)	p354.27b/Trans. Wksh	-	-	-	-	-	-	-	-	-	-	-	-	-	163,553	0	
1	Transmission Wages	(Note A)	p354.21b/Trans. Wksh	-	-	-	-	-	-	-	-	-	-	-	-	-	18,595	0	
2	Generator Step-Ups		Trans. Wksh	-	-	-	-	-	-	-	-	-	-	-	-	-	30	0	

Transmission / Non-transmission Cost Support			2008 (000's)																
			Previous Year		Current Year														
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Average	Non-transmission Related	Details
30	Plant Held for Future Use (Including Land)	(Notes C & Q)	p214.47.d	5,680	5,680	5,680	34,721	34,721	66,390	66,381	66,393	37,599	37,606	37,425	37,449	37,516	36,403	32,494	Specific identification based on plant records. The following plant investments are included: Chickahominy-Skills Creek, Elmort Chickahominy Hamony Village-Hayes, Skills Creek, Lanexa-Yorktown, Ox-Occoquan-Pohick-van Dom, Pender Oakton
																	Form 1 Amount	Transmission Related	Non-transmission Related
																	36,403	3909	32,494

EPRI Dues Cost Support			2008 (000's)																
			Previous Year		Current Year														
Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Form 1 Dec	Amount	EPRI Dues	Details
73	Allocated General & Common Expenses Less EPRI Dues	(Note D)	p352-353/Attachment 5	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,595	2,595	See Form 1

Regulatory Expense Related to Transmission Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1 Amount	Transmission Related	Non-transmission Related	Details
71	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928 Directly Assigned A&G	(Note E)	p323.189b/Attachment 5	\$ 22,693	164	22,529	See FERC Form 1 pages 350-351.
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b/Attachment 5		164		Transmission related - Includes three year amortization of cost of current case.

Safety Related Advertising Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	Attachment 5	4,582	-	4,582	

MultiState Workpaper

Line #s	Descriptions	Notes	Page #'s & Instructions	State 1	State 2	State 3	State 4	State 5	Details
132	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)		Va 5.52%	NC 0.418%	Wva 0.19%			Enter Calculation 6.13%

Education and Out Reach Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	4,582	0	4,582	

Excluded Plant Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	0	Description of the Facilities										
	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			0	General Description of the Facilities None										
<p>Instructions:</p> <p>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</p> <p>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:</p> <table border="1"> <thead> <tr> <th></th> <th>Example</th> </tr> </thead> <tbody> <tr> <td>A Total investment in substation</td> <td>1,000,000</td> </tr> <tr> <td>B Identifiable investment in Transmission (provide workpapers)</td> <td>500,000</td> </tr> <tr> <td>C Identifiable investment in Distribution (provide workpapers)</td> <td>400,000</td> </tr> <tr> <td>D Amount to be excluded (A x (C / (B + C)))</td> <td>444,444</td> </tr> </tbody> </table>					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	<p>Includes only the costs of any Interconnection Facilities constructed for VEPCO's own Generating Facilities after March 15, 2000 in accordance with Order 2003.</p>	
	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															

Transmission Related Account 242 Reserves

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance	Allocation	Transmission Related	Details
47	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)			Enter \$	Enter \$			Amount	
	Directly Assignable to Transmission			\$ -	\$ -	\$ -	100%	-	
	Labor Related, General plant related or Common Plant related			\$ 8,590	\$ 9,173	\$ 8,882	3.876%	344	
	Plant Related			\$ 7,474	\$ 9,221	\$ 8,348	9.64%	805	
	Other			\$ 292	\$ 292	\$ 292	0.00%	-	
	Total Transmission Related Reserves			\$ -	\$ -	\$ -	-	1,149	To line 49

Prepayments

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance	Allocation	To Line 50	Description of the Prepayments
48	Prepayments								
	Wages & Salary Allocator						3.876%		
	Pension Liabilities, if any, in Account 242			\$ -	\$ -	\$ -	3.876%	-	
	Prepayments			\$ 170,385	\$ 25,759	\$ 98,072	3.876%	3,801	
	Prepaid Pensions if not included in Prepayments					\$ -	3.876%	-	

Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	Beginning Year Balance	End of Year Balance	Average Balance	Description of the Credits
Network Credits							General Description of the Credits
58	Outstanding Network Credits	(Note N)	From PJM	\$ -	\$ -	\$ -	None
59	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	\$ -	\$ -	\$ -	None
Add more lines if necessary							

Extraordinary Property Loss

Line #s	Descriptions	Notes	Page #'s & Instructions	Amount	# of Years	Amortization	W/ Interest	Amount	Number of years	Amortization
89								\$ -	5	\$ -

Interest on Outstanding Network Credits Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	0	Description of the Interest on the Credits
				0	General Description of the Credits
				Enter \$	None
Add more lines if necessary					

Facility Credits under Section 30.9 of the PJM OATT.

Line #s	Descriptions	Notes	Page #'s & Instructions	Amount	Description & PJM Documentation
165	Revenue Requirement			-	
	Facility Credits under Section 30.9 of the PJM OATT.				

PJM Load Cost Support

Line #s	Descriptions	Notes	Page #'s & Instructions	1 CP Peak	Description & PJM Documentation
169	Network Zonal Service Rate			Enter	
	1 CP Peak	(Note L)	PJM Data	19,687.8	

A&G Expenses - Other Post Employment Benefits

Line #s	Descriptions	Notes	Page #'s & Instructions	Amount
	Total A&G Expenses		p323.197b	425,651
	Less OPEB Current Year			27,658 (*)
	Plus: Stated OPEB (2008 actual)		Fixed (2008 actual)	27,658 (*)
69	Current Year Total A&G Expenses			425,651
(*) Expense ratio excludes amount capitalized				

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 6 - True-up Adjustment for Network Integration Transmission Service

The True-Up Adjustment component of the Formula Rate for each Rate Year beginning with 2010 shall be determined as follows:¹

- (i) Beginning with 2009, no later than June 15 of each year VEPCO shall recalculate an adjusted Annual Transmission Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies.²
- (ii) VEPCO shall determine the difference between the recalculated Annual Transmission Revenue Requirement as determined in paragraph (i) above, and ATRR based on projected costs for the previous calendar year (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment shall be determined as follows:

True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by $(1+i)^{24}$ months

Where $i =$ Sum of (the monthly rates for the 7 months ending July 31 of the current year and the monthly rates for the 12 months ending December 31 of the preceding year) divided by 19 months. 0.000%

Each monthly rate used to calculate i shall be calculated pursuant to the Commission's regulations at 18 C.F.R. § 35.19a.

Summary of Formula Rate Process including True-Up Adjustment

Month	Year	Action
Fall	2007	TO populates the formula with Year 2008 estimated data
Sept	2008	TO populates the formula with Year 2009 estimated data
June	2009	TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest
Sept	2009	TO calculates the Interest to include in the 2008 True-Up Adjustment
Sept	2009	TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment
June	2010	TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest
Sept	2010	TO calculates the Interest to include in the 2009 True-Up Adjustment
Sept	2010	TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment
June	(Year)	TO populates the formula with (Year -1) actual data and calculates the (Year-1) True-Up Adjustment Before Interest
Sept	(Year)	TO calculates the Interest to include in the (Year-1) True-Up Adjustment
Sept	(Year)	TO populates the formula with (Year +1) estimated data and (Year-1) True-Up Adjustment

¹ No True-Up Adjustment will be included in the Annual Transmission Revenue Requirement for 2008 or 2009 since the Formula Rate was not in effect for 2006 or 2007.

² To the extent possible each input to the Formula Rate used to calculate the actual Annual Transmission Revenue Requirement included in the True-Up Adjustment either will be taken directly from the FERC Form No. 1 or will be reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

Calendar Year Do for Each Calendar Year beginning in 2009

A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	213,125
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	209,161
C	Difference (A-B)	3,964
D	Future Value Factor $(1+i)^{24}$	1.00000
E	True-up Adjustment $(C*D)$	3,964

Where:

$i =$ interest rate as described in (iii) above.

