

## ATTACHMENT H-1A

## Atlantic City Electric Company

## Formula Rate - Appendix A

Notes

FERC Form 1 Page # or  
Instruction

2005

## Shaded cells are input cells

## Allocators

1	<b>Wages &amp; Salary Allocation Factor</b>			
	Transmission Wages Expense		p354.19.b	1,569,914
2	Total Wages Expense		p354.25b	29,957,576
3	Less A&G Wages Expense		p354.24b	585,892
4	Total		(Line 2 - 3)	29,371,684
5	<b>Wages &amp; Salary Allocator</b>		(Line 1 / 4)	5.3450%
<b>Plant Allocation Factors</b>				
6	Electric Plant In Service	(Note B)	p207.95g	1,851,807,045
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	1,851,807,045
9	Accumulated Depreciation (Total Electric Plant)		p219.28c	548,442,124
10	Accumulated Intangible Amortization	(Note A)	p200.21c	36,837,918
11	Accumulated Common Amortization - Electric	(Note A)	p356	0
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	0
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	585,280,042
14	Net Plant		(Line 8 - 13)	1,266,527,003
15	Transmission Gross Plant		(Line 29 - Line 28)	555,456,121
16	<b>Gross Plant Allocator</b>		(Line 15 / 8)	29.9954%
17	Transmission Net Plant		(Line 39 - Line 28)	366,336,822
18	<b>Net Plant Allocator</b>		(Line 17 / 14)	28.9245%

## Plant Calculations

<b>Plant In Service</b>				
19	Transmission Plant In Service	(Note B)	p207.58.g	534,360,041
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	13,069,372
22	<b>Total Transmission Plant In Service</b>		(Line 19 - 20 + 21)	547,429,413
23	General & Intangible		p205.5.g & p207.90.g	150,172,514
24	Common Plant (Electric Only)	(Notes A & B)	p356	0
25	Total General & Common		(Line 23 + 24)	150,172,514
26	Wage & Salary Allocation Factor		(Line 5)	5.34499%
27	<b>General &amp; Common Plant Allocated to Transmission</b>		(Line 25 * 26)	8,026,708
28	<b>Plant Held for Future Use (Including Land)</b>	(Note C)	p214	1,350,288
29	<b>TOTAL Plant In Service</b>		(Line 22 + 27 + 28)	556,806,409
<b>Accumulated Depreciation</b>				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	185,951,814
31	Accumulated General Depreciation		p219.27.c	22,422,884
32	Accumulated Intangible Amortization		(Line 10)	36,837,918
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)	59,260,802
36	Wage & Salary Allocation Factor		(Line 5)	5.34499%
37	<b>General &amp; Common Allocated to Transmission</b>		(Line 35 * 36)	3,167,485
38	<b>TOTAL Accumulated Depreciation</b>		(Line 30 + 37)	189,119,299
39	<b>TOTAL Net Property, Plant &amp; Equipment</b>		(Line 29 - 38)	367,687,110

**Adjustment To Rate Base**

<b>Accumulated Deferred Income Taxes</b>				
40	ADIT net of FASB 106 and 109		Attachment 1	-69,228,139
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	0
42	Net Plant Allocation Factor	(Notes A & I)	(Line 18)	28.92%
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 * 42) + Line 40	<b>-69,228,139</b>
<b>Transmission O&amp;M Reserves</b>				
44	<b>Total Balance Transmission Related Account 242 Reserves</b>	Enter Negative	Attachment 5	<b>-930,408</b>
<b>Prepayments</b>				
45	Prepayments	(Note A)	Attachment 5	530,787
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 45)	<b>530,787</b>
<b>Materials and Supplies</b>				
47	Undistributed Stores Exp	(Note A)	p227.6c & 15.c	1,427,523
48	Wage & Salary Allocation Factor		(Line 5)	5.34%
49	Total Transmission Allocated		(Line 47 * 48)	76,301
50	Transmission Materials & Supplies		p227.8c	1,900,000
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + 50)	<b>1,976,301</b>
<b>Cash Working Capital</b>				
52	Operation & Maintenance Expense		(Line 85)	10,682,179
53	1/8th Rule		x 1/8	12.5%
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 * 53)	<b>1,335,272</b>
<b>Network Credits</b>				
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	<b>TOTAL Adjustment to Rate Base</b>		(Line 43 + 44 + 46 + 51 + 54 - 57)	<b>-66,316,187</b>
59	<b>Rate Base</b>		(Line 39 + 58)	<b>301,370,923</b>

**O&M**

<b>Transmission O&amp;M</b>				
60	Transmission O&M		p321.100.b	7,470,662
61	Less extraordinary property loss		Attachment 5	0
62	Plus amortized extraordinary property loss		Attachment 5	0
63	Less Account 565		p321.88.b	0
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	0
65	Plus Transmission Lease Payments	(Note A)	p200.3.c	0
66	<b>Transmission O&amp;M</b>		(Lines 60 - 63 + 64 + 65)	<b>7,470,662</b>
<b>Allocated General &amp; Common Expenses</b>				
67	Common Plant O&M	(Note A)	p356	0
68	Total A&G		p323.168.b	54,574,118
69	Less Property Insurance Account 924		p323.156b	1,487,579
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.160b	1,048,775
71	Less General Advertising Exp Account 930.1		p323.162b	3,213
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	0
73	Less EPRI Dues	(Note D)	p352-353	0
74	<b>General &amp; Common Expenses</b>		(Lines 67 + 68) - Sum (69 to 73)	52,034,551
75	Wage & Salary Allocation Factor		(Line 5)	5.3450%
76	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 74 * 75)	<b>2,781,242</b>
<b>Directly Assigned A&amp;G</b>				
77	Regulatory Commission Exp Account 928	(Note G)	p323.160b	0
78	General Advertising Exp Account 930.1	(Note K)	p323.162b	0
79	Subtotal - Transmission Related		(Line 77 + 78)	0
80	Property Insurance Account 924		p323.156b	1,487,579
81	General Advertising Exp Account 930.1	(Note F)	p323.162b	0
82	Total		(Line 80 + 81)	1,487,579
83	Net Plant Allocation Factor		(Line 18)	28.92%
84	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 82 * 83)	<b>430,275</b>
85	<b>Total Transmission O&amp;M</b>		(Line 66 + 76 + 79 + 84)	<b>10,682,179</b>

