

ATTACHMENT H-3D

Delmarva Power & Light Company		FERC Form 1 Page # or Instruction		2006
Formula Rate - Appendix A		Notes		
Shaded cells are input cells				
Allocators				
Wages & Salary Allocation Factor				
1	Transmission Wages Expense		p354.21.b	\$ 2,246,383
2	Total Wages Expense		p354.28b	\$ 27,826,742
3	Less A&G Wages Expense		p354.27b	\$ 1,825,274
4	Total		(Line 2 - 3)	26,001,468
5	Wages & Salary Allocator		(Line 1 / 4)	8.6394%
Plant Allocation Factors				
6	Electric Plant In Service	(Note B)	p207.104g	\$ 1,987,294,295
7	Common Plant In Service - Electric		(Line 24)	81,033,260
8	Total Plant In Service		(Sum Lines 6 & 7)	2,068,327,555
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	\$ 787,063,640
10	Accumulated Intangible Amortization		p200.21c	\$ 25,446,788
11	Accumulated Common Amortization - Electric	(Note A)	p356	17,196,213
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	\$ 38,945,424
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	868,652,065
14	Net Plant		(Line 8 - 13)	1,199,675,490
15	Transmission Gross Plant		(Line 29 - Line 28)	630,864,978
16	Gross Plant Allocator		(Line 15 / 8)	30.5012%
17	Transmission Net Plant		(Line 39 - Line 28)	381,086,003
18	Net Plant Allocator		(Line 17 / 14)	31.7658%
Plant Calculations				
Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 610,954,465
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	4,041,820
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	614,996,285
23	General & Intangible		p205.5.g & p207.99.g	102,643,926
24	Common Plant (Electric Only)	(Notes A & B)	p356	81,033,260
25	Total General & Common		(Line 23 + 24)	183,677,186
26	Wage & Salary Allocation Factor		(Line 5)	8.63945%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	15,868,693
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	630,864,978
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 239,477,918
31	Accumulated General Depreciation		p219.28.c	\$ 37,644,406
32	Accumulated Intangible Amortization		(Line 10)	25,446,788
33	Accumulated Common Amortization - Electric		(Line 11)	17,196,213
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12)	38,945,424
35	Total Accumulated Depreciation		(Sum Lines 31 to 34)	119,232,831
36	Wage & Salary Allocation Factor		(Line 5)	8.63945%
37	General & Common Allocated to Transmission		(Line 35 * 36)	10,301,057
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	249,778,975
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	381,086,003
Adjustment To Rate Base				
Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-103,550,377
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	-7,001,197
42	Net Plant Allocation Factor	(Notes A & I)	(Line 18)	31.77%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-105,774,361
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-1,811,163
Prepayments				
45	Prepayments	(Note A)	Attachment 5	16,282,441
46	Total Prepayments Allocated to Transmission		(Line 45)	16,282,441
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ 1,726,196
48	Wage & Salary Allocation Factor		(Line 5)	8.64%
49	Total Transmission Allocated		(Line 47 * 48)	149,134
50	Transmission Materials & Supplies		p227.8c	3,470,217
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	3,619,351
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	12,984,903
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	1,623,113
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 + 44 + 46 + 51 + 54 - 57)	-86,060,618
59	Rate Base		(Line 39 + 58)	295,025,384

O&M

Transmission O&M			
60	Transmission O&M		\$ 9,280,663
61	Less extraordinary property loss	p321.112.b	\$ -
62	Plus amortized extraordinary property loss	Attachment 5	\$ -
63	Less Account 565	p321.96.b	\$ -
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	\$ -
65	Plus Transmission Lease Payments	(Note A) p200.4.c	\$ -
66	Transmission O&M	(Lines 60 - 63 + 64 + 65)	9,280,663
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b	\$ 50,211,854
69	Less Property Insurance Account 924	p323.185b	534,889
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	3,897,395
71	Less General Advertising Exp Account 930.1	p323.191b	38,676
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	4,831,701
73	Less EPRI Dues	(Note D) p352-353	0
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	40,909,193
75	Wage & Salary Allocation Factor	(Line 5)	8.6394%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	3,534,328
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	534,889
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	534,889
83	Net Plant Allocation Factor	(Line 18)	31.77%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	169,912
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	12,984,903

