

## Appendix A

## Potomac Electric Power Company

## Formula Rate

Notes

FERC Form 1 Page # or Instruction

2004

## Shaded cells are input cells

## Allocators

## Wages &amp; Salary Allocation Factor

1	Transmission Wages Expense		p354.19.b	6,310,069
2	Total Wages Expense		p354.25b	62,539,060
3	Less A&G Wages Expense		p354.24b	8,110,263
4	Total		(Line 2 - 3)	54,428,797
5	<b>Wages &amp; Salary Allocator</b>		(Line 1 / 4)	<b>11.5933%</b>

## Plant Allocation Factors

6	Electric Plant in Service	(Note B)	p207.95g	4,426,756,774
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	4,426,756,774
9	Accumulated Depreciation (Total Electric Plant)		p219.28c	1,879,544,613
10	Accumulated Intangible Amortization	(Note A)	p200.21c	43,585,954
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)	1,923,130,567
14	Net Plant		(Line 8 - 13)	2,503,626,207
15	Transmission Gross Plant		(Line 29 - Line 28)	679,235,448
16	<b>Gross Plant Allocator</b>		(Line 15 / 8)	<b>15.3439%</b>
17	Transmission Net Plant		(Line 39 - Line 28)	383,019,876
18	<b>Net Plant Allocator</b>		(Line 17 / 14)	<b>15.2986%</b>

## Plant Calculations

## Plant In Service

19	Transmission Plant In Service	(Note B)	p207.58.g	636,143,638
20	For True up only - remove New Transmission Plant Additions for Current Calendar Year	For True Up Only	Attachment 6	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	730,917
22	<b>Total Transmission Plant In Service</b>		(Line 19 - 20 + 21)	<b>636,874,555</b>
23	General & Intangible		p205.5.g & p207.90.g	365,392,594
24	Common Plant (Electric Only)	(Notes A & B)	p356	0
25	Total General & Common		(Line 23 + 24)	365,392,594
26	Wage & Salary Allocation Factor		(Line 5)	11.59325%
27	<b>General &amp; Common Plant Allocated to Transmission</b>		(Line 25 * 26)	<b>42,360,894</b>
28	<b>Plant Held for Future Use (Including Land)</b>	(Note C)	p214	<b>0</b>
29	<b>TOTAL Plant In Service</b>		(Line 22 + 27 + 28)	<b>679,235,448</b>
<b>Accumulated Depreciation</b>				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	276,075,544
31	Accumulated General Depreciation		p219.27.c	130,136,002
32	Accumulated Intangible Amortization		(Line 10)	43,585,954
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)	173,721,956
36	Wage & Salary Allocation Factor		(Line 5)	11.59325%
37	<b>General &amp; Common Allocated to Transmission</b>		(Line 35 * 36)	<b>20,140,029</b>
38	<b>TOTAL Accumulated Depreciation</b>		(Line 30 + 37)	<b>296,215,573</b>
39	<b>TOTAL Net Property, Plant &amp; Equipment</b>		(Line 29 - 38)	<b>383,019,876</b>

**Adjustment To Rate Base**

<b>Accumulated Deferred Income Taxes</b>			
40	ADIT net of FASB 106 and 109		-108,860,814
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	0
42	Net Plant Allocation Factor		15.30%
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		<b>-108,860,814</b>
<b>Prepayments</b>			
44	Prepayments (Account 165)	(Note A)	176,754,017
45	Net Plant Allocation Factor		15.2986%
46	<b>Total Prepayments Allocated to Transmission</b>		<b>27,040,898</b>
<b>Materials and Supplies</b>			
47	Undistributed Stores Exp	(Note A)	2,903,625
48	Wage & Salary Allocation Factor		11.59%
49	Total Transmission Allocated		336,625
50	Transmission Materials & Supplies		6,190,662
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		<b>6,527,287</b>
<b>Cash Working Capital</b>			
52	Operation & Maintenance Expense		32,460,542
53	1/8th Rule		12.5%
54	<b>Total Cash Working Capital Allocated to Transmission</b>		<b>4,057,568</b>
<b>Network Credits</b>			
55	Outstanding Network Credits	(Note N)	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	0
57	Net Outstanding Credits		0
58	<b>TOTAL Adjustment to Rate Base</b>		<b>-71,235,062</b>
59	<b>Rate Base</b>		<b>311,784,814</b>

**O&M**

<b>Transmission O&amp;M</b>			
60	Transmission O&M		23,210,013
61	Less Account 565		-15,293
62	Less Schedule 12 payments applicable to the entire zone if not booked to Account 565	(Note O)	0
63	Plus Transmission Lease Payments	(Note A)	0
64	<b>Transmission O&amp;M</b>		<b>23,225,306</b>
<b>Allocated General &amp; Common Expenses</b>			
65	Common Plant O&M	(Note A)	0
66	Total A&G		82,230,802
67	Less Property Insurance Account 924		2,422
68	Less Regulatory Commission Exp Account 928	(Note E)	2,361,568
69	Less General Advertising Exp Account 930.1		119,920
70	Less EPRI Dues	(Note D)	89,659
71	<b>General &amp; Common Expenses</b>		<b>79,657,233</b>
72	Wage & Salary Allocation Factor		11.5933%
73	<b>General &amp; Common Expenses Allocated to Transmission</b>		<b>9,234,866</b>
<b>Directly Assigned A&amp;G</b>			
74	Regulatory Commission Exp Account 928	(Note G)	0
75	General Advertising Exp Account 930.1	(Note K)	0
76	Subtotal - Transmission Related		0
77	Property Insurance Account 924		2,422
78	General Advertising Exp Account 930.1	(Note F)	0
79	Total		2,422
80	Net Plant Allocation Factor		15.30%
81	<b>A&amp;G Directly Assigned to Transmission</b>		<b>371</b>
82	<b>Total Transmission O&amp;M</b>		<b>32,460,542</b>

