

ATTACHMENT H-3D

Delmarva Power & Light Company

Formula Rate - Appendix A

Notes FERC Form 1 Page # or Instruction

2007

Shaded cells are input cells

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	\$ 2,524,375
2	Total Wages Expense	p354.28b	\$ 29,945,959
3	Less A&G Wages Expense	p354.27b	\$ 2,376,727
4	Total	(Line 2 - 3)	27,569,232
5	Wages & Salary Allocator	(Line 1 / 4)	9.1565%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) p207.104g	\$ 2,066,092,982
7	Common Plant In Service - Electric	(Line 24)	81,437,899
8	Total Plant In Service	(Sum Lines 6 & 7)	2,147,530,881
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	\$ 813,837,241
10	Accumulated Intangible Amortization	p200.21c	\$ 25,694,396
11	Accumulated Common Amortization - Electric	(Note A) p356	17,196,213
12	Accumulated Common Plant Depreciation - Electric	(Note A) p356	\$ 46,061,163
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	902,789,013
14	Net Plant	(Line 8 - 13)	1,244,741,868
15	Transmission Gross Plant	(Line 29 - Line 28)	656,415,140
16	Gross Plant Allocator	(Line 15 / 8)	30.5660%
17	Transmission Net Plant	(Line 39 - Line 28)	394,878,259
18	Net Plant Allocator	(Line 17 / 14)	31.7237%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	\$ 632,322,396
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	7,903,851
22	Total Transmission Plant In Service	(Line 19 - 20 + 21)	640,226,247
23	General & Intangible	p205.5.g & p207.99.g	95,364,416
24	Common Plant (Electric Only)	(Notes A & B) p356	81,437,899
25	Total General & Common	(Line 23 + 24)	176,802,315
26	Wage & Salary Allocation Factor	(Line 5)	9.15649%
27	General & Common Plant Allocated to Transmission	(Line 25 * 26)	16,188,893
28	Plant Held for Future Use (Including Land)	(Note C) p214	0
29	TOTAL Plant In Service	(Line 22 + 27 + 28)	656,415,140
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note B) p219.25.c	\$ 250,575,881
31	Accumulated General Depreciation	p219.28.c	\$ 30,755,624
32	Accumulated Intangible Amortization	(Line 10)	25,694,396
33	Accumulated Common Amortization - Electric	(Line 11)	17,196,213
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	46,061,163
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	119,707,396
36	Wage & Salary Allocation Factor	(Line 5)	9.15649%
37	General & Common Allocated to Transmission	(Line 35 * 36)	10,961,000
38	TOTAL Accumulated Depreciation	(Line 30 + 37)	261,536,881
39	TOTAL Net Property, Plant & Equipment	(Line 29 - 38)	394,878,259

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-109,421,523
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h (Line 5)	-6,731,296
42	Net Plant Allocation Factor		(Line 18)	31.72%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-111,556,940
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-1,910,259
Prepayments				
45	Prepayments	(Note A)	Attachment 5	18,390,518
46	Total Prepayments Allocated to Transmission		(Line 45)	18,390,518
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c (Line 5)	\$ 1,883,439
48	Wage & Salary Allocation Factor		(Line 47 * 48)	9.16%
49	Total Transmission Allocated		p227.8c	172,457
50	Transmission Materials & Supplies		(Line 49 + 50)	3,722,212
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	3,894,669
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	14,545,094
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	1,816,137
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)	-89,363,875
59	Rate Base		(Line 39 + 58)	305,514,384

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b	\$ 10,366,931
61	Less extraordinary property loss		Attachment 5	\$ -
62	Plus amortized extraordinary property loss		Attachment 5	\$ -
63	Less Account 565		p321.96.b	\$ -
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	\$ -
65	Plus Transmission Lease Payments	(Note A)		\$ -
66	Transmission O&M		(Lines 60 - 63 + 64 + 65)	10,366,931
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	p356	0
68	Total A&G		p323.197.b	\$ 54,050,445
69	Less Property Insurance Account 924		p323.185b	472,527
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	3,843,327
71	Less General Advertising Exp Account 930.1		p323.191b	76,408
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	5,623,742
73	Less EPRI Dues	(Note D)	p352-353	40,964
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)	43,993,477
75	Wage & Salary Allocation Factor		(Line 5)	9.1565%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)	4,028,260
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	472,527
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	0
82	Total		(Line 80 + 81)	472,527
83	Net Plant Allocation Factor		(Line 18)	31.72%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)	149,903
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)	14,545,094