Depreciation & Amortization Expense

Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	13,736,433
87	General Depreciation	p336.10b&c	3,484,635
88	Intangible Amortization	(Note A) p336.1d&e	873,939
89	Total	(Line 87 + 88)	4,358,574
90	Wage & Salary Allocation Factor	(Line 5)	8.6394%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	376,557
92	Common Depreciation - Electric Only	(Note A) p336.11.b	3,083,087
93	Common Amortization - Electric Only	(Note A) p356 or p336.11d	1,466,408
94	Total	(Line 92 + 93)	4,549,495
95	Wage & Salary Allocation Factor	(Line 5)	8.6394%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	393,051
97	Total Transmission Depreciation & Amortization	(Line 86 + 91 + 96)	14,506,041

Taxes Other than Income

98	Taxes Other than Income	Attachment 2	5,023,209
99	Total Taxes Other than Income	(Line 98)	5,023,209

Return / Capitalization Calculations

Long Term Interest			
100	Long Term Interest		\$ 41,114,579
101	Less LTD Interest on Securitization Bonds	(Note P)	0
102	Long Term Interest	"(Line 100 - line 101)"	41,114,579
103	Preferred Dividends	enter positive p118.29c	787,430
Common Stock			
104	Proprietary Capital	p112.16c	670,238,417
105	Less Preferred Stock	enter negative (Line 114)	-18,169,800
106	Less Account 216.1	enter negative p112.12c	-2,177,779
107	Common Stock	(Sum Lines 104 to 106)	649,890,838
Capitalization			
108	Long Term Debt	p112.18c through 22c	722,229,400
109	Less Loss on Reacquired Debt	enter negative p111.81c	-18,913,673
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	3,896,058
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Sum Lines Lines 108 to 112)	707,211,785
114	Preferred Stock	p112.3c	18,169,800
115	Common Stock	(Line 107)	649,890,838
116	Total Capitalization	(Sum Lines 113 to 115)	1,375,272,423
117	Debt %	Total Long Term Debt (Line 113 / 116)	51%
118	Preferred %	Preferred Stock (Line 114 / 116)	1%
119	Common %	Common Stock (Line 115 / 116)	47%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0581
121	Preferred Cost	Preferred Stock (Line 103 / 114)	0.0433
122	Common Cost	Common Stock (Note J) Fixed	0.1080
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0299
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0006
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0510
126	Total Return (R)	(Sum Lines 123 to 125)	0.0815
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	24,045,752

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.01%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =$	40.21%
132	T/(1-T)		67.25%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I)	
134	T/(1-T)	enter negative	-318,754
135	Net Plant Allocation Factor	Attachment 1 (Line 132)	67.25%
136	ITC Adjustment Allocated to Transmission	(Line 18)	31.7658%
		(Line 133 * (1 + 134) * 135)	-169,345
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))]
			10,238,860
138	Total Income Taxes		(Line 136 + 137)
			10,069,515