**Depreciation & Amortization Expense**

Depreciation Expense				
86	Transmission Depreciation Expense		p336.7b&c	10,460,082
87	General Depreciation		p336.9b&c	4,051,657
88	Intangible Amortization	(Note A)	p336.1d&e	2,902,560
89	Total		(Line 87 + 88)	6,954,217
90	Wage & Salary Allocation Factor		(Line 5)	5.3450%
91	<b>General Depreciation Allocated to Transmission</b>		(Line 89 * 90)	371,702
92	Common Depreciation - Electric Only	(Note A)	p336.10.b	0
93	Common Amortization - Electric Only	(Note A)	p356 or p336.10d	0
94	Total		(Line 92 + 93)	0
95	Wage & Salary Allocation Factor		(Line 5)	5.3450%
96	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 94 * 95)	0
97	<b>Total Transmission Depreciation &amp; Amortization</b>		(Line 86 + 91 + 96)	10,831,784

**Taxes Other than Income**

98	Taxes Other than Income		Attachment 2	871,868
99	<b>Total Taxes Other than Income</b>		(Line 98)	871,868

**Return / Capitalization Calculations**

Long Term Interest				
100	Long Term Interest		p117.62c through 67c	56,823,168
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	26,074,634
102	<b>Long Term Interest</b>		*(Line 100 - line 101)*	30,748,534
103	<b>Preferred Dividends</b>	enter positive	p118.29c	258,347
<b>Common Stock</b>				
104	Proprietary Capital		p112.16c	503,927,184
105	Less Preferred Stock	enter negative	(Line 114)	-6,214,500
106	Less Account 216.1	enter negative	p112.12c	0
107	<b>Common Stock</b>		(Sum Lines 104 to 106)	497,712,684
<b>Capitalization</b>				
108	Long Term Debt		p112.17c through 21c	966,273,253
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-16,586,877
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	1,346,871
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8	-501,558,253
113	Total Long Term Debt		(Sum Lines 108 to 112)	449,474,994
114	Preferred Stock		p112.3c	6,214,500
115	Common Stock		(Line 107)	497,712,684
116	<b>Total Capitalization</b>		(Sum Lines 113 to 115)	953,402,178
117	Debt %	Total Long Term Debt	(Note Q) (Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Note Q) (Line 114 / 116)	0%
119	Common %	Common Stock	(Note Q) (Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0684
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0416
122	Common Cost	Common Stock	(Note J) Fixed	0.1080
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0342
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0540
126	<b>Total Return ( R )</b>		(Sum Lines 123 to 125)	0.0882
127	<b>Investment Return = Rate Base * Rate of Return</b>		(Line 59 * 126)	26,582,405

**Composite Income Taxes**

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.99%
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	p266.8f -3,196,201
134	T/(1-T)		(Line 132) 69.05%
135	Net Plant Allocation Factor		(Line 18) 28.9245%
136	<b>ITC Adjustment Allocated to Transmission</b>		(Line 133 * (1 + 134) * 135) <b>-1,562,857</b>
137	<b>Income Tax Component =</b>	$CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))] <b>11,237,460</b>
138	<b>Total Income Taxes</b>		(Line 136 + 137) <b>9,674,603</b>

**REVENUE REQUIREMENT**

Summary			
139	Net Property, Plant & Equipment		(Line 39) 367,687,110
140	Adjustment to Rate Base		(Line 58) -66,316,187
141	<b>Rate Base</b>		(Line 59) <b>301,370,923</b>
142	O&M		(Line 85) 10,682,179
143	Depreciation & Amortization		(Line 97) 10,831,784
144	Taxes Other than Income		(Line 99) 871,868
145	Investment Return		(Line 127) 26,582,405
146	Income Taxes		(Line 138) 9,674,603
147	<b>Gross Revenue Requirement</b>		(Sum Lines 142 to 146) <b>58,642,841</b>
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service		(Line 19) 534,360,041
149	Excluded Transmission Facilities	(Note M)	Attachment 5 72,588,010
150	Included Transmission Facilities		(Line 148 - 149) 461,772,031
151	Inclusion Ratio		(Line 150 / 148) 86.42%
152	Gross Revenue Requirement		(Line 147) 58,642,841
153	<b>Adjusted Gross Revenue Requirement</b>		(Line 151 * 152) <b>50,676,738</b>
Revenue Credits & Interest on Network Credits			
154	Revenue Credits		Attachment 3 4,048,807
155	Interest on Network Credits	(Note N)	PJM Data -
156	<b>Net Revenue Requirement</b>		(Line 153 - 154 + 155) <b>46,627,931</b>
Net Plant Carrying Charge			
157	Net Revenue Requirement		(Line 156) 46,627,931
158	Net Transmission Plant		(Line 19 - 30) 348,408,227
159	Net Plant Carrying Charge		(Line 157 / 158) 13.3831%
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158 10.3809%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158 2.0782%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146) 10,370,923
163	Increased Return and Taxes		Attachment 4 38,804,369
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163) 49,175,291
165	Net Transmission Plant		(Line 19 - 30) 348,408,227
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165) 14.1143%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation		(Line 163 - 86) / 165 11.1120%
Net Revenue Requirement			
168	Net Revenue Requirement		(Line 156) 46,627,931
169	True-up amount		Attachment 6 (6,652,657)
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7 17,122
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)		Attachment 5 180,000
172	<b>Net Zonal Revenue Requirement</b>		(Line 168 - 169 + 171) <b>40,172,396</b>
Network Zonal Service Rate			
173	1 CP Peak	(Note L)	PJM Data 2,838
174	Rate (\$/MW-Year)		(Line 172 / 173) 14,155
175	<b>Network Service Rate (\$/MW/Year)</b>		(Line 174) <b>14,155</b>

**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  $p = \frac{\text{FIT} + \text{SIT}}{1 + \text{SIT}}$  "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.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.

