

ATTACHMENT H-1A

Atlantic City Electric Company

Formula Rate - Appendix A

Notes FERC Form 1 Page # or Instruction

2010

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,204,492
2	Total Wages Expense	p354.28b	\$ 24,409,204
3	Less A&G Wages Expense	p354.27b	\$ 598,344
4	Total	(Line 2 - 3)	23,810,860
5	Wages & Salary Allocator	(Line 1 / 4)	9.2583%
Plant Allocation Factors			
6	Electric Plant In Service	(Note B) p207.104g	\$ 2,349,478,239
7	Common Plant In Service - Electric	(Line 24)	0
8	Total Plant In Service	(Sum Lines 6 & 7)	2,349,478,239
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	\$ 690,125,750
10	Accumulated Intangible Amortization	p200.21c	\$ 34,935,692
11	Accumulated Common Amortization - Electric	(Note A) p356	\$ -
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356	\$ -
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	725,061,442
14	Net Plant	(Line 8 - 13)	1,624,416,797
15	Transmission Gross Plant	(Line 29 - Line 28)	698,650,665
16	Gross Plant Allocator	(Line 15 / 8)	29.7364%
17	Transmission Net Plant	(Line 39 - Line 28)	495,717,916
18	Net Plant Allocator	(Line 17 / 14)	30.5167%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 682,544,755
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6 - Enter Negative	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	2,638,913
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	685,183,668
23	General & Intangible	p205.5.g & p207.99.g	\$ 145,457,897
24	Common Plant (Electric Only)	(Notes A & B) p356	\$ -
25	Total General & Common	(Line 23 + 24)	145,457,897
26	Wage & Salary Allocation Factor	(Line 5)	9.25835%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	13,466,997
28	Plant Held for Future Use (Including Land)	(Note C) p214	782,029
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	699,432,694
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 194,787,862
31	Accumulated General Depreciation	p219.28.c	\$ 53,037,759
32	Accumulated Intangible Amortization	(Line 10)	34,935,692
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	0
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	87,973,451
36	Wage & Salary Allocation Factor	(Line 5)	9.25835%
37	General & Common Allocated to Transmission	(Line 35 * 36)	8,144,887
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	202,932,749
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	496,499,945

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	-134,609,274
41	Accumulated Investment Tax Credit Account No. 255	p266.h	0
42	Net Plant Allocation Factor	(Line 18)	30.52%
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * 42) + Line 40	-134,609,274
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B) p216.43.b as Shown on Attachment 6	
Transmission O&M Reserves			
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative Attachment 5	-1,384,908
Prepayments			
45	Prepayments	(Note A) Attachment 5	10,392,908
46	Total Prepayments Allocated to Transmission	(Line 45)	10,392,908
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) p227.6c & 16.c	1,233,718
48	Wage & Salary Allocation Factor	(Line 5)	9.26%
49	Total Transmission Allocated	(Line 47 * 48)	114,222
50	Transmission Materials & Supplies	p227.8c	\$ 3,080,444
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + 50)	3,194,666
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 85)	16,830,728
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * 53)	2,103,841
Network Credits			
55	Outstanding Network Credits	(Note N) From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) From PJM	0
57	Net Outstanding Credits	(Line 55 - 56)	0
58	TOTAL Adjustment to Rate Base	(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)	-120,302,767
59	Rate Base	(Line 39 + 58)	376,197,178

O&M

Transmission O&M			
60	Transmission O&M		\$ 12,159,101
61	Less extraordinary property loss	p321.112.b	0
62	Plus amortized extraordinary property loss	Attachment 5	0
63	Less Account 565	p321.96.b	0
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	PJM Data	0
65	Plus Transmission Lease Payments	p200.3c	0
66	Transmission O&M	(Lines 60 - 63 + 64 + 65)	12,159,101
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	\$ -
68	Total A&G	p323.197.b	\$ 52,692,713
69	Less Property Insurance Account 924	p323.185b	\$ 427,769
70	Less Regulatory Commission Exp Account 928	p323.189b	\$ 3,105,285
71	Less General Advertising Exp Account 930.1	p323.191b	\$ 76,542
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	\$ -
73	Less EPRI Dues	p352-353	\$ 34,553
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	49,048,564
75	Wage & Salary Allocation Factor	(Line 5)	9.2583%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	4,541,086
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	0
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	0
80	Property Insurance Account 924	p323.185b	\$ 427,769
81	General Advertising Exp Account 930.1	p323.191b	0
82	Total	(Line 80 + 81)	427,769
83	Net Plant Allocation Factor	(Line 18)	30.52%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	130,541
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	16,830,728

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	15,899,753
87	General Depreciation	p336.10b&c	5,546,440
88	Intangible Amortization	(Note A) p336.1d&e	28,454
89	Total	(Line 87 + 88)	5,574,894
90	Wage & Salary Allocation Factor	(Line 5)	9.2583%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	516,143
92	Common Depreciation - Electric Only	(Note A) p336.11.b	0
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	0
94	Total	(Line 92 + 93)	0
95	Wage & Salary Allocation Factor	(Line 5)	9.2583%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	0
97	Total Transmission Depreciation & Amortization	(Line 86 + 91 + 96)	16,415,896

