

# **APPENDIX A**

**ATLANTIC CITY ELECTRIC COMPANY**

**ATTACHMENT H-1A**

**(Clean version)**

Adjustment To Rate Base

<b>Accumulated Deferred Income Taxes</b>			
43	ADIT net of FASB 106 and 109		Attachment 1
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative (Notes A & I)	p266 h
42	Net Plant Allocation Factor		(Line 18)
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 + 42) + Line 40
43a	<b>Transmission Related CWIP (Current Year 12 Month weighted average balances)</b>	(Note B)	p216.43.b as Shown on Attachment 6
<b>Transmission O&amp;M Reserves</b>			
44	<b>Total Balance Transmission Related Account 242 Reserves</b>	Enter Negative	Attachment 5
<b>Prepayments</b>			
45	Prepayments	(Note A)	Attachment 5
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 45)
<b>Materials and Supplies</b>			
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c
48	Wage & Salary Allocation Factor		(Line 5)
49	Total Transmission Allocated		(Line 47 + 48)
50	Transmission Materials & Supplies		p227.8c
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + 50)
<b>Cash Working Capital</b>			
52	Operation & Maintenance Expense		(Line 85)
53	1/8th Rule		x 1/8
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 + 53)
<b>Network Credits</b>			
55	Outstanding Network Credits	(Note N)	From PJM
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM
57	Net Outstanding Credits		(Line 55 - 56)
58	<b>TOTAL Adjustment to Rate Base</b>		(Line 43 + 43a + 44 + 46 + 51 + 54 + 57)
59	<b>Rate Base</b>		(Line 39 + 58)
<b>O&amp;M</b>			
<b>Transmission O&amp;M</b>			
60	Transmission O&M		p321.112.b
61	Less extraordinary property loss		Attachment 5
62	Plus amortized extraordinary property loss		Attachment 5
63	Less Account 565		p321.86.b
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data
65	Plus Transmission Lease Payments	(Note A)	p200.3.c
66	<b>Transmission O&amp;M</b>		(Lines 60 - 63 + 64 + 65)
<b>Allocated General &amp; Common Expenses</b>			
67	Common Plant O&M	(Note A)	p356
68	Total A&G		p323.197.b
69	Less Property Insurance Account 924		p323.185b
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b
71	Less General Advertising Exp Account 930.1		p323.191b
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b
73	Less EPRI Dues	(Note D)	p362-363
74	<b>General &amp; Common Expenses</b>		(Lines 67 + 68) - Sum (69 to 73)
75	Wage & Salary Allocation Factor		(Line 5)
76	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 74 + 75)
<b>Directly Assigned A&amp;G</b>			
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b
78	General Advertising Exp Account 930.1	(Note K)	p323.191b
79	Subtotal - Transmission Related		(Line 77 + 78)
80	Property Insurance Account 924		p323.185b
81	General Advertising Exp Account 930.1	(Note F)	p323.191b
82	Total		(Line 80 + 81)
83	Net Plant Allocation Factor		(Line 18)
84	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 82 + 83)
85	<b>Total Transmission O&amp;M</b>		(Line 66 + 76 + 79 + 84)

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRM Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h
- I The currently effective income tax rate, where FIT is the Federal income tax rate, SIT is the State income tax rate, and  $p = \frac{\text{the percentage of federal income tax deductible for state income taxes}}{\text{the percentage of federal income tax deductible for state income taxes}}$ . 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, 296.8.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 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 Act 565, they are included in on line 64.
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.

END

Issued By: Craig Glazer  
Vice President, Federal Government Policy  
Issued On: August 15, 2008

Effective: November 1, 2008

**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 data for Year 1 (e.g., 2004)
- 2 April Year 2 TO estimates all transmission Cap Adds and CWP 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 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 and CWP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates Cap Adds and CWP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 plus the error in Step 8 in the subsequent year
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)  
 ..... Rev Req based on Year 1 data Must run Appendix A to get this number (except inputs in lines 20, 21 or 43a of Appendix A)

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	Monthly Additions Other Plant In Service	Monthly Additions Other Plant In Service	Monthly Additions MAPP CWP	Monthly Additions MAPP In Service	Weighting	Other Plant In Service Amount (A x E)	Other Plant In Service Amount (B x E)	MAPP CWP Amount (C x E)	MAPP In Service Amount (D x E)	Other Plant In Service (F + G)	Other Plant In Service (I + J)	MAPP CWP (K + L)	MAPP In Service (M + N)	
Jan					11.5	-	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-	-
Total														
New Transmission Plant Additions and CWP (weighted by months in service)														
										Input to Line 21 of Appendix A				
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWP				

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

- 4 May Year 2 Post results of Step 3 on PJM web site  
 ..... Must run Appendix A to get this number (each inputs on lines 21 and 43a of Attachment A)

- 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., 2009).  
 Row flag based on Prior Year data. Must run Appendix A to get this number (without inputs in lines 20-21 or 43a of Appendix A)