Depreciation & Amortization Expense

Depreciation Expense				
86	Transmission Depreciation Expense		p336.7b&c	15,098,700
87	General Depreciation		p336.10b&c	3,427,095
88	Intangible Amortization	(Note A)	p336.1d&e	233,877
89	Total		(Line 87 + 88)	3,660,972
90	Wage & Salary Allocation Factor		(Line 5)	9.1565%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)	335,217
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	3,363,140
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0
94	Total		(Line 92 + 93)	3,363,140
95	Wage & Salary Allocation Factor		(Line 5)	9.1565%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)	307,946
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)	15,741,862

Taxes Other than Income

98	Taxes Other than Income		Attachment 2	4,437,363
99	Total Taxes Other than Income		(Line 98)	4,437,363

Return / Capitalization Calculations

Long Term Interest				
100	Long Term Interest		p117.62c through 67c	\$ 42,737,005
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	42,737,005
103	Preferred Dividends	enter positive	p118.29c	40,403
Common Stock				
104	Proprietary Capital		p112.16c	655,443,051
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	-2,177,779
107	Common Stock		(Sum Lines 104 to 106)	653,265,272
Capitalization				
108	Long Term Debt		p112.17c through 21c	657,530,200
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-17,463,013
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	3,264,731
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	643,331,918
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	653,265,272
116	Total Capitalization		(Sum Lines 113 to 115)	1,296,597,190
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0%
119	Common %	Common Stock	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0664
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J) Fixed	0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0330
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0569
126	Total Return (R)		(Sum Lines 123 to 125)	0.0899
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	27,463,833

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.04%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	40.23%
132	T / (1-T)		67.30%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I)	
134	T/(1-T)	enter negative	-241,994
135	Net Plant Allocation Factor	Attachment 1 (Line 132)	67.30%
136	ITC Adjustment Allocated to Transmission	(Line 18)	31,72,37%
		(Line 133 * (1 + 134) * 135)	-128,433
137	Income Tax Component =	$CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R))) =$	[Line 132 * 127 * (1-(123 / 126))]
			11,705,477
138	Total Income Taxes		(Line 136 + 137)
			11,577,045

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	394,878,259
140	Adjustment to Rate Base	(Line 58)	-89,363,875
141	Rate Base	(Line 59)	305,514,384
142	O&M	(Line 85)	14,545,094
143	Depreciation & Amortization	(Line 97)	15,741,862
144	Taxes Other than Income	(Line 99)	4,437,363
145	Investment Return	(Line 127)	27,463,833
146	Income Taxes	(Line 138)	11,577,045
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	73,765,197
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	632,322,396
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	632,322,396
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	73,765,197
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	73,765,197
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	6,827,028
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	66,938,169
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	66,938,169
158	Net Transmission Plant	(Line 19 - 30)	381,746,515
159	Net Plant Carrying Charge	(Line 157 / 158)	17.5347%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	13.5796%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	3.3526%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	27,897,291
163	Increased Return and Taxes	Attachment 4	41,616,035
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	69,513,327
165	Net Transmission Plant	(Line 19 - 30)	381,746,515
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	18.2093%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	14.2541%
168	Net Revenue Requirement	(Line 156)	66,938,169
169	True-up amount	Attachment 6	5,017,422
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	-
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)	71,955,591
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	4,265
174	Rate (\$/MW-Year)	(Line 172 / 173)	16,871
175	Network Service Rate (\$/MW/Year)	(Line 174)	16,871

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 = "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.I) 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 The ROE is 11.30%, which includes a 50 basis point RTO membership adder as authorized by FERC to become effective on December 1, 2007.
- 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

Delmarva Power & Light Company

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

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT-282	0	(324,133,960)	0	
ADIT-283	0	(20,051,864)	(70,068,820)	
ADIT-190	0	7,041,230	503,180	
Subtotal	0	(337,144,593)	(69,565,640)	(406,710,233)
Wages & Salary Allocator			9,1565%	
Gross Plant Allocator		30,5660%		
ADIT	0	(103,051,750)	(6,369,773)	(109,421,523)