Taxes Other than Income

98	Taxes Other than Income	Attachment 2	889,023
99	Total Taxes Other than Income	(Line 98)	889,023

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest		65,037,771
101	Less LTD Interest on Securitization Bonds	(Note P) p117.62c through 67c	20,093,783
102	Long Term Interest	*(Line 100 - line 101)*	44,943,988
103	Preferred Dividends	enter positive p118.29c	\$ 262,841
Common Stock			
104	Proprietary Capital	p112.16c	\$ 710,941,070
105	Less Preferred Stock	enter negative (Line 114)	-6,214,500
106	Less Account 216.1	p112.12c	\$ -
107	Common Stock	(Sum Lines 104 to 106)	704,726,570
Capitalization			
108	Long Term Debt	p112.17c through 21c	\$ 1,012,084,467
109	Less Loss on Reacquired Debt	enter negative p111.81.c	\$ (12,111,734)
110	Plus Gain on Reacquired Debt	enter positive p113.61.c	\$ -
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	-1,326,306
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	-355,426,411
113	Total Long Term Debt	(Sum Lines Lines 108 to 112)	643,220,016
114	Preferred Stock	p112.3c	\$ 6,214,500
115	Common Stock	(Line 107)	704,726,570
116	Total Capitalization	(Sum Lines 113 to 115)	1,354,161,086
117	Debt %	Total Long Term Debt (Note Q) (Line 113 / 116)	50%
118	Preferred %	(Note Q) (Line 114 / 116)	0%
119	Common %	(Note Q) (Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0699
121	Preferred Cost	Preferred Stock (Line 103 / 114)	0.0423
122	Common Cost	Common Stock (Note J) Fixed	0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0349
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0565
126	Total Return (R)	(Sum Lines 123 to 125)	0.0914
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	34,398,234

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite		8.99%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	40.85%
132	T/(1-T)		69.05%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I) enter negative	\$ (989,587)
134	T/(1-T)	p266.8f (Line 132)	69.05%
135	Net Plant Allocation Factor	(Line 18)	30,5167%
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	-510,517
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	14,677,031
138	Total Income Taxes	(Line 136 + 137)	14,166,513

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	496,499,945
140	Adjustment to Rate Base	(Line 58)	-120,302,767
141	Rate Base	(Line 59)	376,197,178
142	O&M	(Line 85)	16,830,728
143	Depreciation & Amortization	(Line 97)	16,415,896
144	Taxes Other than Income	(Line 99)	889,023
145	Investment Return	(Line 127)	34,398,234
146	Income Taxes	(Line 138)	14,166,513
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	82,700,395
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	682,544,755
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	682,544,755
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	82,700,395
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	82,700,395
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	3,431,174
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	79,269,221
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	79,269,221
158	Net Transmission Plant	(Line 19 - 30)	487,756,893
159	Net Plant Carrying Charge	(Line 157 / 158)	16.2518%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	12.9920%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	3.0353%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	30,704,473
163	Increased Return and Taxes	Attachment 4	51,744,585
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	82,449,059
165	Net Transmission Plant	(Line 19 - 30)	487,756,893
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	16.9037%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	13.6439%
Net Revenue Requirement			
168	True-up amount	(Line 156)	79,269,221
169	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 6	1,651,415
170	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)	Attachment 7	500,456
171	Net Zonal Revenue Requirement	Attachment 5	187,500
172	Net Zonal Revenue Requirement	(Line 168 - 169 + 171)	81,608,592
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	2,936
174	Rate (\$/MW-Year)	(Line 172 / 173)	27,793
175	Network Service Rate (\$/MW/Year)	(Line 174)	27,793

Notes

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

Atlantic City Electric Company

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	<i>Only</i>	<i>Plant</i>	<i>Labor</i>	<i>Total</i>
	<i>Transmission</i>	<i>Plant</i>	<i>Labor</i>	<i>Total</i>
	<i>Related</i>	<i>Related</i>	<i>Related</i>	<i>ADIT</i>
ADIT- 282	0	(440,486,734)	0	
ADIT-283	(1,048,411)	8,256,657	(34,511,761)	
ADIT-190	0	(9,054,392)	9,251,636	
Subtotal	(1,048,411)	(441,284,469)	(25,260,125)	
Wages & Salary Allocator			9.2583%	
Gross Plant Allocator	100%	29.7364%		
ADIT	(1,048,411)	(131,222,193)	(2,338,670)	(134,609,274)