**Depreciation & Amortization Expense**

<b>Depreciation Expense</b>				
83	Transmission Depreciation Expense		p336.7b&c	13,692,880
84	General Depreciation		p336.9b&c	14,111,322
85	Intangible Amortization	(Note A)	p336.1d&e	12,837,655
86	Total		(Line 84 + 85)	26,948,977
87	Wage & Salary Allocation Factor		(Line 5)	11.5933%
88	<b>General Depreciation Allocated to Transmission</b>		(Line 86 * 87)	<b>3,124,264</b>
89	Common Depreciation - Electric Only	(Note A)	p336.10.b	0
90	Common Amortization - Electric Only	(Note A)	p356 or p336.10d	0
91	Total		(Line 89 + 90)	0
92	Wage & Salary Allocation Factor		(Line 5)	11.5933%
93	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 91 * 92)	<b>0</b>
94	<b>Total Transmission Depreciation &amp; Amortization</b>		<b>(Line 83 + 88 + 93)</b>	<b>16,817,144</b>

**Taxes Other than Income**

95	Taxes Other than Income		Exhibit B	10,166,846
96	<b>Total Taxes Other than Income</b>		<b>(Line 95)</b>	<b>10,166,846</b>

**Return / Capitalization Calculations**

<b>Long Term Interest</b>				
97	Long Term Interest		p117.58c through 63c	78,665,105
98	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
99	<b>Long Term Interest</b>		(Line 97)	<b>78,665,105</b>
100	<b>Preferred Dividends</b>	enter positive	p118.29c	<b>1,551,624</b>
<b>Common Stock</b>				
101	Proprietary Capital		p112.15d	1,029,643,705
102	Less Preferred Stock	enter negative	(Line 110)	-26,969,500
103	Less Account 216.1	enter negative	p112.12d	-1,646,367
104	<b>Common Stock</b>		(Sum Lines 101 to 103)	<b>1,001,027,838</b>
<b>Capitalization</b>				
105	Long Term Debt		p112.17d through 20d	1,301,800,000
106	Less Loss on Reacquired Debt	enter negative	p111.67.d	-42,876,853
107	Plus Gain on Reacquired Debt	enter positive	p113.56d	0
108	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
109	<b>Total Long Term Debt</b>		(Line 105 - 107)	<b>1,258,923,147</b>
110	Preferred Stock		p112.3d	26,969,500
111	Common Stock		(Line 104)	1,001,027,838
112	<b>Total Capitalization</b>		(Sum Lines 109 to 111)	<b>2,286,920,485</b>
113	Debt %	Total Long Term Debt	(Line 109 / 112)	55%
114	Preferred %	Preferred Stock	(Line 110 / 112)	1%
115	Common %	Common Stock	(Line 111 / 112)	44%
116	Debt Cost	Total Long Term Debt	(Line 99 / 109)	0.0625
117	Preferred Cost	Preferred Stock	(Line 100 / 110)	0.0575
118	Common Cost	Common Stock	(Note J) Fixed	<b>0.1290</b>
119	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 113 * 116)	0.0344
120	Weighted Cost of Preferred	Preferred Stock	(Line 114 * 117)	0.0007
121	Weighted Cost of Common	Common Stock	(Line 115 * 118)	0.0565
122	<b>Total Return ( R )</b>		(Sum Lines 119 to 121)	<b>0.0915</b>
123	<b>Investment Return = Rate Base * Rate of Return</b>		<b>(Line 59 * 122)</b>	<b>28,541,412</b>

**Composite Income Taxes**

<b>Income Tax Rates</b>			
124	FIT=Federal Income Tax Rate		35.00%
125	SIT=State Income Tax Rate or Composite	(Note I)	8.05%
126	p	(percent of federal income tax deductible for state purposes)	0.00%
127	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	40.23%
128	T/ (1-T)		67.32%
<b>ITC Adjustment</b>			
129	Amortized Investment Tax Credit	(Note I)	
130	T/(1-T)	enter negative	-2,034,384
131	Net Plant Allocation Factor	p266.8f	67.32%
132	<b>ITC Adjustment Allocated to Transmission</b>	(Line 129 * (1 + 130) * 131)	<b>15,2986%</b>
			<b>-520,738</b>
133	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 128 * 123 * (1-(119 / 122))]
			<b>11,993,307</b>
134	<b>Total Income Taxes</b>		<b>(Line 132 + 133)</b>
			<b>11,472,569</b>