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 (3,264,731)

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

ADIT-190	A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Merrill Creek Excess Capacity		6,743,327	6,743,327				This represents deferred tax generated as a result of an extraordinary charge deducted for books relating to impaired assets due to the effects of deregulation. For tax purposes, the impairment did not give rise to a tax deduction. Deductions for tax are
Above Market Sales Contracts		3,270,564	3,270,564				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		3,443,280	3,443,280				Under the Tax Reform Act of 1986, taxpayers were required to switch from the reserve method for bad debts to the specific write-off method. The amounts previously accumulated in a reserve were required to be included in taxable income over a four year pe
Excess Property Reserve		(7,023)	(7,023)				This represents deferred tax generated as a result of a book reserve related to deregulation of the Energy Business. For tax purposes, this item did not give rise to a tax deduction as it did not meet the "all events" test. Generation related.
Environmental Expense		1,408,609	1,408,609				aside a reserve for environmental site clean-up expenses. For tax no deduction is
Merger Costs		(6,068,791)	(6,068,791)				Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Claims Reserve		2,003,283			2,003,283		These deferred taxes are the result of a deduction taken for book purposes to se
Emissions Allowances		(50,559)	(50,559)				Proceeds from the sale of emissions allowances are deferred, pending future rate
Preliminary Survey & Investigation Costs		(670)	(670)				Immaterial
Building Maintenance Accrual		88,495	88,495				Acct 242650 immaterial
Merrill Creek - Rent		4,232,506	4,232,506				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		(601,289)	(601,289)				Timing differences related to Gas operations.
Merger Costs		765,989				765,989	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Performance Based Restr. Stock		(938,766)				(938,766)	Relates to Executive compensation that tax can not deduct until all restriction lapse
Capital Loss over Capital Gain		(18,302)			(18,302)		This relates to a capital loss carry forward, tax can not deduct loss in excess of capital gain.
PJM Member Defaults		76,190			76,190		December 2007 two members of PJM were declared in default on their obligations
Blueprint for the Future		(360,960)			(360,960)		is designed to help customers, both residential and business, manage their energy
Merger/ERO Paid Out of Pension		591,230				591,230	This relates to ACE/DPL merger separation payments paid out of pension fund, this is deductible when pension is fully funded.
Miscellaneous		(2,838,423)	(2,838,423)				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 l
Summit Land Transfer		42	42				transaction was disregarded resulting in deferred taxes. Tax liability is recognized
Venture Capital Invest/Partnership Inc		357,799	357,799				Investment attributable to non-utility operations
Gain on Sale of Microwave Systems		(234,579)			(234,579)		The deferred tax balance reflects the difference between the book gain and tax gain on the disposition assets. Involves both T & D facilities.
MD DSM Deferred Interest		(344,100)	(344,100)				deferred costs balance. For tax these costs are expensed when paid. These
Deferred ITC		6,103,655	0		6,103,655		encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior
Plant Related		80,073,593	80,073,593				Life and method differences related to all plant
Pension And Other Labor Related		84,727				84,727	Affects company personnel across all functions.
OPEB		2,197,205				2,197,205	OPEB contributions are made to the trust. These deferred taxes are the result of

Subtotal - p234	107,101,079	96,831,407	0	7,569,287	2,700,386	
Less FASB 109 Above if not separately removed	528,057			528,057	0	
Less FASB 106 Above if not separately removed	2,197,205				2,197,205	
Total	104,375,817	96,831,407	0	7,041,230	503,180	

Instructions for Account 190:

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

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

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

ADIT- 282	A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Recoverable Income Tax		(63,798,384)			(63,798,384)		FASB 109 gross up, removed below
Plant Related		(384,749,613)	(60,615,653)		(324,133,960)		Plant
Subtotal - p275	(448,547,997)	(60,615,653)	0	(387,932,344)	0		
Less FASB 109 Above if not separately removed	(63,798,384)			(63,798,384)			
Less FASB 106 Above if not separately removed							
Total	(384,749,613)	(60,615,653)	0	(324,133,960)	0		

Instructions for Account 282:

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

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

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

ADIT-283	A	B Total	C Gas, Prod Or Other Related	D Only Transmission Related	E Plant Related	F Labor Related	G Justification
Merger Costs		(328,585)				(328,585)	Reflects deferred taxes generated on Delmarva Power & Light Company /Atlantic City Electric Company merger costs deducted for tax purposes. For books these costs were capitalized. Pension related and therefore labor related.
Materials Reserve		(1,144,136)	(1,144,136)				This represents deferred tax generated as a result of a deduction taken for amounts set aside in a reserve for book purposes. For tax, no deduction is permitted until economic performance takes place. These reserves are related to deregulation of Energy Business
Charitable Contributions		(25,689)			(25,689)		PHI's consolidated return is in an NOL situation, therefore, DPL's charitable contributions are carried forward until such time as PHI is in a taxable income position. For book purposes, the contributions are expensed when incurred. Involves all functions.
DSM Costs		81	81				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature. Retail related
Deferred Fuel		(7,963,053)	(7,963,053)				To help utilities cope with price fluctuations, many regulators have approved rate tariffs that allow rates to be adjusted through fuel adjustment clauses that pass through actual fuel expense increases or decreases to rate payers by means of surcharges 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 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. Retail related.
Deferred Fuel Interest		(375,499)	(375,499)				This represents deferred tax generated as a result of interest income and/or expense accrued on the deferred fuel balance for book purposes. For tax purposes interest income is recognized when received. Interest expense is deducted for tax when paid. Retail related.
Reacquired Debt		(3,284,731)	(3,284,731)				Reflects the deferred taxes generated as a result of the tax deductions taken for the cost to reacquire debt. For book purposes, these amounts were recorded as an asset in account 189 and are amortized over future periods. The required debt item is related to construction activities and should be included with plant related items in Attachment 1.

Mark to Market Adj	137,478	137,478				For tax, DPL elected to be a dealer in securities and marks their section 475 trade receivables to market value by means of schedule m adjustments. For book purposes, the change in market value of securities is generally not recognized. These are the deferred taxes associated with this book/tax difference.
Property Taxes	794,076	794,076				For book purposes, certain real estate taxes were expensed. For tax purposes, those taxes were capitalized and are being depreciated. Unregulated related
Copco Deferred Fuel	(892,292)	(892,292)				Deferred tax relates to fuel costs for retail customers
Reg Liab - MD SOS Energy	(5,263,899)	(5,263,899)				Retail SOS, Other
Reg Liab - MD SOS Transmission	(6,499)	(6,499)				Retail SOS, Other
Reg Liab - DE SOS Energy	(3,946,686)	(3,946,686)				Retail SOS, Other
Reg Liab - DE SOS Transmission	315,123	315,123				Retail SOS, Other
Gas Environmental surcharge	216,255	216,255				Gas related
Miscellaneous	(78,013)	(78,013)				Miscellaneous temporary differences that are less than \$100,000 for each item.
Copco Carrying Charge	(1,450,583)	(1,450,583)				These deferred taxes are the result of fuel associated costs that are amortized for book purposes. For tax these cost were deducted when paid. Retail related.
Copco DSM Costs	(208,244)	(208,244)				For books, Demand Side Management Costs are deferred. Interest accrues on the deferred costs balance. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
MD DSM Deferred Interest	346,833	346,833				For books, Demand Side Management Costs are deferred. Interest accrues on the deferred costs balance. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature.
Capitalized Interest	393,048			393,048		The Tax Reform Act of 1986 eliminated the current deduction for interest incurred during construction and required that it be capitalized and depreciated over the tax life of the asset. This deferred tax is due to the differences in the way AFUDC-debt is calculated versus the way interest must be calculated for tax purposes and is related to all plant
AFUDC Debt	(248,914)			(248,914)		For book purposes, AFUDC is capitalized and depreciated. For tax purposes, AFUDC is not recognized. Related to all plant
Repair Allowance	(3,970,730)			(3,970,730)		Deferred tax represents the difference between tax deductible repairs and book capitalization of repair costs related to all plant
Reserve Adjustment	(167,000)			(167,000)		Depreciation adjustment related to all plant
Plant Related	(967,884)			(967,884)		Life and method differences related to all plant
Pension/OPEB AND Other Labor Related	(69,740,235)			(69,740,235)		Affects company personnel across all functions.
Other	(34,707)	(34,707)				
Subtotal - p277 (Form 1-F filer- see note 6, below)	(97,874,485)	(22,818,496)	-	(4,987,169)	(70,068,820)	
Less FASB 109 Above if not separately removed	15,064,695			15,064,695		
Less FASB 106 Above if not separately removed	0					
Total	(112,939,180)	(22,818,496)	-	(20,051,864)	(70,068,820)	