**END**

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	<i>Only</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>
<b>ADIT- 282</b>	0	(227,390,787)	0	
<b>ADIT-283</b>	0	(5,437,468)	(17,374,935)	
<b>ADIT-190</b>	0	3,275,680	10,395,954	
<b>Subtotal</b>	0	(229,552,575)	(6,978,981)	
<b>Wages &amp; Salary Allocator</b>			5.3450%	
<b>Gross Plant Allocator</b>		29.9954%		
<b>ADIT</b>	0	(68,855,113)	(373,026)	(69,228,139)

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 (1,346,871)

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
190 BAD DEBT RESERVE		5,917,061	5,917,061	-	-	-	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 FASB 112-ACCTING FOR POST RETIRE		1,058,203	-	-	-	1,058,203	The book records accrual for post employment benefits. Tax deduction is taken at the time a payment is made. Affects company personnel across all functions.
190 LEGAL REGULATORY FEES		1,597,109	1,597,109	-	-	-	Legal fees incurred and paid for regulatory issues were deferred for book purposes. For tax purposes, the fees were deductible in full as paid. Retail related.
190 LEAC DISALLOWANCE		(111,388)	(111,388)	-	-	-	For tax purposes, LEAC ( Levelized Energy Adjustment Clause) disallowance costs were deductible as incurred. For book purposes, a reserve for the disallowance costs was recorded. Retail related.
190 UNCOLLECTIBLE ACCOUNTS		(1,075,807)	(1,075,807)	-	-	-	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 deduction for tax purposes. Retail related.
190 FEBRUARY 98 SPECIAL RESERVES		144,186	144,186	-	-	-	For book purposes, the loan value position for Portland Station was written off as a loss. For tax purposes, the loss was not deductible. Generation related.
190 ACCRUAL SEVERANCE		(327,518)	-	-	-	(327,518)	adopted and the employees to be severed have been identified. For tax purposes, the costs are deductible when they are paid to the severed individual.
190 CLAIMS RESERVE		902,210	-	-	-	902,210	For book purposes, a deduction is taken for amounts set aside as a reserve for possible health, injury, and damages claims against ACE. For tax purposes, these amounts are not deductible until paid out as claims. Affects company personnel across all functions.
190 PLANT ABANDONMENT - SFAS 90		6,834,488	6,834,488	-	-	-	Plant Abandonment Amount represents deferred tax asset resulting from the disallowances of plant costs associated with ACE's investment in Unit No. 1 of the Hope Creek Generation Station upon adoption of FAS 90 in 1986. [The FAS90 requires that a loss be recognized if disallowance costs provide no return on investment of any portion of a plant.] Generator related.
190 MERGER RELATED ENTRIES		4,840,658	-	-	-	4,840,658	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.
190 Misc Deferred Debits - Retail		(334,519)	(334,519)	-	-	-	Retail related
190 Stores Clearing Accounts		204,113	-	-	204,113	-	Stores relates to all functions
190 Nuclear Fuel		249,176	249,176	-	-	-	Generation related
190 Hope Creek O&M		189,982	189,982	-	-	-	Generation related
190 Amortization of OPEB		920,894	-	-	-	920,894	OPEB, labor related and relates to all functions
190 MISCELLANEOUS		548,741	-	-	548,741	-	Miscellaneous temporary differences that are less than \$100,000 for each item. Related to all functions
190 OFFICER'S/MANAGERS DEFERRED COMP		414,435	-	-	-	414,435	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 HYDROGEN WATER CHEMISTRY W/O		6,033	6,033	-	-	-	Amortization of book costs on generation project study which was an add-back for tax purposes. Generation related.
190 DSM COSTS		2,930,472	2,930,472	-	-	-	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	DEFERRED FUEL	1,606,396	1,606,396	-	-	-	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, fuel costs are deductible in the year incurred for federal tax purposes. Rate surcharges are includible 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. Generation Related.
190	ENVIRONMENTAL SITE EXPENSE	2,204,812	2,204,812	-	-	-	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	780,312				780,312	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	NJ EXCISE TAX	2,079,985	2,079,985	-	-	-	Gross receipts and franchise tax catch up and go current payment. Fully deducted when paid on the tax return. Book amortized over 10 years. Retail related.
190	PEACH BOTTOM MASTER LEASE	459,607	459,607	-	-	-	Leased hardware is being tax depreciated. The portion of the lease payments charged to expense on the books must be added back to income for tax purposes. Retail related.
190	DEFERRED PURCHASED POWER	2,818,011	2,818,011	-	-	-	Book records amortization on Susquehanna deferred capitalized costs. For tax purposes, the amortization is added back to taxable income. Retail related.
190	PENSION PAYMENT RESERVE	5,052,876	-	-	-	5,052,876	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	1,742,514				1,742,514	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	SECTION 461(H) - PREPAID OTHER	381,968	381,968	-	-	-	Book records a deduction for accrual liability of Public Utility Assessment. A tax deduction is only allowed for actual payments made. Retail Related
190	PLANT RELATED	(1,243,420)	(1,243,420)				This deferred tax balance relates to plant and results from life and method differences. Related to both T & D plant
190	Subtotal - p234	40,791,590	24,654,152	-	3,275,680	12,861,758	
	Less FASB 109 Above if not separately removed						
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	38,325,787	24,654,152	-	3,275,680	10,395,954	

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

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	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
282	Plant Related	(295,684,095)	(68,293,308)		(227,390,787)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
	Subtotal - p275						
	Less FASB 109 Above if not separately removed						
	Less FASB 106 Above if not separately removed						
282	Total	(404,102,258)	(176,711,471)	-	(227,390,787)	-	

Instructions for Account 282:

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

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	A	B	C	D	E	F	G
ADIT-283		Total	Gas, Prod or Other Related	Only Transmission Related	Plant	Labor	Justifications
283 DUPONT RECEIVABLE		(6,498)	(6,498)	-	-	-	Tax deduction was taken for direct write off of receivable from Dupont project. For book purposes, reserve was recorded. Generation related.
283 BOARD OF DIRECTORS DEFERRED COMP		(15,390)	-	-	-	(15,390)	For tax purposes, payments for deferred compensation are deducted when paid. Affects company personnel across all functions.
283 SEVERANCE PACKAGE		(2,035)	-	-	-	(2,035)	For tax purposes, the severance costs are deductible when they are paid to the severed individual. For book purposes, the costs are expensed when a formal plan is adopted and the employees to be severed have been identified. Affects company personnel across all functions.
283 REGULATORY ISSUES		(1,912,208)	(1,912,208)	-	-	-	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)		(4,773)	(4,773)	-	-	-	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		(1,346,871)	(1,346,871)	-	-	-	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		(2,608,523)	(2,608,523)	-	-	-	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 DEFERRED EXPENSE CLEARING		(1,087,778)			(1,087,778)		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 PROPERTY LOSS AMORTIZATION		(1,554,677)	(1,554,677)	-	-	-	Reflects the deferred taxes as a result of the tax deductions taken on various generation related studies, such as Atlantic Generation Study, Hydrogen Water Chemistry, Baseline Configuration and Nuclear Fuel Contract Costs. Generation related.
283 SAVINGS & THRIFT GUARANTEE 401(k)		(927,567)	-	-	-	(927,567)	Labor related. Affects company personnel across all functions.
283 ACE REGULATORY RESTRUCTURING CHARGES		355,615	355,615	-	-	-	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 GATX Terminal Agreement for Atlantic CT's		113,767	113,767	-	-	-	Generation related
283 Reserve for Future Stranded Cost Disallowances		4,148,440	4,148,440	-	-	-	For book purposes, a loss due to future disallowance of stranded generation assets was set up as a reserve. For tax purposes, the loss is not deductible until the generation assets are disposed of. Retail related.
283 DUP-CL PROP R		(192,037)	(192,037)				Generation related
283 DUP-CL REM CO		(205,157)	(205,157)				Generation related
283 Less FASB 109 Above if not separately removed		(420,954)			(420,954)		FAS 109 Plant related, related to all functions.
283 Misc De-Regulation		196,783	196,783				Various items related to deregulation
283 Market to Market		321,554	321,554				Accounts Receivable, Other
283 Miscell Diff		(22,041)				(22,041)	This deferred tax balance relates to plant and results from life and method differences. Related to both T & D plant
283 DEFERRED REVENUE		615,928	615,928				Reflects the deferred taxes generated as a result of revenue included as taxable income. For book purposes this amount was deferred in FERC account 254000. Retail related
Stranded Costs		66,836,788	66,836,788				All Generation related
MISCELL RESERVE		124,443	124,443				Generation related, Environmental Reserve for BL England site,
PENSION PAYMENT RESERVE		(16,377,945)				(16,377,945)	Affects company personnel across all functions.
SERP		(29,959)				(29,959)	Affects company personnel across all functions.
SECTION 461(H) Prepaid		(651,031)			(651,031)		Related to both T & D plant
NUG BUYOUT		1,799,475	1,799,475				Generation related
AMORT of OPEB		1,020,507			1,020,507		OPEB, labor related and relates to all functions
BGS Deferred Related - Retail		1,258,180	1,258,180				Retail related
MISC DEFERRED DEBITS		31,581	31,581				Deferred Costs for Universal Service Fund, Retail related
NOL		(6,242,811)			(6,242,811)		Related to both T & D plant
AMA		1,944,600			1,944,600		Related to both T & D plant
283 Plant Related		(184,656,663)	(75,708,826)		(108,947,837)		
283 Subtotal - p277 (Form 1-F filer: see note 6, below)		(139,497,257)	(7,737,016)		(114,385,305)	(17,374,935)	
283 Less FASB 109 Above if not separately removed		(108,947,837)			(108,947,837)		

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

	Less FASB 106 Above if not separately removed	(256,440)				(256,440)
283	Total	(30,549,420)	(7,737,016)	-	(5,437,468)	(17,374,935)

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

ADITC-255

		Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A		
3	Amortization		

## Atlantic City Electric Company

### Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
<b>Plant Related</b>		<b>Gross Plant Allocator</b>	
1 Real property (State, Municipal or Local)	1,749,233		
2 Personal property	-		
3 City License	-		
4 State Excise	-		
<b>Total Plant Related</b>	1,749,233	29.9954%	524,689
<b>Labor Related</b>		<b>Wages &amp; Salary Allocator</b>	
5 Federal FICA & Unemployment	6,219,821		
6 Unemployment	265,915		
<b>Total Labor Related</b>	6,485,736	5.3450%	346,662
<b>Other Included</b>		<b>Gross Plant Allocator</b>	
7 Miscellaneous	1,726		
<b>Total Other Included</b>	1,726	29.9954%	518
<b>Total Included</b>			871,868
<b>Excluded</b>			
8 State Franchise tax	(33,757)		
9 TEFA	20,909,240		
10 Use & Sales Tax	240,911		
11 Total "Other" Taxes (included on p. 263)	29,353,089		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	<u>29,353,089</u>		
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**

<b>Account 454 - Rent from Electric Property</b>		
1 Rent from Electric Property - Transmission Related (Note 3)		30,380
2 Total Rent Revenues	(Sum Line 1)	30,380
<b>Account 456 - Other Electric Revenues (Note 1)</b>		
3 Schedule 1A		\$ 940,298
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)		1,721,508
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)		1,259,398
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		401,027
11 Gross Revenue Credits	(Sum Lines 2-10)	4,352,611
12 Less line 17g		(303,805)
13 Total Revenue Credits		4,048,807
<b>Revenue Adjustment to determine Revenue Credit</b>		
14	<p>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.</p>	
15	<p>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.</p>	
16	<p>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).</p>	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	431,407
17b	Costs associated with revenues in line 17a	176,202
17c	Net Revenues (17a - 17b)	255,205
17d	50% Share of Net Revenues (17c / 2)	127,603
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)	127,603
17g	Line 17f less line 17a	(303,805)
18	<p>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.</p>	
		15,707,558
19	Amount offset in line 4 above	
20	Total Account 454 and 456	20,491,576
21	Note 4: SECA credits booked in Account 447.	