**REVENUE REQUIREMENT**

<b>Summary</b>			
135	Net Property, Plant & Equipment	(Line 39)	383,019,876
136	Adjustment to Rate Base	(Line 58)	-71,235,062
137	<b>Rate Base</b>	(Line 59)	<b>311,784,814</b>
138	O&M	(Line 82)	32,460,542
139	Depreciation & Amortization	(Line 94)	16,817,144
140	Taxes Other than Income	(Line 96)	10,166,846
141	Investment Return	(Line 123)	28,541,412
142	Income Taxes	(Line 134)	11,472,569
<b>143</b>	<b>Gross Revenue Requirement</b>		<b>(Sum Lines 138 to 142)</b>
			<b>99,458,513</b>
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
144	Transmission Plant In Service	(Line 19)	636,143,638
145	Excluded Transmission Facilities	(Note M) Attachment 5	0
146	Included Transmission Facilities	(Line 144 - 145)	636,143,638
147	Inclusion Ratio	(Line 146 / 144)	100.00%
148	Gross Revenue Requirement	(Line 143)	99,458,513
149	<b>Adjusted Gross Revenue Requirement</b>	(Line 147 * 148)	<b>99,458,513</b>
<b>Revenue Credits &amp; Interest on Network Credits</b>			
150	Revenue Credits	Attachment 3	5,899,647
151	Interest on Network Credits	(Note N) PJM Data	-
<b>152</b>	<b>Net Revenue Requirement</b>		<b>(Line 149 - 150 + 151)</b>
			<b>93,558,866</b>
<b>Net Plant Carrying Charge without New Investment Incentive</b>			
153	Net Revenue Requirement	(Line 152)	93,558,866
154	Net Transmission Plant	(Line 19 - 30)	360,068,094
155	Net Plant Carrying Charge without New Investment Incentive	(Line 153 / 154)	25.9837%
156	Net Plant Carrying Charge without New Investment Incentive without Depreciation	(Line 153 - 83) / 154	22.1808%
157	Net Plant Carrying Charge without New Investment Incentive without Depreciation, Return, nor Income Taxes	(Line 153 - 83 - 123 - 134) / 154	11.0679%
<b>Net Plant Carrying Charge with 100 Basis Point New Investment Incentive</b>			
158	Net Revenue Requirement Less Return and Taxes	(Line 152 - 141 - 142)	53,544,885
159	Incentive Return and Taxes	Attachment 4	42,608,628
160	Net Revenue Requirement with 100 Basis Point New Investment Incentive	(Line 158 + 159)	96,153,513
161	Net Transmission Plant	(Line 19 - 30)	360,068,094
162	Net Plant Carrying Charge with 100 Basis Point New Investment Incentive	(Line 160 / 161)	26.7043%
163	Net Plant Carrying Charge with 100 Basis Point New Investment Incentive without Depreciation	(Line 159 - 83) / 161	22.9014%
164	<b>Net Revenue Requirement</b>	(Line 152)	<b>93,558,866</b>
165	True-up amount	Attachment 6	
166	<b>Net Zonal Revenue Requirement</b>	(Line 164 - 166)	<b>93,558,866</b>
<b>Network Zonal Service Rate</b>			
167	1 CP Peak	(Note L) PJM Data	6,086
168	Rate (\$/MW-Year)	(Line 166 / 167)	15,373
<b>169</b>	<b>Network Service Rate (\$/MW/Year)</b>		<b>(Line 168)</b>
			<b>15,373</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 included in the PJM Regional Transmission Expansion Plan (RTEP) which 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 RTEP must be separately detailed on Attachment 5. For the true-up, new transmission plant which was included in the PJM RTEP 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 is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by  $(1/1-T)$ . A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L Network or Point to Point transactions of over one year for which the full revenue is received by the transmission owner
- M Amount of transmission plant excluded from rates, includes investment in generation step-up transformers to the extent included in Plant in Service.
- 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 151.
- O Payments made under Schedule 12 of the PJM OATT are excluded in Transmission O&M on line 62 since they are already assessed under Schedule 12
- P Appropriate adjustments to the capital structure may be made to reflect state authorized issuances of securitized bonds. Any such adjustments must be supported in the Section 205 filing seeking application of this formula .

**END**

Potomac Electric Power Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Page 1 of 4

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	139,460	(703,942,153)	0	
ADIT-283	0	(71,859,188)	(81,287,275)	
ADIT-190	0	124,202,664	3,484,507	
<b>Subtotal</b>	139,460	(651,598,677)	(77,802,768)	
Wages & Salary Allocator /1			11.5933%	
Gross Plant Allocator		15.3439%		
ADIT	139,460	(99,980,401)	(9,019,873)	(108,860,814)