Instructions for Account 283:

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

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

Delmarva Power & Light Company

Sheet 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

	Item	Balance	Amortization	
Rate Base Treatment				
Balance to line 41 of Appendix A	Total	6,731,296	533,023	
Amortization				
Amortization to line 133 of Appendix A	Total	1,553,053	241,994	Excludes \$56,650 related to gas function amortization
Total		8,284,349	775,017	Excludes \$628,912 related to gas function balance
Total Form No. 1 (p 266 & 267)		8,284,349	775,017	
Difference /1		0	(0)	

/1 Difference must be zero

Delmarva Power & Light Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related			
Gross Plant Allocator			
1 Real property (State, Municipal or Local)	12,187,550		
2 Personal property			
3 Federal/State Excise	364		
4			
5			
6			
Total Plant Related	12,187,914	30.5660%	3,725,363
Labor Related			
Wages & Salary Allocator			
7 Federal FICA & Unemployment	7,426,108		
8 Unemployment	212,789		
9			
10			
11			
Total Labor Related	7,638,897	9.1565%	699,455
Other Included			
Gross Plant Allocator			
12 Miscellaneous	41,042		
13			
14			
Total Other Included	41,042	30.5660%	12,545
Total Included	19,867,853		4,437,363
Excluded			
15 State Franchise Tax	106,843		
16 Gross Receipts	6,150,787		
17 Sales and Use	288,626		
18 Utility Tax for Delmarva	10,232,417		
19 City License	3,996		
20			
21 Total "Other" Taxes (included on p. 263)	36,650,522		
22 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	36,650,522		
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)		1,191,758
2	Total Rent Revenues	(Sum Line 1)	1,191,758

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A		\$ 1,491,751
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)		550,026
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)		4,429,070
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11	Gross Revenue Credits	(Sum Lines 2-10)	7,662,605
12	Less line 17g		(835,577)
13	Total Revenue Credits		6,827,028

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.		1,191,758
17b	Costs associated with revenues in line 17a		479,377
17c	Net Revenues (17a - 17b)		712,361
17d	50% Share of Net Revenues (17c / 2)		356,181
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)		356,181
17g	Line 17f less line 17a		(835,577)
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.		8,123,442
19	Amount offset in line 4 above		53,156,938
20	Total Account 454, 456 and 456.1		68,942,985

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)	41,616,035
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	305,514,384
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	42,737,005
101	Less LTD Interest on Securitization Bonds		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	42,737,005
103	Preferred Dividends	enter positive	p118.29c	40,403
Common Stock				
104	Proprietary Capital		p112.16c	655,443,051
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	-2,177,779
107	Common Stock		(Sum Lines 104 to 106)	653,265,272
Capitalization				
108	Long Term Debt		p112.17c through 21c	657,530,200
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-17,463,013
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	3,264,731
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	643,331,918
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	653,265,272
116	Total Capitalization		(Sum Lines 113 to 115)	1,296,597,190
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0%
119	Common %	Common Stock	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0664
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J from Appendix A) Appendix A % plus 100 Basis Pts	0.1230
123	Weighted Cost o Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0330
124	Weighted Cost o Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost o Common Stock		(Line 119 * 122)	0.0620
126	Total Return (R)		(Sum Lines 123 to 125)	0.0949
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	29,003,108

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.04%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.23%
132	T / (1-T)			67.30%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	Attachment 1	(241,994)
134	T/(1-T)		(Line 132)	67%
135	Net Plant Allocation Factor		(Line 18)	31.7237%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-128,433
137	Income Tax Component =		$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	12,741,360
138	Total Income Taxes		(Line 136 + 137)	12,612,927

Delmarva Power & Light Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	49,354,995	25,694,396	23,660,599	See Form 1
11	Accumulated Common Amortization - Electric	(Note A)	p356	20,471,683	17,196,213	3,275,470	See Form 1
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	54,834,718	46,061,163	8,773,555	See Form 1
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	96,949,879	81,437,899	15,511,980	See Form 1
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	9,056,613	8,284,349	772,264	See Form 1
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ 1,883,439	1,802,074	81,365	95.68% Electric, 4.32% Non-Electric
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)		0			
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	242,708	233,877	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	3,363,140	3,363,140	0	See Form 1, electric only.
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	See Form 1, electric only.