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111.
 Amount 1,326,306

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

A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
ADIT-190						
190 BAD DEBT RESERVE	4,547,976	4,547,976				Under the Tax Reform Act of 1986, taxpayers were required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. The amount represents the add-back of book reserve. Retail related.
190 DEFERRED EXPENSE CLEARING	(540,599)			(540,599)		Reflects the deferred taxes generated as a result of the tax deductions taken for actual store room expenses. For book purposes, these amounts were recorded as an asset in FERC account 163.
190 DSM COSTS	(153)	(153)				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature. Retail related.
190 ENVIRONMENTAL EXPENSE	1,856,582	1,856,582				These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for environmental site clean-up expenses. For tax no deduction is permitted until the "all events" test is met typically when economic performance has occurred. This book reserve is primarily related to Deepwater and BL England sites which should not be in transmission service. Generation Related.
190 MARK TO MARKET § 475 ADJUSTMENT	(54,738)			(54,738)		Pursuant to IRC Sec 475, the company is taking deduction to mark-to-market its accounts receivable. For book purposes, the receivables remained valued at their original amounts. Reflects unbilled revenues and customer accounts receivables. Applies to all functions.
190 PENSION PAYMENT RESERVE	11,933,760				11,933,760	Book records a deduction for actual SFAS 87 pension expense. A tax deduction is only allowed for actual payments into the pension trust. Affects company personnel across all functions.
190 SECTION 461(H) - PREPAID INSURANCE	5,235,324			5,235,324		Book records a deduction for accrual liabilities of worker compensation and T&D property insurance. A tax deduction is only allowed for actual payments made. Related to both T & D plant
190 NOL	8,051,392			8,051,392		Related to both T & D plant
190 AMA	(97,362)			(97,362)		Related to both T & D plant
190 Stranded Costs	19,217,641	19,217,641				All Generation related
190 Accrued Liab - Auto	362,031				362,031	Affects copany personnel across all functions
190 Accrued Liab - Misc.	579,393			579,393		Related to T&D plant
190 Regulatory Liability - Infrastructure Improvement Surcharge	249,773			249,773		Related to both T & D plant
190 BGS Deferred Related - Retail	70,473,800	70,473,800				Retail related
190 Deferred Comp	246,332				246,332	For book purposes, deferred compensation and deferred payments are expensed when accrued. For tax purposes, they are not deducted until paid. Affects company personnel across all functions.
190 Accrued Liability - General	1,826,424			1,826,424		Related to T&D plant
190 Accrued Liability - Health Claim	241,900				241,900	Affects copany personnel across all functions
190 Accrued Vacation	(1,066,584)				(1,066,584)	Affects copany personnel across all functions
190 Charitable Contribution Limit	670,677	670,677				Related to gas, production or other
190 Income from Partnerships/Trusts	(154,144)	(154,144)				Related to gas, production or other
190 Market to Market / Merrill	90,258	90,258				Related to gas, production or other
190 Restructuring	192,111	192,111				Related to gas, production or other
190 Accrued Liability - Other	24,885			24,885		Related to T&D plant
190 Accumulated Deferred Investment Tax Credit	3,870,703			3,870,703		Related to T&D plant
190 PLANT RELATED	-	-				This deferred tax balance relates to plant and results from life and method differences. Related to both T & D plant
190 Reclass	-	-				Related to generation
190 1999 AMT	1,625,338			1,625,338		Plant related
190 Plant Related (Reclass)	(25,954,222)			(25,954,222)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
190 Subtotal - p234	103,428,498	96,894,748	-	(5,183,689)	11,717,439	
Less FASB 109 Above if not separately removed	3,870,703			3,870,703		
190 Less FASB 106 Above if not separately removed	2,465,803				2,465,803	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 Total	97,091,992	96,894,748	-	(9,054,392)	9,251,636	

Instructions for Account 190:

- 1.
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 assoc
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	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
282 Deregulation/Stranded Cost Generation Assets		(108,418,163)	(108,418,163)	-	-	-	This deferred tax balance relates to our plant and results from life and method differences. Generation related
Plant Related		(274,312,068)	(68,293,308)		(206,018,760)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
282 Plant Related (Reclass)		(234,467,974)			(234,467,974)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
Subtotal - p275		(617,198,205)	(176,711,471)	-	(440,486,734)	-	
Less FASB 109 Above if not separately removed							
Less FASB 106 Above if not separately removed							
282 Total		(617,198,205)	(176,711,471)	-	(440,486,734)	-	

Instructions for Account 282:

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

	A	B	C	D	E	F	G
ADIT-283		Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
283 REGULATORY ISSUES		932,032	932,032				Costs incurred and paid for regulatory issues are deferred and amortized for book purposes. These costs were tax deductible in full as paid. Retail related
283 AMORTIZATION (LEGAL)		630	630				Legal costs related to Deepwater emergency facility were expensed on the books in the year incurred. For tax purposes, these costs are capital in nature and are amortized over a 30 year period. Generation related.
283 LOSS ON REACO DEBT		1,326,306	1,326,306				The cost of bond redemption is deductible currently for tax purposes and is amortized over the life of the new bond issue for book purposes. Excluded here since included in Cost of Debt
283 ASBESTOS REMOVAL		(2,077,139)	(2,077,139)				Costs incurred and paid by the company for asbestos removal were tax deductible in full as paid. These costs were deferred and amortized for book purposes. Generation related.
283 Misc Deferred Debits - Retail		230,009	230,009				Retail related
283 DEFERRED EXPENSE CLEARING		(238,054)			(238,054)		Reflects the deferred taxes generated as a result of the tax deductions taken for actual store room expenses. For book purposes, these amounts were recorded as an asset in FERC account 163.
283 DSM COSTS		(343,808)	(343,808)				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature. Retail related.
283 SECTION 461(H) - PREPAID INSURANCE		(1,549)			(1,549)		Book records a deduction for accrual liabilities of worker compensation and T&D property insurance. A tax deduction is only allowed for actual payments made. Related to both T & D plant
283 ENVIRONMENTAL EXPENSE		(818,040)	(818,040)				These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for environmental site clean-up expenses. For tax no deduction is permitted until the "all events" test is met typically when economic performance has occurred. This book reserve is primarily related to Deepwater and BL England sites which should not be in transmission service. Generation Related.
283 ACE REGULATORY RESTRUCTURING CHARGES		-	-				Costs incurred and paid for customer care enhancement program associated with deregulation are deferred and amortized for book purposes. Amortization of these costs were non-tax deductible. Retail related.
283 Gross up on FAS 109 Deferred Taxes		(12,032,134)			(12,032,134)		FAS 109 Plant related
283 Misc De-Regulation		-	-				Various items related to deregulation
283 Market to Market		-	-				Accounts Receivable, Other
283 Stranded Costs		149,077,154	149,077,154				All Generation related
283 PENSION PAYMENT RESERVE		(30,920,372)				(30,920,372)	Affects company personnel across all functions.
283 SERP		217,240				217,240	Affects company personnel across all functions.
283 NUG BUYOUT		(23,520,591)	(23,520,591)				Generation related
283 AMORT OF OPEB		(2,041,143)				(2,041,143)	OPEB, labor related and relates to all functions
283 NOL		100			100		Related to both T & D plant
283 Regulatory Asset - General		(727,491)				(727,491)	Regulatory liability for universal service fund
283 Regulatory Liability - Demand Response Working Group		(14)				(14)	Affects company personnel across all functions.
283 Regulatory Asset - SREC Program		(173,432)	(173,432)				Generation related - Solar Renewable Energy Certificate Program
283 Regulatory Asset - NJ RGGI		(483,724)	(483,724)				Related to gas, production or other
283 Reg Asset - FERC Formula Rate Adj. Trans. Svc		(1,048,411)		(1,048,411)			Related to gas, production or other
283 BGS Deferred Related - Retail		(5,857,964)	(5,857,964)				Retail related
283 Deferred Comp		(155)				(155)	For book purposes, deferred compensation and deferred payments are expensed when accrued. For tax purposes, they are not deducted until paid. Affects company personnel across all functions.
283 Accrued Liability - Directors Fees		(45,057)			(45,057)		Related to T&D plant
283 Accrued Liability - General		906,317			906,317		Related to T&D plant
283 Income from Partnerships/Trusts		(55,170)	(55,170)				Related to gas, production or other
283 Accrued Vacation		(208,081)				(208,081)	Affects company personnel across all functions.
283 Regulatory Asset		(167,045)	(167,045)				Related to gas, production or other
283 Deferred Bond Charge Rev		(252,956)			(252,956)		Related to T&D plant
283 Deferred MTC		(34,341)			(34,341)		Related to T&D plant
283 Deferred Settlement Costs		(17,692)	(17,692)				Related to gas, production or other
283 Decommissioning & Decontamination		(110,788)	(110,788)				Related to gas, production or other
283 Plant Related		(359,453,947)			(359,453,947)		Related to T&D plant
283 Reclass		-	-				Related to generation
283 Plant Related (Reclass)		260,422,199			260,422,199		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
283 Subtotal - p277 (Form 1-F filer: see note 6, below)		(27,517,111)	117,940,738	(1,048,411)	(110,729,422)	(33,680,016)	
283 Less FASB 109 Above if not separately removed		(118,986,079)			(118,986,079)		
283 Less FASB 106 Above if not separately removed		831,745				831,745	
283 Total		90,637,223	117,940,738	(1,048,411)	8,256,657	(34,511,761)	

Instructions for Account 283:

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

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

ADITC-255

	Item	Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A	Total	
3	Amortization		
4	Amortization to line 133 of Appendix A	Total	8,028,465 989,587
5	Total	8,028,465	989,587
6	Total Form No. 1 (p 266 & 267)	Form No. 1 balance	8,028,465 989,587
7	Difference /1		0 0

/1 Difference must be zero

Atlantic City Electric Company

Attachment 2 - Taxes Other Than Income Worksheet

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	2,462,991		
2 Personal property			
3 City License	-		
4 State Excise	-		
Total Plant Related	2,462,991	29.7364%	732,405
Labor Related		Wages & Salary Allocator	
5 Federal FICA & Unemployment	1,532,258		
6 Unemployment	111,085		
Total Labor Related	1,643,343	9.2583%	152,146
Other Included		Gross Plant Allocator	
7 Miscellaneous	15,038		
Total Other Included	15,038	29.7364%	4,472
Total Included			889,023
Excluded			
8 State Franchise tax	630		
9 TEFA	20,411,386		
10 Use & Sales Tax	958,148		
11 Total "Other" Taxes (included on p. 263)	25,491,536		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	25,491,536		
13 Difference	-		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they will not be included
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they will not be included
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that

Atlantic City Electric Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1	Rent from Electric Property - Transmission Related (Note 3)		815,120
2	Total Rent Revenues	(Sum Line 1)	815,120