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 6A - True-up Adjustment for Annual Revenue Requirements recovered under Schedule 12

The True-Up Adjustment component of the annual revenue requirement for each project included in Attachment 7 for each Rate Year beginning with 2010 shall be determined as follows:¹

- (i) Beginning with 2009, no later than June 15 of each year VEPCO shall recalculate an adjusted Annual Revenue Requirement for the previous calendar year based on its actual costs as reflected in its Form No. 1 and its books and records for that calendar year, consistent with FERC accounting policies.²
- (ii) VEPCO shall determine the difference between the recalculated Annual Revenue Requirement and the Annual Revenue Requirement based on its projections (True-Up Adjustment Before Interest).
- (iii) The True-Up Adjustment for each project shall be determined as follows:

True-Up Adjustment equals the True-Up Adjustment Before Interest multiplied by $(1+i)^{24}$ months

Where $i =$ Sum of (the monthly rates for the 7 months ending July 31 of the current year and the monthly rates for the 12 months ending December 31 of the proceeding year) divided by 19 months.

Each monthly rate used to calculate i shall be calculated pursuant to the Commission's regulations at 18 C.F.R. § 35.19a.

Summary of Formula Rate Process including True-Up Adjustment

Month Year Action

Fall	2007	TO populates the formula with Year 2008 estimated data
Sept	2008	TO populates the formula with Year 2009 estimated data
June	2009	TO populates the formula with Year 2008 actual data and calculates the 2008 True-Up Adjustment Before Interest
Sept	2009	TO calculates the Interest to include in the 2008 True-Up Adjustment
Sept	2009	TO populates the formula with Year 2010 estimated data and 2008 True-Up Adjustment
June	2010	TO populates the formula with Year 2009 actual data and calculates the 2009 True-Up Adjustment Before Interest
Sept	2010	TO calculates the Interest to include in the 2009 True-Up Adjustment
Sept	2010	TO populates the formula with Year 2011 estimated data and 2009 True-Up Adjustment
June	(Year)	TO populates the formula with (Year -1) actual data and calculates the (Year-1) True-Up Adjustment Before Interest
Sept	(Year)	TO calculates the Interest to include in the (Year-1) True-Up Adjustment
Sept	(Year)	TO populates the formula with (Year +1) estimated data and (Year-1) True-Up Adjustment

¹ No True-Up Adjustment will be included in the annual revenue requirements for 2008 or 2009 since the Formula Rate was not in effect for 2006 or 2007. For all true-up calculations, the ATRR will be adjusted to exclude any true-up adjustment.

² To the extent possible, each input to the Formula Rate used to calculate the actual Annual Revenue Requirement included in the True-Up Adjustment either will be taken directly from the FERC Form No. 1 or will be reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. If the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 7 - Transmission Enhancement Annual Revenue Requirement Worksheet
(dollars)

1 New Plant Carrying Charge

2 Fixed Charge Rate (FCR) if not a CIAC

		Formula Line		
3	A	154	Net Plant Carrying Charge without Depreciation	15.8725%
4	B	161	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	16.5808%
5	C		Line B less Line A	0.7083%

6 FCR if a CIAC

7	D	155	Net Plant Carrying Charge without Depreciation, Return, or Income Taxes	5.4428%
---	---	-----	---	---------

8 The FCR resulting from Formula is for the rate period only.

9 Therefore actual revenues collected or the lack of revenues collected in other years are not applicable.

In 2008 and 2009

10 Details		Project A				Project B				Project C-1		
11 Schedule 12 (Yes or No)	Yes	b0217			Yes	b0222			Yes	b0223		
12 Life	51	Upgrade Mt.Storm - Doubs 500 kV			51	Install 150 MVAR capacitor at Loudoun			51	Install 150 MVAR capacitor at Asburn 230 kV		
13 FCR W/O incentive Line 3	15.8725%				15.8725%				15.8725%			
14 Incentive Factor (Basis Points /100)	0				0				0			
15 FCR W incentive L.13 +(L.14*L.5)	15.8725%				15.8725%				15.8725%			
16 Investment	1,911,923				1,671,324				1,164,055			
17 Annual Depreciation Exp	37,489				32,771				22,825			
18 In Service Month (1-12)	12				9				10			
19	Invest Yr	Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending
20	W / O incentive 2006					1,671,324	9,558	1,661,766	-	1,164,055	4,755	1,159,300
21	W incentive 2006					1,671,324	9,558	1,661,766	-	1,164,055	4,755	1,159,300
22	W / O incentive 2007	1,911,923	1,562	1,910,361		1,661,766	32,771	1,628,995	-	1,159,300	22,825	1,136,475
23	W incentive 2007	1,911,923	1,562	1,910,361		1,661,766	32,771	1,628,995	-	1,159,300	22,825	1,136,475
24	W / O incentive 2008	1,910,361	37,489	1,872,872	337,736	1,628,995	32,771	1,596,224	288,733	1,136,475	22,825	1,113,651
25	W incentive 2008	1,910,361	37,489	1,872,872	337,736	1,628,995	32,771	1,596,224	288,733	1,136,475	22,825	1,113,651

Lines continues as new rate years as added.