Transmission / Non-transmission Cost Support

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

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	\$ 2,066,092,982	0	0	See Form 1
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 632,322,396	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	81,437,899	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	250,575,881	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	40964	40964		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	\$ 3,843,327	0	3,843,327	FERC related.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	3,843,327	0	3,843,327	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	76,408	0	76,408	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)	8.04%	MD 7.00%	PA 9.990%	VA 6%	DE 8.7%	OH 5.10%	Enter Calculation Apportioned: PA 0.089%, VA 0.1757%, DE 5.8801%, MD 1.9718%, OH 0.0014%, NY 0.0

Education and Out Reach Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	76,408	0	76,408	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			7,479,867	9.16%	684,894	
	Plant Related			4,008,910	30.57%	1,225,365	
	Other				0.00%	-	
	Total Transmission Related Reserves			11,488,777		1,910,259	

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	-	7.691%	-	
	Prepayments	\$ 61,036,586	7.691%	4,694,601	
	Prepaid Pensions if not included in Prepayments	\$ 178,066,657	7.691%	13,695,916	
		239,103,243	7.69%	18,390,518	
5	Wages & Salary Allocator	9.156%			
	Electric vs Gas	84% Based on Modified Wisconsin Method			
	Modified Wages & Salaries Allocator	7.691%			
<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	4,265	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Delmarva Power & Light Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 3,672,796	\$ 3,443,180	\$ 8,994,956	\$ 5,112,951	\$ 21,223,883
Security Services	416,563	264,475	648,568	157,903	1,487,509
General Services	899,582	416,732	816,946	344,165	2,477,425
Building Services	796,591	716,847	1,113,759	906,968	3,534,165
Real Estate	112,908	124,427	-	60,515	297,850
Corporate Insurance Administration	159,132	103,908	237,547	119,854	620,441
Claims Administration	-	-	726,081	-	726,081
Regulatory Affairs	2,861,981	1,918,455	3,914,567	67,670	8,762,673
Accounts Payable Services	736,154	563,190	638,279	217,888	2,155,511
Payroll Services	68,707	39,669	81,327	19,264	208,967
Asset Management	223,421	182,736	747,295	224,207	1,377,659
Investor Relations	153,484	145,894	380,838	215,746	895,962
Shareholder Services	234,159	222,348	582,367	327,901	1,366,775
Financial Reporting	712,176	675,885	1,771,544	997,778	4,157,383
Sarbanes-Oxley Compliance	175,033	166,343	434,816	245,619	1,021,811
Investment Financial Management	(3,664)	98,043	338,031	222,514	654,924
Other Financial Services	3,396,341	2,474,267	5,182,482	3,118,134	14,171,224
Insurance Premiums & Claims	2,378,715	1,717,904	3,968,036	3,007,185	11,071,840
Cost of Benefits	1,502,934	940,071	2,046,611	820,451	5,310,067
Executive Compensation Services	855,619	670,858	1,757,913	1,916,181	5,200,571
Other Human Resources Services	4,466,181	2,538,786	4,954,306	1,062,194	13,021,467
Legal Services	3,908,767	2,117,528	5,402,306	1,689,986	13,118,587
Internal Audit	625,882	762,785	1,017,975	484,058	2,890,700
Special Billing	-	-	1,020,514	-	1,020,514
Other Customer Care	1,261,774	1,208,238	1,222,399	-	3,692,411
Marketing Services	812,983	658,754	1,484,060	69,826	3,025,623
Information Technology	221,889	121,508	601,199	21,155	965,751
PHI Corporate Contributions	8,500	7,932	20,918	12,060	49,410
Other Corporate Communications	535,414	367,699	956,677	548,716	2,408,506
Environmental & Safety	1,350,811	876,559	2,015,509	346,729	4,589,608
Other Delivery Services	6,856,485	5,459,739	6,762,313	-	19,078,537
Merchant Functions	30,368	-	-	1,213,207	1,243,575
Internal Consulting Services	337,404	218,025	503,110	-	1,058,539
Interns	127,192	-	138,226	912	266,330
Total	\$ 39,896,282	\$ 29,222,785	\$ 60,481,475	\$ 23,551,737	\$ 153,152,279