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	381,086,003
140	Adjustment to Rate Base	(Line 58)	-86,060,618
141	Rate Base	(Line 59)	295,025,384
142	O&M	(Line 85)	12,984,903
143	Depreciation & Amortization	(Line 97)	14,506,041
144	Taxes Other than Income	(Line 99)	5,023,209
145	Investment Return	(Line 127)	24,045,752
146	Income Taxes	(Line 138)	10,069,515
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	66,629,420
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	610,954,465
149	Excluded Transmission Facilities	(Note M)	0
150	Included Transmission Facilities	(Line 148 - 149)	610,954,465
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	66,629,420
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	66,629,420
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	7,845,108
155	Interest on Network Credits	(Note N)	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	58,784,312
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	58,784,312
158	Net Transmission Plant	(Line 19 - 30)	371,476,547
159	Net Plant Carrying Charge	(Line 157 / 158)	15.8245%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	12.1267%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.9430%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	24,669,044
163	Increased Return and Taxes	Attachment 4	36,446,947
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	61,115,992
165	Net Transmission Plant	(Line 19 - 30)	371,476,547
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	16.4522%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	12.7544%
168	Net Revenue Requirement	(Line 156)	58,784,312
169	True-up amount	Attachment 6	(47,801)
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	352,999
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515	Attachment 5	-
172	Net Zonal Revenue Requirement	(Line 168 - 169 + 171)	59,089,510
Network Zonal Service Rate			
173	1 CP Peak	(Note L)	4,288
174	Rate (\$/MW-Year)	PJM Data (Line 172 / 173)	13,780
175	Network Service Rate (\$/MW/Year)	(Line 174)	13,780

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
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p = \frac{\text{FIT} + \text{SIT}}{1 + \text{FIT} + \text{SIT}}$ "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 is determined initially to be 10.80% on facilities in service prior to 1-1-06 and 11.30% on facilities in service on or after 1-1-06 per settlement in ER05-515.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L As provided for in Section 34.1 of the PJM OATT and the PJM established billing determinants will not be revised or updated in the annual rate reconciliations per settlement in ER05-515.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M. If they are booked to Acct 565, they are included in on line 64
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.

END

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

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	0	(310,877,458)	0	
ADIT-283	0	(20,051,864)	(86,110,690)	
ADIT-190	0	9,691,066	21,652,683	
Subtotal	0	(321,238,256)	(64,458,007)	(385,696,263)
Wages & Salary Allocator			8.6394%	
Gross Plant Allocator		30.5012%		
ADIT	0	(97,981,562)	(5,568,815)	(103,550,377)

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 (3,896,058)