In the formulas used in the Columns for lines 19+ are as follows:

"In Service Month" is the first month during the first year that the project is placed in service or recovery is request for the project.

"Beginning" is the investment on line 16 for the first year and is the "Ending" for the prior year after the first year.

"Depreciation" is the annual depreciation in line 17 divided by twelve times the difference of 12.5 minus line 18 in the first year and line 17 thereafter.

"Ending" is "Beginning" less "Depreciation"

Revenue Requirement used for crediting is ("Beginning" plus "Ending") divided by two times line 13 times the quotient of 12.5 minus line 18 divided by 12

plus "Depreciation" for the first year and ("Beginning" plus "Ending") divided by two times line 13 plus "Depreciation" thereafter.

Revenue Requirement used for charging is ("Beginning" plus "Ending") divided by two times line 15 times the quotient of 12.5 minus line 18 divided by 12

plus "Depreciation" for the first year and ("Beginning" plus "Ending") divided by two times line 15 plus "Depreciation" thereafter.

Formula Logic to be copied on new lines added each year after line 25. Using 2009 as an example, the logic will be included in lines 26 and 27.

Beginning with the annual revenue requirements determined in 2009 for 2010, the annual revenue requirements based on projected costs will include a

True-Up Adjustment for the previous calendar year in accordance with Attachment 6 A and as calculated in Lines A through I below

Projected Revenue Requirements are calculated using the logic described for lines 19 + but with projected data for the indicated year.

Actual Revenue Requirements are calculated using the logic described for lines 19 + but with actual data for the indicated year.

Calendar Year Do for Each Calendar Year beginning in 2009 for True-Up Adjustments applicable to 2010 annual revenue requirements.

A	Projected Revenue Requirement without Incentive for Previous Calendar Year*	347,423	303,849
B	Projected Revenue Requirement with Incentive for Previous Calendar Year*	347,423	303,849
C	Actual Revenue Requirement without Incentive for Previous Calendar Year *	337,736	288,733
D	Actual Revenue Requirement with Incentive for Previous Calendar Year *	337,736	288,733
E	True-Up Adjustment Before Interest without Incentive for Next Calendar Year (C-A)	(9,686)	(15,116)
F	True-Up Adjustment Before Interest with Incentive for Previous Calendar Year (B-D)	(9,686)	(15,116)
G	Future Value Factor (1+) ²⁴ months from Attachment 6	-	-
H	True-Up Adjustment without Incentive (E*G)	(9,686)	(15,116)
I	True-Up Adjustment with Incentive (F*G)	(9,686)	(15,116)

* These amounts do not include any True-Up Adjustments.

The Projected 2008 Annual Revenue Require
for each of these projects.

Additional columns to be inserted after the last project as new projects are added to formula.

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 7 - Transmission Enhancement Annual Revenue Requirement Worksheet
(dollars)

19 Project C-1 and Project C-2 were combined into Project C

Project C-2				Project D				Project E				
	Yes 51 15.8725% 0 15.8725%	b0224 Install 150 MVAR capacitor at Dranvesville		Yes 51 15.8725% 0 15.8725%	B0225 Install 33 MVAR capacitor at Possum Pt. 115 kV		Yes 51 15.8725% 0 15.8725%	B0226 Install 500/230 kV transformer at Clifton and Clifton 500 KV 150 MVAR capacitor				
	974,670 19,111 4			857,404 16,812 12			8,241,202 161,592 9					
Rev Req	Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending	Rev Req
-												
-	974,670	13,537	961,133		857,404	700	856,704		8,241,202	47,131	8,194,071	
-	974,670	13,537	961,133		857,404	700	856,704		8,241,202	47,131	8,194,071	
201,401	961,133	19,111	942,022	170,151	856,704	16,812	839,892	151,458	8,194,071	161,592	8,032,479	1,449,375
201,401	961,133	19,111	942,022	170,151	856,704	16,812	839,892	151,458	8,194,071	161,592	8,032,479	1,449,375