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A		\$ 921,848
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)		-
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		1,368,691
6	PJM Transitional Revenue Neutrality (Note 1)		-
7	PJM Transitional Market Expansion (Note 1)		-
8	Professional Services (Note 3)		-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		898,218
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		4,500
11	Gross Revenue Credits	(Sum Lines 2-10)	4,008,377
12	Less line 17g		(577,203)
13	Total Revenue Credits		3,431,174

Revenue Adjustment to determine Revenue Credit

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

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

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

17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.		819,620
17b	Costs associated with revenues in line 17a		334,786
17c	Net Revenues (17a - 17b)		484,834
17d	50% Share of Net Revenues (17c / 2)		242,417
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.		-
17f	Net Revenue Credit (17d + 17e)		242,417
17g	Line 17f less line 17a		(577,203)
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.		8,008,607
19	Amount offset in line 4 above		84,314,002
20	Total Account 454, 456 and 456.1		96,330,986
21	Note 4: SECA revenues booked in Account 447.		

Atlantic City Electric Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	51,744,585
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	376,197,178
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	65,037,771
101	Less LTD Interest on Securitization B _i (Note P)		Attachment 8	20,093,783
102	Long Term Interest		"(Line 100 - line 101)"	44,943,988
103	Preferred Dividends	enter positive	p118.29c	262,841
Common Stock				
104	Proprietary Capital		p112.16c	710,941,070
105	Less Preferred Stock	enter negative	(Line 114)	-6,214,500
106	Less Account 216.1	enter negative	p112.12c	0
107	Common Stock		(Sum Lines 104 to 106)	704,726,570
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,012,084,467
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-12,111,734
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	-1,326,306
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-355,426,411
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)	643,220,016
114	Preferred Stock		p112.3c	6,214,500
115	Common Stock		(Line 107)	704,726,570
116	Total Capitalization		(Sum Lines 113 to 115)	1,354,161,086
117	Debt %	(Note Q from Appendix A)	Total Long Term Debt (Line 113 / 116)	50%
118	Preferred %	(Note Q from Appendix A)	Preferred Stock (Line 114 / 116)	0%
119	Common %	(Note Q from Appendix A)	Common Stock (Line 115 / 116)	50%
120	Debt Cost		Total Long Term Debt (Line 102 / 113)	0.0699
121	Preferred Cost		Preferred Stock (Line 103 / 114)	0.0423
122	Common Cost	(Note J from Appendix A)	Common Stock Appendix A % plus 100 Basis Pts	0.1230
123	Weighted Cost of Debt		Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0349
124	Weighted Cost of Preferred		Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common		Common Stock (Line 119 * 122)	0.0615
126	Total Return (R)		(Sum Lines 123 to 125)	0.0964
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	36,279,220

Composite Income Taxes

(Note L)

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.99%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.85%
132	T / (1-T)			69.05%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	p266.8f	-989,587
134	T/(1-T)		(Line 132)	69.05%
135	Net Plant Allocation Factor		(Line 18)	30.5167%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-510,517
137	Income Tax Component =	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		15,975,883
138	Total Income Taxes			15,465,366

Atlantic City Electric Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	\$ 34,935,692	34,935,692	0	Respondent is Electric Utility only.
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	0	0	0	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	8,028,465	8,028,465	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,233,718	1,233,718	0	Respondent is Electric Utility only.
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3c	0			
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	28,454	28,454	0	Respondent is Electric Utility only.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	0	0	0	
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land) Directly Assigned A&G	(Note C)	p214	6,036,910	782,029	5,254,881	"Transmission R/W - Carl's Corner"
73	Regulatory Commission Exp Account 928	(Note C)	p323.160b	Enter	Enter	Enter	

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP in Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	2,349,478,239	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	682,544,755	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	194,787,862	0	0	See Form 1

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details	
Allocated General & Common Expenses							
73	Less EPRI Dues	(Note D)	p352-353	34553	34553	See Form 1	

Atlantic City Electric Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-Transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	3,105,285	0	3,105,285	Transmission related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	3,105,285	0	3,105,285	Transmission related.

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	76,542	-	76,542	None

MultiState Workpaper

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
129	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	9%	NJ 9.00%	PA 9.900%				Enter Calculation Apportioned: NJ 8.8864%, PA 0.1082%

Education and Out Reach Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	76,542	-	76,542	None

Excluded Plant Cost Support

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

Atlantic City Electric Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total	Allocation	Transmission Related	Details
44 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)				Enter \$		Amount	
	Directly Assignable to Transmission			-	100%	-	
	Labor Related, General plant related or Common Plant related			7,656,853	9.26%	708,898	
	Plant Related			2,273,339	29.74%	676,010	
	Other				0.00%	-	
	Total Transmission Related Reserves			9,930,192		1,384,908	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments	
45 Prepayments					
5	Wages & Salary Allocator		9.258%	To Line 45	
	Pension Liabilities, if any, in Account 242	-	9.258%	-	
	Prepayments	\$ 61,555,740	9.258%	5,699,044	
	Prepaid Pensions if not included in Prepayments	\$ 50,698,733	9.258%	4,693,865	
		112,254,473		10,392,908	
Add more lines if necessary					

Extraordinary Property Loss

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

Atlantic City Electric Company

Attachment 5 - Cost Support

Interest on Outstanding Network Credits Cost Support

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

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

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Amount	Description & PJM Documentation
171	Net Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)		187,500	Settlement agreement.