/1 Form 1-F Version will use Gross Plant Allocator

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Page 2 of 4

ADIT-190	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
Fuel Supply Sale	56,500			
Fuel Rights Sale	554,494			
Enrichment Contract Sale	(146,139)			
Fuel Excise Tax Write-off	84,054			
Deferred Payments				(9,101,680)
Deferred Compensation(stk)				(1,218,553)
Additional Rental Income			6,105	
D. C. Gross Receipts Tax	(495,500)			
Control Center - Lease Payment			59,715,024	
Avg. Payment Plan			63,177	
Customer Deposits	(174,272)			
Normalization Adjustment			(2,995,380)	
Normalizaton-MD Case 8162	(1,095,487)			
CIAC			53,768,758	
Normalization - Unbilled Revenues			342,224	
Unbilled Revenues(1989 & TRA 1986)			1,506,953	
Unbilled Revenue Adj. DC Order #10387			5,661	
NPDES Permits (Net)			470,708	
Cap. Construct Period Taxes			14,701	
Bad Debt Reserve Amort			1,557,101	
Bad Debt Expense/Adjustment			6,798,849	
Excess Accrued Vacation Pay				1,991,705
Connection Fees			425,353	
Service - Conn Fee Income			111,364	
Dep - Conn Fee Income			438,094	
Mine Closing Costs/Conemaugh Adj			(299,179)	
Consl.Audit Adj.			687,433	
FAS 109 - Deferred Taxes on ITC			13,659,469	
FAS 109 Regulatory Receivable/Liability			41,976,695	
FAS 109 - Flowthrough Items			(1,452,068)	
FAS 109 - Normalization			(790,321)	
FAS 109 - Earnings Effect			(56,918)	
Current Portion of Deferred Tax Liability			(547,127)	
SMECO Contract Termination/Interest			1,066,901	
94/95 Audit-Human Resource Initiatives/Gude Capacity Pymt			105,835	
Customer Sharing			(596,045)	
Pension Curtailment				4,237,288
Transiiton Costs	14,288,975			
Severance Payments/Other				7,068,371
Empowerment Zone Credit				507,376
PG County Rightaway			415,274	
DC Consolidated Audit Adjustment			(570,820)	
Contribution Carryforward			1,164,573	
<b>Subtotal - p234</b>	13,072,625	0	176,992,394	3,484,507
Less FASB 109 Above if not separately removed		0	52,789,730	
Less FASB 106 Above if not separately removed		0		0
<b>Total</b>	13,072,625	0	124,202,664	3,484,507

Instructions for Account 190:

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

ADIT- 282	(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
Accelerated Depreciation			(353,690,855)	
Depreciation (BG&E)/Gain On Sale Conemaugh	(1,044,571)			
Repair Allowance			(147,180,033)	
Repair Allowance Proceeds			3,769,122	
Disc on Bond Redemption			(1,091,058)	
Adj. Tax Gain - TDR's			(355,833)	
Adj. Tax Gain - FAR's			(42,505)	
Adjust. Tax Gain (Operating)			8,521,423	
Disp of ACRS Mass Property			(229,564)	
Control Center - Depreciation/Amort			(49,843,741)	
Removal Cost Adjustment			(10,530,338)	
Removal Cost Adj - MD			(4,800,037)	
Removal Cost Adj - DC			(19,727,657)	
Book Deprec-Reloc. Proceeds			223,575	
Proceeds ACRS Mass Property			2,117,040	
Disp of ACRS Non Mass Prop			(671,436)	
Normalization Adjustment			16,937,552	
Normalization-MD Case 8162	4,603,431			
Capitalized Interest			15,384,595	
AFUDC Debt			(7,622,982)	
Capitalized Real Estate Taxes			45,648	
Extraordinary Gain-Nova			(10,373,428)	
Construction Per. Interest(Net)			159,737	
FAS 109 Earnings Benefit 34/35%			(376,373)	
FAS 109 - Flowthrough Items			(18,031,731)	
FAS 109 - Normalization			26,632,696	
FAS 109 - CCRF/AFUDC Equity			(38,454,742)	
FAS 109 Earnings Effect - Nonoperating			2,428,547	
69 KV Line Amortization		139,460		
Simplified Service Method			(151,219,465)	
EUM Assets			6,190,895	
Reduction State Taxes			560,848	
MD Subtraction (Adj Gain or Loss)			(478,518)	
Spare Parts			4,862	
DC Consolidated Adjustment	2,935,227			
<b>Subtotal - p275 (Form 1-F filer: see note 6 below)</b>	<b>6,494,087</b>	<b>139,460</b>	<b>(731,743,756)</b>	<b>0</b>
<b>Less FASB 109 Above if not separately removed</b>			<b>(27,801,603)</b>	
<b>Less FASB 106 Above if not separately removed</b>				
<b>Total</b>	<b>6,494,087</b>	<b>139,460</b>	<b>(703,942,153)</b>	<b>0</b>