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

A	Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	38,804,369
B	100 Basis Point increase in ROE		1.00%

**Return Calculation**

59	Rate Base		(Line 39 + 58)	301,370,923
<b>Long Term Interest</b>				
100	Long Term Interest		p117.62c through 67c	56,823,168
101	Less LTD Interest on Securitization B <sub>i</sub> (Note P)		Attachment 8	26,074,634
102	<b>Long Term Interest</b>		"(Line 100 - line 101)"	30,748,534
103	<b>Preferred Dividends</b>	enter positive	p118.29c	258,347
<b>Common Stock</b>				
104	Proprietary Capital		p112.16c	503,927,184
105	Less Preferred Stock	enter negative	(Line 114)	-6,214,500
106	Less Account 216.1	enter negative	p112.12c	0
107	<b>Common Stock</b>		(Sum Lines 104 to 106)	497,712,684
<b>Capitalization</b>				
108	Long Term Debt		p112.17c through 21c	966,273,253
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-16,586,877
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	1,346,871
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-501,558,253
113	<b>Total Long Term Debt</b>		(Sum Lines Lines 108 to 112)	449,474,994
114	Preferred Stock		p112.3c	6,214,500
115	Common Stock		(Line 107)	497,712,684
116	<b>Total Capitalization</b>		(Sum Lines 113 to 115)	953,402,178
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)	0.0684
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0416
122	Common Cost	Common Stock	Appendix A % plus 100 Basis Pts	0.1180
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0342
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0590
126	<b>Total Return ( R )</b>		<b>(Sum Lines 123 to 125)</b>	<b>0.0932</b>
127	<b>Investment Return = Rate Base * Rate of Return</b>		<b>(Line 59 * 126)</b>	<b>28,089,260</b>

**Composite Income Taxes****(Note L)**

<b>Income Tax Rates</b>				
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%
<b>ITC Adjustment</b>				
133	Amortized Investment Tax Credit	enter negative	p266.8f	-3,196,201
134	T/(1-T)		(Line 132)	69.05%
135	Net Plant Allocation Factor		(Line 18)	28.9245%
136	<b>ITC Adjustment Allocated to Transmission</b>	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	<b>-1,562,857</b>
137	<b>Income Tax Component =</b>	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		12,277,966
138	<b>Total Income Taxes</b>			<b>10,715,109</b>

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
<b>Plant Allocation Factors</b>							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	36,837,918	36,837,918	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	
<b>Plant In Service</b>							
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
<b>Accumulated Deferred Income Taxes</b>							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	16,505,493	16,505,493	0	Respondent is Electric Utility only.
<b>Materials and Supplies</b>							
47	Undistributed Stores Exp	(Note A)	p227.6c & 15.c	1,427,523	1,427,523	0	Respondent is Electric Utility only.
<b>Allocated General &amp; Common Expenses</b>							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
<b>Depreciation Expense</b>							
88	Intangible Amortization	(Note A)	p336.1d&e	2,902,560	2,902,560	0	Respondent is Electric Utility only.
92	Common Depreciation - Electric Only	(Note A)	p336.10.b	0	0	0	
93	Common Amortization - Electric Only	(Note A)	p356 or p336.10d	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)	(Note C)	p214	5,553,713	1,350,288	4,203,425	"Transmission RW - Carl's Corner" and "Future Conversion of Cumberland-Corcon 138 KV" are transmission.

**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
<b>Plant Allocation Factors</b>							
6	Electric Plant in Service	(Note B)	p207.95g	1,851,807,045	0	0	See Form 1
<b>Plant In Service</b>							
19	Transmission Plant In Service	(Note B)	p207.58.g	534,360,041	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
<b>Accumulated Depreciation</b>							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	185,951,814	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	
<b>Allocated General &amp; Common Expenses</b>							
73	Less EPRI Dues	(Note D)	p352-353	0	0	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)	p323.160b	1,048,775	0	1,048,775	Transmission related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.160b	1,048,775	0	1,048,775	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)	p323.162b	3,213	-	3,213	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)	0	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)	p323.162b	3,213	-	3,213	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	72,588,010	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	
<b>Example</b>				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
				Enter \$		Amount	
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)			-	100%	-	
	Directly Assignable to Transmission			7,680,762	5.34%	410,536	
	Labor Related, General plant related or Common Plant related			1,733,175	30.00%	519,872	
	Plant Related				0.00%	-	
	Other					-	
	Total Transmission Related Reserves			9,413,937		930,408	

**Prepayments**

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments			
45 Prepayments							
5	Wages & Salary Allocator		5.345%	To Line 45			
	Pension Liabilities, if any, in Account 242	-	5.345%	-			
	Prepayments	1,954,215	5.345%	104,453			
	Prepaid Pensions if not included in Prepayments	7,976,325	5.345%	426,334			
		9,930,540		530,787			
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)	180,000	