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	2,936.3	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Atlantic City Electric Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 10,516,277	\$ 8,837,511	\$ 21,926,204	\$ 11,757,408	\$ 53,037,400
Security Services Administration	618,393	380,037	635,375	143,447	1,777,252
Purchasing, Storeroom and Materials Mgt	940,197	699,975	2,155,397	87,980	3,883,549
Vehicle Resource Management	976,688	643,781	686,830	8,709	2,316,008
General Services	2,422,238	1,243,998	1,915,352	559,750	6,141,338
Building Services	1,273,029	1,015,993	2,578,525	1,137,326	6,004,873
Real Estate	1,125,241	860,958	288,975	41,043	2,316,217
Corporate Insurance Administration	174,300	126,826	279,220	99,282	679,628
Claims Administration	584,708	553,775	1,381,801	-	2,520,284
Regulatory Affairs	4,139,483	2,605,625	5,777,790	33,661	12,556,559
Accounts Payable Accounting Services	664,779	498,013	547,693	136,408	1,846,893
Payroll Services	210,401	128,658	305,370	35,143	679,572
Asset and Project Accounting Services	601,542	458,784	1,434,472	223,459	2,718,257
Investor Relations	186,374	164,777	435,412	247,962	1,034,525
Shareholder Services	261,248	231,789	616,657	391,570	1,501,264
Financial Reporting	779,296	670,777	1,802,495	1,096,446	4,349,014
Sarbanes-Oxley Compliance	157,117	139,071	387,417	213,190	896,795
Investment Financial Management	473,580	393,895	943,128	571,715	2,382,318
Other Financial Services	3,441,411	2,512,041	4,352,186	3,528,078	13,833,716
Insurance Premiums & Claims	2,396,492	1,889,999	3,638,673	2,296,391	10,221,555
Cost of Benefits	7,818,293	3,899,851	12,050,409	1,863,118	25,631,671
Executive Compensation Services	120,603	106,961	283,277	195,024	705,865
Other Human Resources Services	4,778,240	2,830,428	5,788,453	2,826,635	16,223,756
Legal Services	2,527,907	2,566,307	4,378,082	1,135,875	10,608,171
Audit Services	1,205,416	495,765	1,522,368	768,214	3,991,763
Special Billing	507,001	605,846	1,089,716	25,027	2,227,590
Other Customer Care	39,360,661	33,399,846	14,950,810	10,619	87,721,936
Marketing Services	1,043,859	619,811	1,429,526	39,855	3,133,051
Information Technology	8,166,950	4,765,484	27,520,711	3,837,710	44,290,855
PHI Corporate Contributions	9,935	8,856	23,135	17,320	59,246
Federal Government Affairs	230,092	204,003	537,574	330,686	1,302,355
Other Corporate Communications	1,035,084	586,363	1,393,265	471,496	3,486,208
Environmental & Safety Services	1,582,105	1,203,592	2,294,146	453,367	5,533,210
System Operations Shared	2,264,027	1,642,693	6,136,046	232,089	10,274,855
Electric Maintenance Meter Shop Shared	1,043,276	403,146	-	-	1,446,422
Other Delivery Services	31,831,398	20,171,000	47,127,782	156,317	99,286,497
Power Procurement	2,306,224	1,536,003	3,070,340	-	6,912,567
Management & Administration	47,923	-	-	19,281,820	19,329,743
Merchant Functions	368,782	-	-	11,704,920	12,073,702
Supply Engineering & Support	97,428	33,273	-	5,585,478	5,716,179
Internal Consulting Services	353,388	247,559	749,516	-	1,350,463
Interns	196,613	113,443	216,890	984	527,930
Building Services	6,229	90,529	3,406,140	-	3,502,898
Other	1,225	350	(4,288)	276,666	273,953
Total	\$ 138,845,453	\$ 99,587,392	\$ 186,052,870	\$ 71,822,188	\$ 496,307,903

Name of Respondent PHI Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2010
---	---	--	---------------------------------------