## Instructions for Account 282:

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

ADIT-283	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
Capitalized A&G			(475,645)	
Capit'd Fringe Benefits				(7,458,455)
Capit'd Payroll & Use Tax			(4,884,724)	
Doug Pt Term Costs - G.E.			(4,777,478)	
G E Term Costs - Non-Jur			(312,954)	
Plant Abandonment	10,793,821			
Invol Conv - Derwood Sub			(24,003)	
Invol Conv - Md Prop MG016			(13,654)	
Invol Conv - Civic Center			(162,266)	
D.C. Adjustment	137,737			
MD Adjustment	381,342			
Excess Book Over Tax Gain	(47,331)			
FAS 106 OPEB Adjustment				18,415,251
OPEB Adj DC Order #10387				(518,084)
Bk Depr on Poll Bond Int			2,678	
Book Deprec on AFUDC			12,414	
Environtech Investment			(25,765)	
D.C. Street Lighting			(110,705)	
Exp - Redemp. Pref. Stk.			6,167	
PSI Cost-Caugh Proj			(82,232)	
Amort Loss on Reacquisition			(18,450,168)	
D.C. Street Lighting Gain	1,194,215			
Health Care Plans			1,455,160	
Control Center - Interest Expense			(49,303,111)	
Loss on Marketable Securillies			235,139	
Ordinary Gains/Losses			391,827	
Capital Gains/Losses-D.C.			2,709	
Legal Fees			47,842	
Amort of Unit Train Costs			(501)	
Dividend Income Not Rec'd/Other Rental Income			(45,193)	
Normalization Adjust			4,484,214	
ESOP Deduction over ESOP ITC			(1,914)	
Other Exp - Non Oper(PCI)	30,748			
Normalization-MD Case 8162	3,493,885			
Int Income - Basis Adj			(4,373)	
NPDES Permits, 1981-83			37,995	
Compensation			(421,672)	
Contributions			(2,453)	
SFAS 121 Impairment Loss			929,405	
FAS 109 - Flowthrough Items			52,180,671	
FAS 109 - Normalization			(675,152)	
FAS 109 - Regulatory Receivable/Liability			(103,386,822)	
FAS 109 - Earnings Effect - Nonoperating/Other			(780,156)	

FAS 109 - CCRF Equity		(3,083,053)	
CCRF - Operating/DSM 2000		(1,069,359)	
CCRF - Common Facility Costs		161,802	
CCRF Adj DC Order #10387		75,742	
Gain/Loss on Disposal of Allowances		99,877	
Human Resource Initiatives			442,353
Severance Pay/Other Comp/Incentive Bonus			(5,014,677)
Pension Plan Contribution			(69,732,587)
VA GRT Adj	(1,674)		
SMECO Contract Termination		(413,040)	
Conservation Costs (DSM)	(4,394,241)		
Merger Costs - Software	1,203		
Gainsharing / '94-'95 IRS Audit Adjustment	(10,705)		
Amortization-DSM Debt (DC)	605,473		
Empowerment Zone			(2,918)
Miscellaneous	(232,646)		
Gude Landfill	(119,811)		
Other Comprehensive Income			479,009
DC Consolidated Adjustment		779,051	
<b>Subtotal - p277 (Form 1-F filer: see note 6, below)</b>	<b>11,832,016</b>	<b>-</b>	<b>(127,603,700)</b>
<b>Less FASB 109 Above if not separately removed</b>			<b>(55,744,512)</b>
<b>Less FASB 106 Above if not separately removed</b>			<b>17,897,167</b>
<b>Total</b>	<b>11,832,016</b>	<b>-</b>	<b>(71,859,188)</b>

**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 A
2. ADIT items related only to Transmission are directly assigned to Column B
3. ADIT items related Plant and not in Columns A & B are directly assigned to Column C
4. ADIT items related to labor and not in Columns A & B are directly assigned to Column D
5. Since 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

# Potomac Electric Power 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>		
Real property (State, Muncipal or Local)	1,782,322		
Personal property	35,395,905		
Capital Stock Tax			
DC Right of Way	18,730,141		
Gross Premium (insurance) Tax			
PURTA			
Corp License			
<b>Total Plant Related</b>	<b>55,908,368</b>	<b>15.3439%</b>	<b>8,578,503</b>
<b>Labor Related</b>			
	<b>Wages &amp; Salary Allocator /1</b>		
Federal FICA & Unemployment & state unemployment	11,995,196		
<b>Total Labor Related</b>	<b>11,995,196</b>	<b>11.5933%</b>	<b>1,390,634</b>
<b>Other Included</b>			
	<b>Gross Plant Allocator</b>		
Miscellaneous	0		
Use & Sales Tax	1,288,528		
<b>Total Other Included</b>	<b>1,288,528</b>	<b>15.3439%</b>	<b>197,710</b>
<b>Total Included</b>			<b>10,166,846</b>
/1 Form 1-F: use Gross Plant Allocator)			
<b>Currently Excluded</b>			
Business & Occupational			
Natural Gas Fuel Tax			
Foreign Corporation			
Franchise	42,000		
kWhTax - State Gross Receipt (Excise Tax)	103,550,488		
Electric environmental surcharge	2,226,430		
Universal service fee	8,019,452		
Contractual Obligations			
State & Municipal License			
Leased Op Property			
PU Fuel Energy			
Foreign Filing Fee			
Montgomery County Fuel	70,557,064		
PSC assessment	7,124,885		
Total "Other" Taxes (Ties to account 408.10)		260,712,411	