**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	2,838	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
Energy Delivery Services	10,610,353	9,043,604	8,496,135	-	28,150,092
Procurement & Supply Services	593,265	421,300	823,258	313,284	2,151,106
Facilities Services	675,118	565,112	191,914	556,452	1,988,596
Real Estate Services	25,276	22,187	-	16,476	63,940
Security Services	1,226,225	710,357	-	377,233	2,313,814
Controller	760,905	657,433	1,024,881	751,402	3,194,621
General Accounting Services	340,397	388,780	707,853	529,677	1,966,707
Accounts Payable Services	451,315	440,252	419,181	138,495	1,449,243
Asset Management	198,978	165,897	433,735	224,940	1,023,549
Risk Management	697,465	812,416	1,765,297	1,189,258	4,464,435
Insurance & Claims	2,476,260	2,116,777	4,371,557	4,237,475	13,202,069
External Reporting	851,680	993,325	2,137,830	1,450,036	5,432,871
Corporate Planning	428,667	439,816	865,639	557,896	2,292,018
Regulatory Affairs	2,141,570	1,653,198	3,024,093	819	6,819,680
Treasury Services	467,271	322,015	1,243,759	845,435	2,878,481
Tax Services	427,024	493,796	139,268	474,332	1,534,421
Investor Relations	453,048	406,104	1,100,390	574,818	2,534,360
Human Resource Services	2,227,958	1,550,471	3,092,372	1,300,965	8,171,767
Compensation & Benefits	(224,699)	(150,504)	(184,859)	(95,754)	(655,817)
Employee Relations	454,173	273,343	630,379	-	1,357,895
Payroll Services	(175,826)	(124,688)	(245,208)	(69,115)	(614,837)
Legal Services	1,945,906	1,505,956	5,353,556	1,346,874	10,152,291
Corporate Secretary Services	466,595	544,196	1,182,256	796,766	2,989,813
Internal Audit	640,221	558,105	1,194,617	735,764	3,128,707
Marketing Services	32,773	38,037	67,998	53,568	192,376
IS Management & Administration	38,854	28,964	63,290	23,815	154,924
Desktop/Network Support	79,838	57,952	241,644	-	379,434
Operations Management	243,062	181,746	436,282	126,866	987,956
Information Strategy	199,648	167,656	416,321	-	783,625
Communications Services	509,712	465,374	803,317	606,953	2,385,356
Government Relations	202,475	167,057	592,091	483,681	1,445,304
Environmental & Safety	456,865	345,197	756,017	382,266	1,940,346
Executive Management	4,904,431	5,184,232	9,322,592	7,003,795	26,415,050
Total	34,826,805	30,445,464	50,467,451	24,934,472	140,674,193

**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 from 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 (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 from Year 1 (e.g., 2004)  
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		9.5	-	-
Apr		8.5	-	-
May		7.5	-	-
Jun	197,532	6.5	1,283,958	106,997
Jul	78,158,581	5.5	429,872,196	35,822,683
Aug		4.5	-	-
Sep		3.5	-	-
Oct		2.5	-	-
Nov		1.5	-	-
Dec		0.5	-	-
Total	78,356,113		431,156,154	35,929,679
New Transmission Plant Additions for Year 2 (weighted by months in service)				35,929,679

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula  
 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site  
 \$ 44,552,519 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 (June 1, 2005 - May 31, 2006)  
 \$ 44,552,519

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)  
 \$ 45,591,663 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	5,233,934	10.5	54,956,307	4,579,692
Mar		9.5	-	-
Apr		8.5	-	-
May	6,866,876	7.5	51,501,570	4,291,798
Jun	1,862,371	6.5	12,105,412	1,008,784
Jul		5.5	-	-
Aug		4.5	-	-
Sep		3.5	-	-
Oct		2.5	-	-
Nov		1.5	-	-
Dec	76,538,343	0.5	38,269,172	3,189,098
Total	90,501,524		156,832,460	13,069,372
New Transmission Plant Additions for Year 3 (weighted by months in service)				13,069,372
46627931				Input to Formula Line 21

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 **109,927,758** 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	607,655	11.5	6,988,033	582,336
Feb	674	10.5	7,077	590
Mar	470,237	9.5	4,467,252	372,271
Apr	201,873	8.5	1,715,921	142,993
May	1,698,807	7.5	12,741,053	1,061,754
Jun	22,188,805	6.5	144,227,233	12,018,936
Jul	1,234,439	5.5	6,789,415	565,785
Aug	571,980	4.5	2,573,910	214,493
Sep	54,797,528	3.5	191,791,348	15,982,612
Oct	7,408	2.5	18,520	1,543
Nov	1,188,132	1.5	1,782,198	148,517
Dec	26,960,220	0.5	13,480,110	1,123,343
Total	109,927,758		386,582,067	32,215,172
New Transmission Plant Additions for Year 2 (weighted by months in service)				32,215,172
				Input to Formula Line 21

**38,359,539.00** 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	=	
38,359,539	44,552,519		(6,192,980)

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March o 0.5800%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	(516,082)	0.5800%	11.5	(34,423)	(550,504)
Jul	Year 1	(516,082)	0.5800%	10.5	(31,429)	(547,511)
Aug	Year 1	(516,082)	0.5800%	9.5	(28,436)	(544,518)
Sep	Year 1	(516,082)	0.5800%	8.5	(25,443)	(541,524)
Oct	Year 1	(516,082)	0.5800%	7.5	(22,450)	(538,531)
Nov	Year 1	(516,082)	0.5800%	6.5	(19,456)	(535,538)
Dec	Year 1	(516,082)	0.5800%	5.5	(16,463)	(532,545)
Jan	Year 2	(516,082)	0.5800%	4.5	(13,470)	(529,551)
Feb	Year 2	(516,082)	0.5800%	3.5	(10,476)	(526,558)
Mar	Year 2	(516,082)	0.5800%	2.5	(7,483)	(523,565)
Apr	Year 2	(516,082)	0.5800%	1.5	(4,490)	(520,572)
May	Year 2	(516,082)	0.5800%	0.5	(1,497)	(517,578)
Total		(6,192,980)				(6,408,496)

		Balance	Interest from above	Amortization over Rate Year	Balance
Jun	Year 2	(6,408,496)	0.5800%	(554,388)	(5,891,277)
Jul	Year 2	(5,891,277)	0.5800%	(554,388)	(5,371,058)
Aug	Year 2	(5,371,058)	0.5800%	(554,388)	(4,847,822)
Sep	Year 2	(4,847,822)	0.5800%	(554,388)	(4,321,551)
Oct	Year 2	(4,321,551)	0.5800%	(554,388)	(3,792,228)
Nov	Year 2	(3,792,228)	0.5800%	(554,388)	(3,259,835)
Dec	Year 2	(3,259,835)	0.5800%	(554,388)	(2,724,354)
Jan	Year 3	(2,724,354)	0.5800%	(554,388)	(2,185,767)
Feb	Year 3	(2,185,767)	0.5800%	(554,388)	(1,644,057)
Mar	Year 3	(1,644,057)	0.5800%	(554,388)	(1,099,204)
Apr	Year 3	(1,099,204)	0.5800%	(554,388)	(551,191)
May	Year 3	(551,191)	0.5800%	(554,388)	(0)
Total with interest				(6,652,657)	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest (6,652,657)