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

ADIT-190	A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Merrill Creek Excess Capacity		7,599,816	7,599,816				This represents deferred tax generated as a result of an extraordinary charge deducted for books relating to impaired assets due to the effects of deregulation. For tax purposes, the impairment did not give rise to a tax deduction. Deductions for tax are amortized over future periods. Generation related.
Above Market Sales Contracts		3,414,940	3,414,940				This represents deferred tax generated as a result of a book expense related to Energy Trading. For tax purposes, this item did not give rise to a tax deduction. Deductions for tax will be amortized over future periods. Generation related.
Below Market Sales Contracts		(391,896)	(391,896)				This represents deferred tax generated as a result of a book reserve related to Energy Trading. For tax purposes, this item did not give rise to a tax deduction as it did not meet the "all events" test. Generation related.
Deferred Restructuring Costs		(199,144)	(199,144)				These deferred taxes are the result of books deferring costs associated with the deregulation of the Energy Business. For tax, these costs were deducted as ordinary and necessary expenses under IRC section 162. Retail related.
Allowance for Doubtful Accounts		3,378,709	3,378,709				Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write-off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year period. The reserve method is used for book purposes. Retail Related
Excess Property Reserve		201,148	201,148				This represents deferred tax generated as a result of a book reserve related to deregulation of the Energy Business. For tax purposes, this item did not give rise to a tax deduction as it did not meet the "all events" test. Generation related.
Environmental Expense		1,548,755	1,548,755				aside a reserve for environmental site clean-up expenses. For tax no deduction is
Merger Costs		(6,068,791)	(6,068,791)				Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Tax amortization of organizational costs related to the ACE/DPL merger.
Claims Reserve		1,811,067			1,811,067		These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for General and Auto liability claims. For Tax no deduction is permitted until the "all events" test is met typically when payment is made. Includes items related to all functions.
Emissions Allowances		(50,559)	(50,559)				Proceeds from the sale of emissions allowances are deferred, pending future rate treatment. The income for tax purposes is recognized when received. These deferred taxes are the result of this book/tax difference.
Preliminary Survey & Investigation Costs		0	0				immaterial
Building Maintenance Accrual		88,495	88,495				Acct 242650 immaterial
Merrill Creek - Rent		4,127,239	4,127,239				These deferred taxes are the result of rent being recorded ratably over the life of the lease for book purposes. For tax, rent is deductible when economic performance occurs. This asset is Generation related
Wilmington Coal Gas Site Cleanup		(623,284)	(623,284)				Timing differences related to Gas operations.
Merger Costs		1,357,219				1,357,219	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Miscellaneous		(773,738)	(773,738)				Timing differences related to Gas operations.
Deferred Fuel		7,715,087	7,715,087				To help utilities cope with price fluctuations, many regulators have approved rate tariffs that allow rates to be adjusted through fuel adjustment clauses that pass through actual fuel expense increases/decreases to rate payers by means of surcharges or refunds to customer billings in future periods. Difference between actual fuel expense as compared to the fuel expense computed in accordance with fuel adjustment clause formulas as deferred on books. In accordance with Section 162 Ordinary and Necessary Business Expenses and Section 461 Rules for Taxable year of Deduction, tax return reflects actual fuel expense/income. Assuming that the All-Events test and the economic performance requirements are met, fuel costs are deductible in the year incurred for federal tax purposes. Rate surcharges are includable in the taxable year the underlying monthly bill is adjusted. Refunds are deductible in the taxable year that the liability is fixed and economic performance has occurred. These deferred taxes are the result of this book/tax difference. Retail related.
Summit Land Transfer		398,013	398,013				Transfer of land related to generation to subsidiaries for book. For tax the transaction was disregarded resulting in deferred taxes. Tax liability is recognized as land is sold.
Venture Capital Invest/Partnership Inc		388,545	388,545				Investment attributable to non-utility operations
Gain on Sale of Microwave Systems		(234,579)			(234,579)		The deferred tax balance reflects the difference between the book gain and tax gain on the disposition assets. Involves both T & D facilities.
MD DSM Deferred Interest		(344,100)	(344,100)				For books, Demand Side Management Costs are deferred. Interest accrues on the deferred costs balance. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.

Deferred ITC	6,441,508	0		6,441,508		Pursuant to the requirements of FAS 109, DPL's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Involves all plant functions.
Plant Related	83,041,221	83,041,221				Life and method differences related to all plant
Pension And Other Labor Related	20,295,464				20,295,464	Affects company personnel across all functions.
OPEB	1,459,717				1,459,717	Book accruals of OPEB expenses are reversed. A tax deduction results only when OPEB contributions are made to the trust. These deferred taxes are the result of this book/tax difference. Affects company personnel across all functions.
Subtotal - p234	134,580,852	103,450,456	0	8,017,996	23,112,400	
Less FASB 109 Above if not separately removed	(1,673,070)			(1,673,070)	0	
Less FASB 106 Above if not separately removed	1,459,717				1,459,717	
Total	134,794,205	103,450,456	0	9,691,066	21,652,683	

Instructions for Account 190:
1. ADIT items related only to Non-Electric Operations (e.g., Gas,
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
6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

Delmarva Power & Light Company

Account 282 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADIT- 282

A	B	C	D	E	F	G
	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Recoverable Income Tax	(69,738,027)			(72,868,200)		FASB 109 gross up, removed below
Plant Related	(371,493,111)	(60,615,653)		(310,877,458)		Plant
Subtotal - p275	(441,231,138)	(60,615,653)	0	(383,745,658)	0	
Less FASB 109 Above if not separately removed	(72,868,200)			(72,868,200)		
Less FASB 106 Above if not separately removed						
Total	(368,362,938)	(60,615,653)	0	(310,877,458)	0	

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas,
- 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.
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c.