210,719	178,023	155,835	1,583,884
210,719	178,023	155,835	1,583,884
201,401	170,151	151,458	1,449,375
201,401	170,151	151,458	1,449,375
(9,318)	(7,872)	(4,377)	(134,509)
(9,318)	(7,872)	(4,377)	(134,509)
(9,318)	(7,872)	(4,377)	(134,509)
(9,318)	(7,872)	(4,377)	(134,509)

Amount for Project C has been allocated to Project C-1 and Project C-2 based on the 2008 Actual Annual Revenue Requirement
Project C Annual Revenue Requirement = 388,741

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 7 - Transmission Enhancement Annual Revenue
(dollars)

Project F				Project G				2008 Add-1			
Yes	B0341			Yes	B0403			Yes	B0232		
51	Install a breaker at Northern Neck			51	2nd Dooms 500/230 kV transformer addition			51	Install 150 MVAR capacitor at Lynnhaven 230 kV		
15.8725%	115 kV			15.8725%				15.8725%			
0				0				0			
15.8725%				15.8725%				15.8725%			
771,266				6,352,881				998,394			
15,123				124,566				19,576			
9				11				8			
Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending	Rev Req	Beginning	Depreciation	Ending	Rev Req
771,266	4,411	766,855		6,352,881	15,571	6,337,310		998,394	7,341	991,053	
771,266	4,411	766,855		6,352,881	15,571	6,337,310		998,394	7,341	991,053	
766,855	15,123	751,732		6,337,310	124,566	6,212,744	1,120,572	991,053	19,576	971,477	
766,855	15,123	751,732		6,337,310	124,566	6,212,744	1,120,572	991,053	19,576	971,477	
751,732	15,123	736,609	133,242	6,337,310	124,566	6,212,744	1,120,572	971,477	19,576	951,900	172,221
751,732	15,123	736,609	133,242	6,337,310	124,566	6,212,744	1,120,572	971,477	19,576	951,900	172,221

372,873	1,567,125	-
372,873	1,567,125	-
133,242	1,120,572	172,221
133,242	1,120,572	172,221
(239,632)	(446,553)	172,221
(239,632)	(446,553)	172,221
(239,632)	(446,553)	172,221
(239,632)	(446,553)	172,221

2008 Add-5				If Yes for Schedule 12 Include in this Total.	If No for Schedule 12 include in this Sum.	Annual Revenue Requirement including Incentive if Applicable	
Beginning	Depreciator	Ending	Rev Req			Sum	Sum
Yes	B0339	Install Breaker at Dooms 500 kV Sub					
51							
15.8725%							
0							
15.8725%							
818,002							
16,039							
11							
818,002	2,005	815,997		\$ -			
818,002	2,005	815,997		\$ -			
815,997	16,039	799,958	144,286	\$ 4,243,927		\$ -	
815,997	16,039	799,958	144,286	\$ 4,243,927		\$ -	

-	4,719,731
-	4,719,731
144,286	4,243,927
144,286	4,243,927
144,286	(475,804)
144,286	(475,804)
144,286	(475,804)
144,286	(475,804)

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 8 - Securitization Workpaper
(000's)

Line #	Long Term Interest		
105	Less LTD Interest on Securitization Bonds		0
	Capitalization		
115	Less LTD on Securitization Bonds		0

Virginia Electric and Power Company
ATTACHMENT H-16A
Attachment 9 - Depreciation Rates¹

<u>Plant Type</u>	<u>Applied Depreciation Rate</u>
Transmission	1.97%
General	
Structures and Improvements	1.86%
Communication Equipment	3.67%
Computer Equipment	16.51%
Furniture, Equipment and Office Machines	1.64%
Laboratory and Miscellaneous Equipment	4.10%
Stores and Power Operated Equipment	6.31%
Tools, Shop, Garage, and Other Tangible Equipment	4.93%

¹Depreciation rates may be changed only pursuant to a Section 205 or Section 206 proceeding.