Rev Req based on Year 2 data with estimated Cap Adds for Year 3 \$ 46,627,931

Revenue Requirement for Year 3 39,975,274

Must run Appendix A to get this number (with prospective weighted cap adds in line 21)

10 May Year 3 Post results of Step 9 on PJM web site  
\$ 39,975,274 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)  
\$ 39,975,274

Atlantic City Electric Company

Attachment 7 - Transmission Enhancement Charge Worksheet

New Plant Carrying Charge

Fixed Charge Rate (FCR) if not a CIAC

Formula Line			
A	160	Net Plant Carrying Charge without Depreciation	10.3809%
B	167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	11.1120%
C		Line B less Line A	0.7311%

FCR if a CIAC

D	161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	2.0782%
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The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Per settlement in ER05-515, 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.

Details		Project A				Project B				Project C				Project D						
Schedule 12	(Yes or No)	No				No				No				No						
Life		35				35				35				35						
CIAC	(Yes or No)	No				No				No				No						
Increased ROE (Basis Points)		50				50				50				50						
FCR W 10.8% ROE		0.103808827				0.103808827				0.103809%				0.103808827						
	(FCR w/ 10.8% ROE + FCR w/ 10.8% ROE x Increased ROE/100)																			
FCR for This Project Investment		0.107464539				0.107464539				0.107464539				0.107464539						
Annual Depreciation Exp In Service Month (1-12)		5,233,934	may be weighted average of small projects			6,866,876				1,862,371				76,538,343						
		149,541				196,196				53,211				2,186,810						
		2				5				6				12						
Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Amount Charged	Revenue Credit	
W 10.8 % ROE	2006	5,233,934	124,617	5,109,317	610,810												\$ 610,810		\$ 610,810	
W Increased ROE	2006	5,233,934	124,617	5,109,317	627,932												\$ 627,932	\$ 627,932		
W 10.8 % ROE	2007	5,109,317	149,541	4,959,776	664,409	6,866,876	114,448	6,752,428	815,410	1,862,371	26,605	1,835,766	217,174				\$ 1,696,993		\$ 1,696,993	
W Increased ROE	2007	5,109,317	149,541	4,959,776	682,541	6,866,876	114,448	6,752,428	840,094	1,862,371	26,605	1,835,766	223,885				\$ 1,746,520	\$ 1,746,520		
W 10.8 % ROE	2008	4,959,776	149,541	4,810,235	648,886	6,752,428	196,196	6,556,232	876,791	1,835,766	53,211	1,782,555	238,256	76,538,343	-	76,538,343	7,945,356		\$ 9,709,288	
W Increased ROE	2008	4,959,776	149,541	4,810,235	666,471	6,752,428	196,196	6,556,232	900,759	1,835,766	53,211	1,782,555	244,772	76,538,343	-	76,538,343	8,225,158		\$ 10,037,159	
W 10.8 % ROE	2009	4,810,235	149,541	4,660,694	633,362	6,556,232	196,196	6,360,035	856,424	1,782,555	53,211	1,729,345	232,732	76,538,343	2,186,810	74,351,533	9,905,155		\$ 11,627,673	
W Increased ROE	2009	4,810,235	149,541	4,660,694	650,400	6,556,232	196,196	6,360,035	879,675	1,782,555	53,211	1,729,345	239,054	76,538,343	2,186,810	74,351,533	10,176,963		\$ 11,946,092	
W 10.8 % ROE	2010	4,660,694	149,541	4,511,153	617,838	6,360,035	196,196	6,163,839	836,057	1,729,345	53,211	1,676,134	227,208	74,351,533	2,186,810	72,164,723	9,678,145		\$ 11,359,249	
W Increased ROE	2010	4,660,694	149,541	4,511,153	634,330	6,360,035	196,196	6,163,839	858,591	1,729,345	53,211	1,676,134	233,336	74,351,533	2,186,810	72,164,723	9,941,958		\$ 11,668,215	
W 10.8 % ROE	2011	4,511,153	149,541	4,361,612	602,315	6,163,839	196,196	5,967,642	815,690	1,676,134	53,211	1,622,923	221,684	72,164,723	2,186,810	69,977,914	9,451,135		\$ 11,090,824	
W Increased ROE	2011	4,511,153	149,541	4,361,612	618,260	6,163,839	196,196	5,967,642	837,506	1,676,134	53,211	1,622,923	227,617	72,164,723	2,186,810	69,977,914	9,706,954		\$ 11,390,337	
W 10.8 % ROE	2012	4,361,612	149,541	4,212,071	586,791	5,967,642	196,196	5,771,446	795,323	1,622,923	53,211	1,569,713	216,161	69,977,914	2,186,810	67,791,104	9,224,125		\$ 10,822,400	
W Increased ROE	2012	4,361,612	149,541	4,212,071	602,189	5,967,642	196,196	5,771,446	816,422	1,622,923	53,211	1,569,713	221,899	69,977,914	2,186,810	67,791,104	9,471,949		\$ 11,112,460	
W 10.8 % ROE	2013	4,212,071	149,541	4,062,530	571,267	5,771,446	196,196	5,575,249	774,957	1,569,713	53,211	1,516,502	210,637	67,791,104	2,186,810	65,604,294	8,997,115		\$ 10,553,975	
W Increased ROE	2013	4,212,071	149,541	4,062,530	586,119	5,771,446	196,196	5,575,249	795,338	1,569,713	53,211	1,516,502	216,181	67,791,104	2,186,810	65,604,294	9,236,945		\$ 10,834,583	