# Potomac Electric Power Company

## Attachment 3 - Revenue Credit Workpaper

### Account 454 - Rent from Electric Property

1 Rent from Electric Property - Transmission Related /3		5,272,287
2 Total Rent Revenues	(Sum Lines 1)	5,272,287

### Account 456 - Other Electric Revenues

3 Schedule 1A		\$ 627,360
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) /4		-
5 Point to Point Service revenues for which the load is not included in the divisor		-
6 PJM Transitional Revenue Neutrality /1		-
7 PJM Transitional Market Expansion /1		-
8 Professional Services /3		-
9 Revenues from Directly Assigned Transmission Facility Charges /2		-
10 Rent or Attachment Fees associated with Transmission Facilities /3		-
11 Total Revenue Credits	(Sum Lines 2-10)	5,899,647

### Revenue Adjustment to determine Revenue Credit

12 /1 For revenues streams that will cease prior to the end of the Service Year for which the Rate resulting from this formula will be assessed, the amount included will be the amount of revenues received in the Test Year divided by 12 times the number of months in the service year for which revenues will be received.		2,170,893
13 /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 in		
14 /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 revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314		5,272,287
15 /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 explained in the Cost Support. In addition Revenues from Schedule 12 are included elsewhere in the formula and are not included in the total above. For example revenues associated with distribution facilities.		3,520,791
16 Amount offset in line 4 above		
17 Total Account 454 and 456		16,863,618

## Potomac Electric Power Company

### Attachment 3 - 100 Basis Point Increase in ROE

Net Plant New Investment Incentive @ 100 Basis Points

A	Return and Taxes with New Investment ROE Incentive New Investment ROE Incentive and Income Taxes	42,608,628
B	Net Plant New Investment Incentive @ 100 Basis Points	1.00%

#### Return Calculation

59	Rate Base		(Line 39 + 58)	311,784,814
	Long Term Interest			
97	<b>Long Term Interest</b>		p117.58c through 63c	78,665,105
99	Long Term Interest		(Line 97)	78,665,105
100	Preferred Dividends	enter positive	p118.29c	1,551,624
	Common Stock			
101	Proprietary Capital		p112.15d	1,029,643,705
102	Less Preferred Stock	enter negative	(Line 110)	-26,969,500
103	Less Account 216.1	enter negative	p112.12d	-1,646,367
104	Common Stock		(Sum Lines 101 to 103)	1,001,027,838
	Capitalization			
105	Long Term Debt		p112.17d through 20d	1,301,800,000
106	Less Loss on Reacquired Debt	enter negative	p111.67.d	-42,876,853
107	Plus Gain on Reacquired Debt	enter positive	p113.56d	0
109	Total Long Term Debt		(Line 105 - 107)	1,258,923,147
110	Preferred Stock		p112.3d	26,969,500
111	Common Stock		(Line 104)	1,001,027,838
112	Total Capitalization		(Sum Lines 109 to 111)	2,286,920,485
113	Debt %	Total Long Term Debt	(Line 109 / 112)	55%
114	Preferred %	Preferred Stock	(Line 110 / 112)	1%
115	Common %	Common Stock	(Line 111 / 112)	44%
116	Debt Cost	Total Long Term Debt	(Line 99 / 109)	0.0625
117	Preferred Cost	Preferred Stock	(Line 100 / 110)	0.0575
118	Common Cost	(Note J) Common Stock	Fixed plus 100 Basis Pts	0.1390
119	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 113 * 116)	0.0344
120	Weighted Cost of Preferred	Preferred Stock	(Line 114 * 117)	0.0007
121	Weighted Cost of Common	Common Stock	(Line 115 * 118)	0.0608
122	Total Return ( R )		(Sum Lines 119 to 121)	<b>0.0959</b>
123	Investment Return = Rate Base * Rate of Return		(Line 59 * 122)	<b>29,906,152</b>

#### Composite Income Taxes

(Note L)

<b>Income Tax Rates</b>				
124	FIT=Federal Income Tax Rate		0	35.00%
125	SIT=State Income Tax Rate or Composite		0	8.05%
126	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
127	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		40.23%
128	T/ (1-T)			67.32%
<b>ITC Adjustment</b>				
129	Amortized Investment Tax Credit	enter negative	p266.8f	-2,034,384
130	T/(1-T)		(Line 128)	67.32%
131	Net Plant Allocation Factor		(Line 18)	15.2986%
132	<b>ITC Adjustment Allocated to Transmission</b>	(Note L)	(Line 129 * (1 + 130) * 131)	-209,506
133	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$		12,911,982
134	<b>Total Income Taxes</b>			<b>12,702,476</b>

Potomac Electric Power Company

Cost Support

**Electric / Non-electric Cost Support**

PJM Formula 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	43,585,614	43,585,614	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	18,595,015	0	0	Respondent is Electric Utility only.
<b>Prepayments</b>							
44	Prepayments (Account 165)	(Note A)	p110.46d	176,754,017	176,754,017	0	Repondenet is Electric Utility only.
<b>Materials and Supplies</b>							
47	Undistributed Stores Exp	(Note A)	p227.6c & 15.c	2,903,625	2,903,625	0	Repondenet is Electric Utility only.
<b>Allocated General &amp; Common Expenses</b>							
63	Plus Transmission Lease Payments	(Note A)	P200.3.c				
65	Common Plant O&M	(Note A)	p356	0	0	0	
<b>Depreciation Expense</b>							
85	Intangible Amortization	(Note A)	p336.1d&e	12,837,655	12,837,655	0	Repondenet is Electric Utility only.
89	Common Depreciation - Electric Only	(Note A)	p336.10.b	0	0	0	
90	Common Amortization - Electric Only	(Note A)	p356 or p336.10d	0	0	0	