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

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

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Potomac Electric Power Company	76,578,434	109,489,711	(15,275)	186,052,870
2	Delmarva Power & Light Company	46,162,134	92,689,856	(6,537)	138,845,453
3	Atlantic City Electric	23,739,939	75,853,417	(5,964)	99,587,392
4	Connectiv Energy Supply, Inc.	15,893,502	8,199,164	(1,922)	24,090,744
5	Connectiv Delmarva Generation, LLC	2,094,910	9,337,430	(3,272)	11,429,068
6	Pepco Energy Services, Inc.	3,613,781	9,421,911	(2,740)	13,032,952
7	Connectiv Atlantic Generation, LLC	1,107,715	3,863,664	(1,468)	4,969,911
8	Connectiv Bethlehem, LLC	984,292	2,245,877	(1,841)	3,228,328
9	Pepco Holdings, Inc.	204,733	3,892,626	(3,388)	4,093,971
10	Potomac Capital Investment Corporation	553,247	1,715,082	(1,438)	2,266,891
11	PHI Operating Services Company, LLC	212,805	1,613,603	(649)	1,825,759
12	Thermal Energy Limited Partnership I	27,229	443,403	(139)	470,493
13	Connectiv Mid-Merit, LLC	1,312,821	100,914	(73)	1,413,662
14	Connectiv Thermal Systems, Inc.	19,327	74,153	(41)	93,439
15	Atlantic Southern Properties, Inc.	36,768	331,916	(47)	368,637
16	Connectiv Communications, Inc.	158	8,578	(2)	8,734
17	ATE Investments, Inc.	69	3,755	(3)	3,821
18	Atlantic City Electric Transition Funding, LLC	7,603	893		8,496
19	Connectiv Properties and Investments, Inc.	2,262	63,022	(6)	65,278
20	Connectiv Solutions LLC	3,171	13,897	(11)	17,057
21	Connectiv North East, LLC	139,175	31,902	(3)	171,074
22	Atlantic Generation, Inc.	58	5,875	(2)	5,931
23	DCTC-Burney, Inc.	2,081	19		2,100
24	Connectiv Services, Inc.	2,099	26,273	(5)	28,367
25	Vineland General, Inc.	71,937			71,937
26	Delaware Operating Services Company, LLC	2,327			2,327
27	ACE REIT, LLC	2,280	74		2,354
28	Connectiv, LLC	1,635,707	755,325	89	2,391,121
29	ATS Operating Services, Inc.	149	249,644	(78)	249,715
30	Connectiv Energy Holding Company, LLC	1,148,422	310,016	(1,337)	1,457,101
31	Connectiv Vineland Solar, LLC	31,108	19,515	(7)	50,616
32	Atlantic Jersey Thermal Systems, Inc.		52		52
33	Connectiv Pennsylvania Generation, LLC	2,130	122		2,252
34					
35					
36					
37					
38					
39					
40	Total	175,592,373	320,761,689	(46,159)	496,307,903

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

The Reconciliation in Step 7		The forecast in Prior Year		=	
77,566,144	-	75,971,191			1,594,953

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of 0.2800%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	132,913	0.2800%	11.5	4,280	137,193
Jul	Year 1	132,913	0.2800%	10.5	3,908	136,820
Aug	Year 1	132,913	0.2800%	9.5	3,535	136,448
Sep	Year 1	132,913	0.2800%	8.5	3,163	136,076
Oct	Year 1	132,913	0.2800%	7.5	2,791	135,704
Nov	Year 1	132,913	0.2800%	6.5	2,419	135,332
Dec	Year 1	132,913	0.2800%	5.5	2,047	134,960
Jan	Year 2	132,913	0.2800%	4.5	1,675	134,587
Feb	Year 2	132,913	0.2800%	3.5	1,303	134,215
Mar	Year 2	132,913	0.2800%	2.5	930	133,843
Apr	Year 2	132,913	0.2800%	1.5	558	133,471
May	Year 2	132,913	0.2800%	0.5	186	133,099
Total		1,594,953				1,621,748

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	1,621,748	0.2800%	137,618	1,488,671
Jul	Year 2	1,488,671	0.2800%	137,618	1,355,221
Aug	Year 2	1,355,221	0.2800%	137,618	1,221,398
Sep	Year 2	1,221,398	0.2800%	137,618	1,087,200
Oct	Year 2	1,087,200	0.2800%	137,618	952,626
Nov	Year 2	952,626	0.2800%	137,618	817,676
Dec	Year 2	817,676	0.2800%	137,618	682,347
Jan	Year 3	682,347	0.2800%	137,618	546,640
Feb	Year 3	546,640	0.2800%	137,618	410,553
Mar	Year 3	410,553	0.2800%	137,618	274,084
Apr	Year 3	274,084	0.2800%	137,618	137,234
May	Year 3	137,234	0.2800%	137,618	(0)
Total with interest				1,651,415	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 1,651,415
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 79,957,177
 Revenue Requirement for Year 3 81,608,592

56,462

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 81,608,592 Post results of Step 3 on PJM web site

11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
 \$ 81,608,592

r specific projects identified or to be identified in Attachment 7 is 12.80%, which includes a 150 basis-point transmissio