W 10.8 % ROE	2014	4,062,530	149,541	3,912,989	555,744	5,575,249	196,196	5,379,053	754,590	1,516,502	53,211	1,463,292	205,113	65,604,294	2,186,810	63,417,484	8,770,104		\$ 10,285,551	
W Increased ROE	2014	4,062,530	149,541	3,912,989	570,049	5,575,249	196,196	5,379,053	774,254	1,516,502	53,211	1,463,292	210,463	65,604,294	2,186,810	63,417,484	9,001,940		\$ 10,556,705	
W 10.8 % ROE	2015	3,912,989	149,541	3,763,448	540,220	5,379,053	196,196	5,182,856	734,223	1,463,292	53,211	1,410,081	199,589	63,417,484	2,186,810	61,230,674	8,543,094		\$ 10,017,126	
W Increased ROE	2015	3,912,989	149,541	3,763,448	553,978	5,379,053	196,196	5,182,856	753,170	1,463,292	53,211	1,410,081	204,744	63,417,484	2,186,810	61,230,674	8,766,936		\$ 10,278,828	
W 10.8 % ROE	2016	3,763,448	149,541	3,613,907	524,696	5,182,856	196,196	4,986,660	713,856	1,410,081	53,211	1,356,870	194,066	61,230,674	2,186,810	59,043,865	8,316,084		\$ 9,748,702	
W Increased ROE	2016	3,763,448	149,541	3,613,907	537,908	5,182,856	196,196	4,986,660	732,086	1,410,081	53,211	1,356,870	199,026	61,230,674	2,186,810	59,043,865	8,531,931		\$ 10,000,951	
W 10.8 % ROE	2017	3,613,907	149,541	3,464,366	509,173	4,986,660	196,196	4,790,463	693,489	1,356,870	53,211	1,303,660	188,542	59,043,865	2,186,810	56,857,055	8,089,074		\$ 9,480,278	
W Increased ROE	2017	3,613,907	149,541	3,464,366	521,837	4,986,660	196,196	4,790,463	711,001	1,356,870	53,211	1,303,660	193,308	59,043,865	2,186,810	56,857,055	8,296,927		\$ 9,723,074	
W 10.8 % ROE	2018	3,464,366	149,541	3,314,825	493,649	4,790,463	196,196	4,594,267	673,122	1,303,660	53,211	1,250,449	183,018	56,857,055	2,186,810	54,670,245	7,862,064		\$ 9,211,853	
W Increased ROE	2018	3,464,366	149,541	3,314,825	505,767	4,790,463	196,196	4,594,267	689,917	1,303,660	53,211	1,250,449	187,590	56,857,055	2,186,810	54,670,245	8,061,922		\$ 9,445,196	
W 10.8 % ROE	2019	3,314,825	149,541	3,165,284	478,125	4,594,267	196,196	4,398,071	652,755	1,250,449	53,211	1,197,239	177,495	54,670,245	2,186,810	52,483,435	7,635,054		\$ 8,943,429	
W Increased ROE	2019	3,314,825	149,541	3,165,284	489,697	4,594,267	196,196	4,398,071	668,833	1,250,449	53,211	1,197,239	181,871	54,670,245	2,186,810	52,483,435	7,826,918		\$ 9,167,319	
W 10.8 % ROE	2020	3,165,284	149,541	3,015,743	462,602	4,398,071	196,196	4,201,874	632,388	1,197,239	53,211	1,144,028	171,971	52,483,435	2,186,810	50,296,625	7,408,043		\$ 8,675,004	
W Increased ROE	2020	3,165,284	149,541	3,015,743	473,626	4,398,071	196,196	4,201,874	647,749	1,197,239	53,211	1,144,028	176,153	52,483,435	2,186,810	50,296,625	7,591,913		\$ 8,889,442	
W 10.8 % ROE	2021	3,015,743	149,541	2,866,202	447,078	4,201,874	196,196	4,005,678	612,021	1,144,028	53,211	1,090,817	166,447	50,296,625	2,186,810	48,109,816	7,181,033		\$ 8,406,580	
W Increased ROE	2021	3,015,743	149,541	2,866,202	457,556	4,201,874	196,196	4,005,678	626,665	1,144,028	53,211	1,090,817	170,435	50,296,625	2,186,810	48,109,816	7,356,909		\$ 8,611,565	
W 10.8 % ROE	2022	2,866,202	149,541	2,716,661	431,554	4,005,678	196,196	3,809,481	591,654	1,090,817	53,211	1,037,607	160,923	48,109,816	2,186,810	45,923,006	6,954,023		\$ 8,138,155	
W Increased ROE	2022	2,866,202	149,541	2,716,661	441,486	4,005,678	196,196	3,809,481	605,581	1,090,817	53,211	1,037,607	164,717	48,109,816	2,186,810	45,923,006	7,121,904		\$ 8,333,687	
W 10.8 % ROE	2023	2,716,661	149,541	2,567,120	416,031	3,809,481	196,196	3,613,285	571,287	1,037,607	53,211	984,396	155,400	45,923,006	2,186,810	43,736,196	6,727,013		\$ 7,869,731	
W Increased ROE	2023	2,716,661	149,541	2,567,120	425,415	3,809,481	196,196	3,613,285	584,496	1,037,607	53,211	984,396	158,998	45,923,006	2,186,810	43,736,196	6,886,900		\$ 8,055,810	
W 10.8 % ROE	2024	2,567,120	149,541	2,417,579	400,507	3,613,285	196,196	3,417,088	55											

**Atlantic City Electric Company****Attachment 8 - Company Exhibit - Securitization Workpaper**

Line #	Long Term Interest	
<b>101</b>	<b>Less LTD Interest on Securitization Bonds</b>	26,074,634
	Capitalization	
<b>112</b>	<b>Less LTD on Securitization Bonds</b>	501,558,253

## Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2004 FERC Form 1  
Pages 256.1-257.1 "Long Term Debt (Account 221, 222, 223, and 224)"  
Line 13 "Note Payable to ACE Transition Funding - variable"  
LTD Interest on Securitization Bonds in column (i)  
LTD on Securitization Bonds in column (h)