**Transmission / Non-transmission Cost Support**

PJM Formula 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	5,400,700	0	5,400,700	Specific identification based on plant records: The following plant investments are included: 1 2 3 4 5

**CWIP & Expensed Lease Worksheet**

PJM Formula 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	4,426,756,774	0	0	See Form 1
<b>Plant In Service</b>							
19	Transmission Plant In Service	(Note B)	p207.58.g	636,143,638	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	276,075,544	0	0	See Form 1

**EPRI Dues Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details
<b>Allocated General &amp; Common Expenses</b>						
70	Less EPRI Dues	(Note D)	p352-353	89659	89659	See Form 1

**Regulatory Expense Related to Transmission Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
68	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.160b	2,361,568	0	2,361,568	See FERC Form 1 pages 350-351.
74	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.160b	2,361,568	0	2,361,568	FERC

**Safety Related Advertising Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.162b	119,920	-	119,920	None

**MultiState Workpaper**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
125	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	0	Maryland 7.00%	DC 9.975%	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter Calculation Apportioned: MD 3.65%, DC 4.4%

**Education and Out Reach Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
75	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.162b	119,920	0	119,920	None

**Excluded Plant Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
145	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities	(Note M)	Attachment 5	0  Enter \$	General Description of the Facilities  None

Add more lines if necessary

**Outstanding Network Credits Cost Support**

PJM Formula 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	0	General Description of the Credits
				Enter \$	None
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0	
				Enter \$	None
Add more lines if necessary					

**Interest on Outstanding Network Credits Cost Support**

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

**PJM Load Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
167	1 CP Peak	(Note L)	PJM Data	6,086	See Form 1

**Statements BG/BH (Present and Proposed Revenues)**

Customer	Billing Determinants	Current Rate	Proposed Rate	Current Revenues	Proposed Revenues	Change in Revenues
Pepco zone				-	-	-
Total				-	-	-

# Potomac Electric Power Company

## Attachment 6 - Estimate and True-up Worksheet

Step Month Year Action

### Exec Summary

- 1 April XXX TO populates the formula with Prior Year data
- 2 April XXX TO estimates Cap Adds for Current Year weighted based on Months expected to be in service in Current Year
- 3 April XXX TO adds weighted Cap Adds to plant in service in Formula
- 4 May XXX Post on PJM web site
- 5 June XXX Rates go into effect
  
- 6 April XXXX TO populates the formula with Prior Year data
- 7 April XXXX TO estimates Cap Adds during Current Year (calendar) weighted based on Months expected to be in service in Current Year
- 8 April XXXX True-up - TO calculates true-up by removing from Step 6 the total Cap Adds placed in service that year and adding weighted average Cap Adds in true-up
- 9 April XXXX True-up - TO adds the difference between the true-up in Step 8 and the forecast in Prior Year with interest to the result of Step 7
- 10 May XXXX Post on PJM web site
- 11 June XXXX Rates go into effect
- 12 June XXXX Return to Step 6 for following year

2003 Prior Year  
2004 Current Year

### Detailed Example

- 1 April XXX TO populates the formula with Prior Year data  
\$ 90,272,928 Rev Req based on Prior Year data

- 2 April XXX TO estimates Cap Adds for Current Year weighted based on Months expected to be in service in Current Year

	Est. In Service Date	Weighting	Amount	One 12th
Jan		12	-	-
Feb		11	-	-
Mar		10	-	-
Apr		9	-	-
May		8	-	-
Jun	1,253,000	7	8,771,000	730,917
Jul		6	-	-
Aug		5	-	-
Sep		4	-	-
Oct		3	-	-
Nov		2	-	-
Dec		1	-	-
Total	1,253,000		8,771,000	730,917
New Transmission Plant Additions for Current Calendar Year (weighted by months in service)				730,917

- 3 April XXX TO adds weighted Cap Adds to plant in service in Formula  
\$ 730,917 Input to Formula Line 21

- 4 May XXX Post On PJM Web Site Rev Req and Formula with Exhibits  
\$ 93,558,866

- 5 June XXX Rates go into effect  
\$ 93,558,866

6 April XXXX TO populates the formula with Prior Year data  
 \$ - Rev Req based on Prior Year data

7 April XXXX TO estimates Cap Adds during Current Year (calendar) weighted based on Months expected to be in service in Current Year

	Est. In Service Date	Weighting	Amount	One 12th	
Jan	-	12	-	-	
Feb	-	11	-	-	
Mar	-	10	-	-	
Apr	-	9	-	-	
May	-	8	-	-	
Jun	-	7	-	-	
Jul	-	6	-	-	
Aug	-	5	-	-	
Sep	-	4	-	-	
Oct	-	3	-	-	
Nov	-	2	-	-	
Dec	-	1	-	-	
Total	-	-	-	-	
New Transmission Plant Additions for Current Calendar Year (weighted by months in service)				-	Input to Formula Line 21