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

Delmarva Power & Light Company

Worksheet 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

	Item	Balance	Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	7,001,197	482,563	
Amortization				
Amortization to line 133 of Appendix A	Total	2,058,169	318,754	Excludes \$56,650 related to gas function amortization Excludes \$828,912 related to gas function balance
Total		9,059,366	801,317	
Total Form No. 1 (p 266 & 267)		9,059,366	801,317	
Difference /1		-	-	

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	14,339,039		
2 Personal property			
3 Federal/State Excise	152		
4			
5			
6			
Total Plant Related	14,339,191	30.5012%	4,373,627
Labor Related		Wages & Salary Allocator	
7 Federal FICA & Unemployment	7,240,900		
8 Unemployment	172,267		
9			
10			
11			
Total Labor Related	7,413,167	8.6394%	640,457
Other Included		Gross Plant Allocator	
12 Miscellaneous	29,917		
13			
14			
Total Other Included	29,917	30.5012%	9,125
Total Included	21,782,275		5,023,209
Excluded			
15 State Franchise Tax	98,821		
16 Gross Receipts	6,305,679		
17 Sales and Use	457,298		
18 Utility Tax for Delmarva	9,766,030		
19 City License	4,000		
20			
21 Total "Other" Taxes (included on p. 263)	38,414,103		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	38,414,103		
23 Difference	-		

Criteria for Allocation:

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

Delmarva Power & Light Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1	Rent from Electric Property - Transmission Related (Note 3)		1,224,962
2	Total Rent Revenues	(Sum Line 1)	1,224,962

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A		\$ 1,434,755
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)		1,234,708
6	PJM Transitional Revenue Neutrality (Note 1)		-
7	PJM Transitional Market Expansion (Note 1)		-
8	Professional Services (Note 3)		-
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		4,809,431
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11	Gross Revenue Credits	(Sum Lines 2-10)	8,703,856
12	Less line 17g		(858,748)
13	Total Revenue Credits		7,845,108

Revenue Adjustment to determine Revenue Credit

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

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

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

17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.		1,224,962
17b	Costs associated with revenues in line 17a		492,534
17c	Net Revenues (17a - 17b)		732,428
17d	50% Share of Net Revenues (17c / 2)		366,214
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)		366,214
17g	Line 17f less line 17a		(858,748)
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.		4,112,111
19	Amount offset in line 4 above		37,017,030
20	Total Account 454 and 456		49,832,997

Delmarva Power & Light Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	36,446,947
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	295,025,384
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	41,114,579
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	41,114,579
103	Preferred Dividends	enter positive	p118.29c	787,430
Common Stock				
104	Proprietary Capital		p112.16c	670,238,417
105	Less Preferred Stock	enter negative	(Line 114)	-18,169,800
106	Less Account 216.1	enter negative	p112.12c	-2,177,779
107	Common Stock		(Sum Lines 104 to 106)	649,890,838
Capitalization				
108	Long Term Debt		p112.18c through 22c	722,229,400
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-18,913,673
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	3,896,058
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	707,211,785
114	Preferred Stock		p112.3c	18,169,800
115	Common Stock		(Line 107)	649,890,838
116	Total Capitalization		(Sum Lines 113 to 115)	1,375,272,423
117	Debt %	Total Long Term Debt	(Line 113 / 116)	51%
118	Preferred %	Preferred Stock	(Line 114 / 116)	1%
119	Common %	Common Stock	(Line 115 / 116)	47%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0581
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0433
122	Common Cost	Common Stock	(Note J from Appendix A) Appendix A % plus 100 Basis Pts	0.1180
123	Weighted Cost of Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0299
124	Weighted Cost of Preferred Stock		(Line 118 * 121)	0.0006
125	Weighted Cost of Common Stock		(Line 119 * 122)	0.0558
126	Total Return (R)		(Sum Lines 123 to 125)	0.0862
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	25,439,907

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.01%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.21%
132	T / (1-T)			67.25%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(318,754)
134	T/(1-T)		(Line 132)	67%
135	Net Plant Allocation Factor		(Line 18)	31.7658%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-169,345
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	11,176,385
138	Total Income Taxes		(Line 136 + 137)	11,007,040