B0210 Orchard-Below 500kV				B0277 Cumberland Sub:2nd Xfmr						
Yes				Yes						
35				35						
No				No						
150				150						
12.9920%				12.9920%						
13.9699%				13.9699%						
18,572,212				6,759,777						
530,635				193,136						
7				2						
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
17,289,845	530,635	16,759,210	2,707,994	6,598,830	193,136	6,405,693	1,025,365	\$ 11,440,361		\$ 11,440,361
17,289,845	530,635	16,759,210	2,871,882	6,598,830	193,136	6,405,693	1,088,006	\$ 11,940,817	\$ 11,940,817	
16,759,210	530,635	16,228,576	2,639,054	6,405,693	193,136	6,212,557	1,000,273	\$ 11,151,442		\$ 11,151,442
16,759,210	530,635	16,228,576	2,797,753	6,405,693	193,136	6,212,557	1,061,025	\$ 11,636,187	\$ 11,636,187	
16,228,576	530,635	15,697,941	2,570,114	6,212,557	193,136	6,019,420	975,181	\$ 10,862,524		\$ 10,862,524
16,228,576	530,635	15,697,941	2,723,624	6,212,557	193,136	6,019,420	1,034,044	\$ 11,331,557	\$ 11,331,557	
15,697,941	530,635	15,167,306	2,501,174	6,019,420	193,136	5,826,284	950,088	\$ 10,573,606		\$ 10,573,606
15,697,941	530,635	15,167,306	2,649,495	6,019,420	193,136	5,826,284	1,007,063	\$ 11,026,927	\$ 11,026,927	
15,167,306	530,635	14,636,672	2,432,234	5,826,284	193,136	5,633,148	924,996	\$ 10,284,687		\$ 10,284,687
15,167,306	530,635	14,636,672	2,575,365	5,826,284	193,136	5,633,148	980,082	\$ 10,722,297	\$ 10,722,297	
14,636,672	530,635	14,106,037	2,363,294	5,633,148	193,136	5,440,011	899,904	\$ 9,995,769		\$ 9,995,769
14,636,672	530,635	14,106,037	2,501,236	5,633,148	193,136	5,440,011	953,101	\$ 10,417,668	\$ 10,417,668	
14,106,037	530,635	13,575,403	2,294,353	5,440,011	193,136	5,246,875	874,811	\$ 9,706,851		\$ 9,706,851
14,106,037	530,635	13,575,403	2,427,107	5,440,011	193,136	5,246,875	926,120	\$ 10,113,038	\$ 10,113,038	
13,575,403	530,635	13,044,768	2,225,413	5,246,875	193,136	5,053,738	849,719	\$ 9,417,933		\$ 9,417,933
13,575,403	530,635	13,044,768	2,352,978	5,246,875	193,136	5,053,738	899,139	\$ 9,808,408	\$ 9,808,408	
13,044,768	530,635	12,514,133	2,156,473	5,053,738	193,136	4,860,602	824,627	\$ 9,129,014		\$ 9,129,014
13,044,768	530,635	12,514,133	2,278,848	5,053,738	193,136	4,860,602	872,158	\$ 9,503,778	\$ 9,503,778	
12,514,133	530,635	11,983,499	2,087,533	4,860,602	193,136	4,667,465	799,534	\$ 8,840,096		\$ 8,840,096
12,514,133	530,635	11,983,499	2,204,719	4,860,602	193,136	4,667,465	845,177	\$ 9,199,148	\$ 9,199,148	
11,983,499	530,635	11,452,864	2,018,593	4,667,465	193,136	4,474,329	774,442	\$ 8,551,178		\$ 8,551,178
11,983,499	530,635	11,452,864	2,130,590	4,667,465	193,136	4,474,329	818,196	\$ 8,894,518	\$ 8,894,518	
11,452,864	530,635	10,922,229	1,949,653	4,474,329	193,136	4,281,192	749,350	\$ 8,262,259		\$ 8,262,259
11,452,864	530,635	10,922,229	2,056,461	4,474,329	193,136	4,281,192	791,215	\$ 8,589,889	\$ 8,589,889	
10,922,229	530,635	10,391,595	1,880,713	4,281,192	193,136	4,088,056	724,257	\$ 7,973,341		\$ 7,973,341
10,922,229	530,635	10,391,595	1,982,332	4,281,192	193,136	4,088,056	764,234	\$ 8,285,259	\$ 8,285,259	
10,391,595	530,635	9,860,960	1,811,772	4,088,056	193,136	3,894,919	699,165	\$ 7,684,423		\$ 7,684,423
10,391,595	530,635	9,860,960	1,908,202	4,088,056	193,136	3,894,919	737,253	\$ 7,980,629	\$ 7,980,629	
9,860,960	530,635	9,330,326	1,742,832	3,894,919	193,136	3,701,783	674,073	\$ 7,395,505		\$ 7,395,505
9,860,960	530,635	9,330,326	1,834,073	3,894,919	193,136	3,701,783	710,272	\$ 7,675,999	\$ 7,675,999	
9,330,326	530,635	8,799,691	1,673,892	3,701,783	193,136	3,508,646	648,980	\$ 7,106,586		\$ 7,106,586
9,330,326	530,635	8,799,691	1,759,944	3,701,783	193,136	3,508,646	683,291	\$ 7,371,369	\$ 7,371,369	
8,799,691	530,635	8,269,056	1,604,952	3,508,646	193,136	3,315,510	623,888	\$ 6,817,668		\$ 6,817,668
8,799,691	530,635	8,269,056	1,685,815	3,508,646	193,136	3,315,510	656,310	\$ 6,727,644	\$ 6,727,644	
....			\$
....			\$
								\$	185,019,785	\$ 177,787,554

Atlantic City Electric Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest	
101	Less LTD Interest on Securitization Bonds	20,093,783
	Capitalization	
112	Less LTD on Securitization Bonds	355,426,411

Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2010 FERC Form 1
Pages 256-257 "Long Term Debt (Account 221, 222, 223, and 224)"
Line 25 "Note Payable to ACE Transition Funding - variable"
LTD Interest on Securitization Bonds in column (i)
LTD on Securitization Bonds in column (h)