8 April XXXX True-up - TO calculates true-up by removing from Step 6 the total Cap Adds placed in service that year and adding weighted average Cap Adds in true-up

Remove all Cap Adds placed in service in Prior Year  
 For True up only - remove New Transmission Plant Additions for Current Calendar Year - Input to Formula Line 20

Add Cap Adds actually placed in service in Prior Year

	Actual In Service Date	Weighting	Amount	One 12th	
Jan	-	12	-	-	
Feb	-	11	-	-	
Mar	-	10	-	-	
Apr	-	9	-	-	
May	-	8	-	-	
Jun	-	7	-	-	
Jul	-	6	-	-	
Aug	-	5	-	-	
Sep	-	4	-	-	
Oct	-	3	-	-	
Nov	-	2	-	-	
Dec	-	1	-	-	
Total	-	-	-	-	
New Transmission Plant Additions for Current Calendar Year (weighted by months in service)				-	Input to Formula Line 21

- Result of Formula for true-up

9 April XXXX True-up - TO adds the difference between the true-up in Step 8 and the forecast in Prior Year with interest to the result of Step 7

The true-up in Step 8	-	-	The forecast in Prior Year	-	=	-
-----------------------	---	---	----------------------------	---	---	---

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr		1/12 of Step 9		Interest 35.19a for	Months	Interest	Refunds Owed
Month	Yr			March Current Yr			
Jun	2005	-		0.0000%	12	-	-
Jul	2005	-		0.0000%	11	-	-
Aug	2005	-		0.0000%	10	-	-
Sep	2005	-		0.0000%	9	-	-
Oct	2005	-		0.0000%	8	-	-
Nov	2005	-		0.0000%	7	-	-
Dec	2005	-		0.0000%	6	-	-
Jan	2006	-		0.0000%	5	-	-
Feb	2006	-		0.0000%	4	-	-
Mar	2006	-		0.0000%	3	-	-
Apr	2006	-		0.0000%	2	-	-
May	2006	-		0.0000%	1	-	-
Total		-					

	Balance	Interest	Amort	Balance
Jun	2006	-	0.0000%	-
Jul	2006	-	0.0000%	-
Aug	2006	-	0.0000%	-
Sep	2006	-	0.0000%	-
Oct	2006	-	0.0000%	-
Nov	2006	-	0.0000%	-
Dec	2006	-	0.0000%	-
Jan	2007	-	0.0000%	-
Feb	2007	-	0.0000%	-
Mar	2007	-	0.0000%	-
Apr	2007	-	0.0000%	-
May	2007	-	0.0000%	-
Total with interest				-

The difference between the true-up in Step 8 and the forecast in Prior Year with interest	-
Rev Req based on Current Year data with estimated Cap Adds for Current Year	\$ -
Revenue Requirement for Current Year	-

10 May XXXX Post on PJM web site  
 \$ - Post On PJM Web Site Rev Req and Formula with Exhibits

11 June XXXX Rates go into effect  
 \$ -

Return to Step 6 for following year

Potomac Electric Power Company

Attachment 7 - Transmission Enhancement Charge Worksheet

New Plant Carrying Charge

FCR if not a CIAC

Formula Line			
A	156	Net Plant Carrying Charge without New Investment Incentive without Depreciation	22.1808%
B	163	Net Plant Carrying Charge with 100 Basis Point New Investment Incentive without Depreciation	22.9014%
C		Line B less Line A	0.7206%

FCR if a CIAC

D	157	Net Plant Carrying Charge without New Investment Incentive without Depreciation, Return, nor Income Taxes	11.0679%
---	-----	---	----------

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

The Transmission Enhancement Charges assessed projects pursuant to Schedule 12 include any approved incentives, the amounts credited to the Customers in the zone under Schedule 12 do not include any such incentives.

Details		Project A				Project B				Project C						
Life		No				No				Yes						
CIAC		No				No				Yes						
ROE Incentive (Basis Points)		0.221808005				0.221808005				0.11067908						
FCR W/O Incentive		0.221808005				0.221808005				0.11067908						
FCR for This Project		0.221808005				0.221808005				0.11067908						
Investment																
Annual Depreciation Exp		-				-				-						
In Service Month (1-12)																
Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit	
W/O Incentive 2005	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2005	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2006	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2006	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2007	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2007	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2008	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2008	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2009	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2009	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2010	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2010	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2011	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2011	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2012	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2012	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2013	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2013	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2014	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2014	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2015	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2015	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2016	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2016	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2017	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2017	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2018	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2018	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2019	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2019	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2020	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2020	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2021	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2021	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2022	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2022	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2023	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2023	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W/O Incentive 2024	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
W Incentive 2024	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	
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# Potomac Electric Power Company

## Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest		
<b>98</b>	<b>Less LTD Interest on Securitization Bonds</b>		<b>0</b>
	Capitalization		
<b>108</b>	<b>Less LTD on Securitization Bonds</b>		<b>0</b>

Calculation of the above Securitization Adjustments