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 ye
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)
58,667,998 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	6,466,912	11.5	-	-
Feb		10.5	-	-
Mar		9.5	-	-
Apr		8.5	-	-
May		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 2 (weighted by months in service)				4,041,820

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
 \$ 4,041,820 Input to Formula Line 21

4 May Year 2 Post results of Step 3 on PJM web site
59,089,510 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)
 \$ 59,089,510

6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
 \$ 66,045,805 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	772,841	10.5	8,114,831	676,236
Mar		9.5	-	-
Apr		8.5	-	-
May		7.5	-	-
Jun	13,343,290	6.5	86,731,385	7,227,615
Jul		5.5	-	-
Aug		4.5	-	-
Sep		3.5	-	-
Oct		2.5	-	-
Nov		1.5	-	-
Dec		0.5	-	-
Total	14,116,131		94,846,216	7,903,851
New Transmission Plant Additions for Year 3 (weighted by months in service)				7,903,851
				66,938,169

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 **22,596,694** 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	2,634,335	11.5	30,294,857	2,524,571
Feb	5,068,089	10.5	53,214,936	4,434,578
Mar	455,654	9.5	4,328,714	360,726
Apr	25,089	8.5	213,257	17,771
May	450,128	7.5	3,375,961	281,330
Jun	(257)	6.5	(1,669)	(139)
Jul	1,596,744	5.5	8,782,092	731,841
Aug	425,313	4.5	1,913,907	159,492
Sep	90,268	3.5	315,939	26,328
Oct	148,128	2.5	370,321	30,860
Nov	3,731,699	1.5	5,597,549	466,462
Dec	7,971,503	0.5	3,985,751	332,146
Total	22,596,694		112,391,616	9,365,968
New Transmission Plant Additions for Year 2 (weighted by months in service)				9,365,968

Input to Formula Line 21

64,552,024 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 ye

The Reconciliation in Step 8		The forecast in Prior Year		
63,945,456	-	59,319,982	=	4,625,474

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March 0 0.6600%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	385,456	0.6600%	11.5	29,256	414,712
Jul	Year 1	385,456	0.6600%	10.5	26,712	412,168
Aug	Year 1	385,456	0.6600%	9.5	24,168	409,624
Sep	Year 1	385,456	0.6600%	8.5	21,624	407,080
Oct	Year 1	385,456	0.6600%	7.5	19,080	404,536
Nov	Year 1	385,456	0.6600%	6.5	16,536	401,992
Dec	Year 1	385,456	0.6600%	5.5	13,992	399,448
Jan	Year 2	385,456	0.6600%	4.5	11,448	396,904
Feb	Year 2	385,456	0.6600%	3.5	8,904	394,360
Mar	Year 2	385,456	0.6600%	2.5	6,360	391,816
Apr	Year 2	385,456	0.6600%	1.5	3,816	389,272
May	Year 2	385,456	0.6600%	0.5	1,272	386,728
Total		4,625,474				4,808,643

		Balance	Interest from above	Amortization over Rate Year	Balance
Jun	Year 2	4,808,643	0.6600%	418,118	4,422,262
Jul	Year 2	4,422,262	0.6600%	418,118	4,033,330
Aug	Year 2	4,033,330	0.6600%	418,118	3,641,832
Sep	Year 2	3,641,832	0.6600%	418,118	3,247,749
Oct	Year 2	3,247,749	0.6600%	418,118	2,851,066
Nov	Year 2	2,851,066	0.6600%	418,118	2,451,765
Dec	Year 2	2,451,765	0.6600%	418,118	2,049,828
Jan	Year 3	2,049,828	0.6600%	418,118	1,645,238
Feb	Year 3	1,645,238	0.6600%	418,118	1,237,978
Mar	Year 3	1,237,978	0.6600%	418,118	828,030
Apr	Year 3	828,030	0.6600%	418,118	415,377
May	Year 3	415,377	0.6600%	418,118	(0)
Total with interest				5,017,422	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest

5,017,422

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

\$ 66,938,169

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

Revenue Requirement for Year 3

71,955,591

10 May Year 3 Post results of Step 9 on PJM web site
\$ 71,955,591 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)
\$ 71,955,591

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