Delmarva Power & Light Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	48,835,213	25,446,788	23,388,425	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356		17,196,213		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	46,363,600	38,945,424	7,418,176	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	96,468,165	81,033,260	15,434,905	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	9,888,278	9,059,366	828,912	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ 1,726,196	1,651,624	74,572	95.68% Electric, 4.32% Non-Electric
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	882,770	873,939	8,831	See FERC Form 2, Page 337, Line 1, Column h for non-electric portion.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	3,083,087	3,083,087	0	See Form 1, electric only.
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	1,466,408	1,466,408	0	See Form 1, electric only.

Transmission / Non-transmission Cost Support

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

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	\$ 1,987,294,295	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 610,954,465	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	81,033,260	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	239,477,918	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	0	0	See Form 1	

Delmarva Power & Light Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$ 3,897,395	0	3,897,395	FERC related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	3,897,395	0	3,897,395	FERC related

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	38,676	0	38,676	None

MultiState Workpaper

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
129	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	8.01%	MD 7.00%	PA 9.990%	VA 6%	DE 8.7%	OH 5.10%	Enter Calculation Apportioned: PA 0.0133%, VA 0.1813%, DE 5.8368%, MD 1.9743%, OH 0.0025%, NY 0

Education and Out Reach Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	38,676	0	38,676	None

Excluded Plant Cost Support

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

Add more lines if necessary

Delmarva Power & Light Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total	Allocation	Transmission Related	Details
				Enter \$		Amount	
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)						
	Directly Assignable to Transmission			-	100%	-	
	Labor Related, General plant related or Common Plant related			8,014,707	8.64%	692,426	
	Plant Related			3,667,842	30.50%	1,118,736	
	Other				0.00%	-	
	Total Transmission Related Reserves			11,682,549		1,811,163	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments			
45 Prepayments							
		Allocator	To Line 45				
	Pension Liabilities, if any, in Account 242	-	7.257%	-			
	Prepayments	\$ 52,477,402	7.257%	3,808,356			
	Prepaid Pensions if not included in Prepayments	\$ 171,887,180	7.257%	12,474,085			
		224,364,582	7.26%	16,282,441			
5	Wages & Salary Allocator	8.639%					
	Electric vs Gas	84% Based on Modified Wisconsin Method					
	Modified Wages & Salaries Allocator	7.257%					
<i>Add more lines if necessary</i>							

Extraordinary Property Loss

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

Delmarva Power & Light Company

Attachment 5 - Cost Support

Interest on Outstanding Network Credits Cost Support

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

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

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	4,288	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	non regulated	Total
Energy Delivery Services	11,438,051	8,712,543	11,271,801	1,172,663	32,595,058
Procurement & Supply Services	587,950	405,619	798,846	291,518	2,083,933
Facilities Services	612,773	560952.07	346767.93	653610.88	2174103.99
Real Estate Services	61,889	62277.8	0	41929.4	166096.52
Security Services	366,207	287,093	648,345	132,734	1,434,380
Controller	401,003	433,324	851,241	473,148	2,158,716
General Accounting Services	1,031,581	983,639	1,648,874	1,116,661	4,780,756
Accounts Payable Services	494,979	452,946	758,080	156,343	1,862,349
Asset Management	202,158	167,290	708,262	212,571	1,290,280
Risk Management	295,381	339,945	783,208	531,989	1,950,524
Insurance & Claims	2,533,915	2,179,697	4,929,844	3,835,453	13,478,909
External Reporting	805,341	829,913	1,839,183	1,110,933	4,585,370
Corporate Planning	486,926	498,382	878,169	808,261	2,671,738
Regulatory Affairs	2,823,894	1,665,307	3,715,939	-	8,205,140
Treasury Services	(322,364)	(78,744)	(40,719)	80,872	(360,955)
Tax Services	387,054	444,063	135,537	534,011	1,500,665
Investor Relations	387,463	441,411	1,017,505	667,034	2,513,413
Human Resource Services	1,905,901	1,289,212	2,576,080	908,871	6,680,064
Compensation & Benefits	161,779	221,238	482,763	364,716	1,230,496
Employee Relations	-	-	-	-	-
Payroll Services	414,778	266,323	264,030	72,038	1,017,169
Legal Services	2,902,218	1,784,265	5,548,127	1,545,234	11,779,844
Corporate Secretary Services	484,473	550,120	1,268,063	829,863	3,132,518
Internal Audit	590,819	607,496	865,209	807,552	2,871,075
Marketing Services	765,365	1,354,633	2,313,325	51,903	4,485,226
IS Management & Administration	-	-	-	-	-
Desktop/Network Support	98,923	69,556	295,520	-	463,998
Operations Management	322,346	241,875	404,195	153,946	1,122,362
Information Strategy	287,226	237,945	562,447	-	1,087,618
Communications Services	587,899	639,378	1,069,099	855,875	3,152,251
Government Relations	284,710	281,811	885,936	428,751	1,881,209
Environmental & Safety	994,664	715,074	1,557,288	508,900	3,775,927
Executive Management	2,052,737	1,707,076	4,106,096	6,967,624	14,833,532
Total	34,448,039	28,351,663	52,489,061	25,315,003	140,603,766

Delmarva Power & Light Company

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

1	April	Year 2	TO populates the formula with Year 1 data from FERC Form 1 for Year 1 (e.g., 2004)
2	April	Year 2	TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)
3	April	Year 2	TO adds weighted Cap Adds to plant in service in Formula
4	May	Year 2	Post results of Step 3 on PJM web site
5	June	Year 2	Results of Step 3 go into effect for the rate Year 1 (e.g., June 1, 2005 - May 31, 2006)
6	April	Year 3	TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
7	April	Year 3	TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
8	April	Year 3	Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation (adjusted to include any Reconciliation amount from prior year)
9	April	Year 3	Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
10	May	Year 3	Post results of Step 9 on PJM web site
11	June	Year 3	Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 for Year 1 (e.g., 2004)
\$ 36,719,396 Rev Req based on Year 1 data Must run Appendix A to get this number (without any cap adds in line 21 of Appendix A)

2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)

	Est. In Service Date	Weighting	Amount	One 12th
Jan		11.5	-	-
Feb		10.5	-	-
Mar	4,224,630	9.5	40,133,985	3,344,499
Apr		8.5	-	-
May	15,259,566	7.5	114,446,745	9,537,229
Jun	64,871,792	6.5	421,666,648	35,138,887
Jul		5.5	-	-
Aug		4.5	-	-
Sep		3.5	-	-
Oct		2.5	-	-
Nov		1.5	-	-
Dec	7,018,448	0.5	3,509,224	292,435
Total	91,374,436		579,756,602	48,313,050
New Transmission Plant Additions for Year 2 (weighted by months in service)				48,313,050

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 48,313,050 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site
\$ 41,882,319 Must run Appendix A to get this number (with prospective weighted cap adds in line 21)

5 June Year 2 Results of Step 3 go into effect for the rate Year 1 (e.g., June 1, 2005 - May 31, 2006)
\$ 41,882,319

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
 \$ 58,363,028 Rev Req based on Prior Year data Must run Appendix A to get this number (without any cap adds in line 21 of Appendix A)

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

	Est. In Service Date	Weighting	Amount	One 12th
Jan		11.5	-	-
Feb		10.5	-	-
Mar		9.5	-	-
Apr		8.5	-	-
May	6,466,912	7.5	48,501,840	4,041,820
Jun		6.5	-	-
Jul		5.5	-	-
Aug		4.5	-	-
Sep		3.5	-	-
Oct		2.5	-	-
Nov		1.5	-	-
Dec		0.5	-	-
Total	6,466,912		48,501,840	4,041,820

New Transmission Plant Additions for Year 3 (weighted by months in service) 4,041,820 Input to Formula Line 21
 58784311.86

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

Remove all Cap Adds placed in service in Year 2
 For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 89,996,082 Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2

	Actual In Service Date	Weighting	Amount	One 12th
Jan	59,136	11.5	680,064	56,672
Feb	1,520,605	10.5	15,966,353	1,330,529
Mar	45,153,780	9.5	428,960,910	35,746,743
Apr	-	8.5	-	-
May	7,119,993	7.5	53,399,948	4,449,996
Jun	17,455	6.5	113,458	9,455
Jul	2,969,628	5.5	16,332,954	1,361,080
Aug	1,158,199	4.5	5,211,896	434,325
Sep	233,672	3.5	817,852	68,154
Oct	11,190,933	2.5	27,977,333	2,331,444
Nov	1,788,264	1.5	2,682,396	223,533
Dec	18,784,417	0.5	9,392,209	782,684
Total	89,996,082		561,535,370	46,794,614

New Transmission Plant Additions for Year 2 (weighted by months in service) 46,794,614 Input to Formula Line 21

53,860,089 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 & line 20
 (Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 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 8		The forecast in Prior Year		
53,860,089	-	53,903,943	=	(43,854)

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March o 0.7000%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	(3,654)	0.7000%	11.5	(294)	(3,949)
Jul	Year 1	(3,654)	0.7000%	10.5	(269)	(3,923)
Aug	Year 1	(3,654)	0.7000%	9.5	(243)	(3,897)
Sep	Year 1	(3,654)	0.7000%	8.5	(217)	(3,872)
Oct	Year 1	(3,654)	0.7000%	7.5	(192)	(3,846)
Nov	Year 1	(3,654)	0.7000%	6.5	(166)	(3,821)
Dec	Year 1	(3,654)	0.7000%	5.5	(141)	(3,795)
Jan	Year 2	(3,654)	0.7000%	4.5	(115)	(3,770)
Feb	Year 2	(3,654)	0.7000%	3.5	(90)	(3,744)
Mar	Year 2	(3,654)	0.7000%	2.5	(64)	(3,718)
Apr	Year 2	(3,654)	0.7000%	1.5	(38)	(3,693)
May	Year 2	(3,654)	0.7000%	0.5	(13)	(3,667)
Total		(43,854)				(45,695)

		Balance	Interest from above	Amortization over Rate Year	Balance
Jun	Year 2	(45,695)	0.7000%	(3,983)	(42,032)
Jul	Year 2	(42,032)	0.7000%	(3,983)	(38,343)
Aug	Year 2	(38,343)	0.7000%	(3,983)	(34,628)
Sep	Year 2	(34,628)	0.7000%	(3,983)	(30,887)
Oct	Year 2	(30,887)	0.7000%	(3,983)	(27,119)
Nov	Year 2	(27,119)	0.7000%	(3,983)	(23,326)
Dec	Year 2	(23,326)	0.7000%	(3,983)	(19,506)
Jan	Year 3	(19,506)	0.7000%	(3,983)	(15,659)
Feb	Year 3	(15,659)	0.7000%	(3,983)	(11,785)
Mar	Year 3	(11,785)	0.7000%	(3,983)	(7,884)
Apr	Year 3	(7,884)	0.7000%	(3,983)	(3,956)
May	Year 3	(3,956)	0.7000%	(3,983)	0
Total with interest				(47,801)	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest (47,801)

Rev Req based on Year 2 data with estimated Cap Adds for Year 3

\$ 58,784,312 Must run Appendix A to get this number (with prospective weighted cap adds in line 21)
Revenue Requirement for Year 3 58,736,511

10 May Year 3 Post results of Step 9 on PJM web site
\$ 58,736,511 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)
\$ 58,736,511

Delmarva Power & Light Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

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

Calculation of the above Securitization Adjustments