7 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Add placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds and CWP 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 \$ - Input to Formula line 20

Add weighted Cap Adds actually placed in service in Year 2

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F + G)	(K) Other Plant In Service (G + I)	(L) MAPP CWP (H + I)	(M) MAPP In Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													
New Transmission Plant Additions and CWP (weighted by months in service)													

Input to Line 21 of Appendix A  
 Input to Line 43a of Appendix A  
 Month In Service or Month for CWP

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)

8 April Year 3 TO estimates Cap Adds and CWP during Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2009)

	(A) Monthly Additions Other Plant In Service	(B) Monthly Additions Other Plant In Service	(C) Monthly Additions MAPP CWP	(D) Monthly Additions MAPP In Service	(E) Weighting	(F) Other Plant In Service Amount (A x E)	(G) Other Plant In Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP In Service Amount (D x E)	(J) Other Plant In Service (F + G)	(K) Other Plant In Service (G + I)	(L) MAPP CWP (H + I)	(M) MAPP In Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													
New Transmission Plant Additions and CWP (weighted by months in service)													

Input to Line 21 of Appendix A  
 Input to Line 43a of Appendix A  
 Month In Service or Month for CWP

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

The Reconciliation in Step 7		The forecast in Prior Year		=		
Interest on Amount of Refunds or Surcharges						
Interest rate pursuant to 35.19a for March of the Current Yr						
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	-	0.0000%	11.5	-	-
Jul	Year 1	-	0.0000%	10.5	-	-
Aug	Year 1	-	0.0000%	9.5	-	-
Sep	Year 1	-	0.0000%	8.5	-	-
Oct	Year 1	-	0.0000%	7.5	-	-
Nov	Year 1	-	0.0000%	6.5	-	-
Dec	Year 1	-	0.0000%	5.5	-	-
Jan	Year 2	-	0.0000%	4.5	-	-
Feb	Year 2	-	0.0000%	3.5	-	-
Mar	Year 2	-	0.0000%	2.5	-	-
Apr	Year 2	-	0.0000%	1.5	-	-
May	Year 2	-	0.0000%	0.5	-	-
Total		-			-	-
Amortization over						
		Balance	Interest rate from above	Rate Year	Balance	
Jun	Year 2	-	0.0000%	-	-	-
Jul	Year 2	-	0.0000%	-	-	-
Aug	Year 2	-	0.0000%	-	-	-
Sep	Year 2	-	0.0000%	-	-	-
Oct	Year 2	-	0.0000%	-	-	-
Nov	Year 2	-	0.0000%	-	-	-
Dec	Year 2	-	0.0000%	-	-	-
Jan	Year 3	-	0.0000%	-	-	-
Feb	Year 3	-	0.0000%	-	-	-
Mar	Year 3	-	0.0000%	-	-	-
Apr	Year 3	-	0.0000%	-	-	-
May	Year 3	-	0.0000%	-	-	-
Total with interest		-			-	-
The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest						
Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)						
					\$	-
Revenue Requirement for Year 3						

10 May Year 3 Post results of Step 9 on PJM web site  
 S 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 (a.g., June 1, 2006 - May 31, 2007)  
 S

Attachment 7 - Transmission Enhancement Charge Worksheet

1 New Plant Carrying Charge  
 2  
 3 **Fixed Charge Rate (FCR) if not a CIAC**  
 4 Formula Line  
 5 A 101 Net Plant Carrying Charge without Depreciation  
 6 B 107 Net Plant Carrying Charge per 100 Kilowatt Hours Increase in RGE without Depreciation  
 7 C Less B from A, line 4  
 8  
 9 **FCR if a CIAC**  
 10 D 101 Net Plant Carrying Charge without Depreciation (Return on Invested Funds)

11 The FCR resulting from Formula in a given year is used for that year only.  
 Therefore total revenues collected in a year do not change based on cost data for subsequent years.

12 For equipment in 2005-2015, RGE is determined initially to be 10.0% on facilities in service prior to 1-1-06 and 11.0% on facilities in service on or after 1-1-06.

Line	Description	2005-2015 Service				2006-2015 Service				2006-2015 Service				2006-2015 Service			
		Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
21	Base FCR	1000				1000				1000				1000			
22	FCR increased RGE	500				500				500				500			
23	Base FCR	2000				2000				2000				2000			
24	FCR increased RGE	500				500				500				500			
25	Base FCR	2000				2000				2000				2000			
26	FCR increased RGE	500				500				500				500			
27	Base FCR	2000				2000				2000				2000			
28	FCR increased RGE	500				500				500				500			
29	Base FCR	2000				2000				2000				2000			
30	FCR increased RGE	500				500				500				500			
31	Base FCR	2000				2000				2000				2000			
32	FCR increased RGE	500				500				500				500			
33	Base FCR	2000				2000				2000				2000			
34	FCR increased RGE	500				500				500				500			
35	Base FCR	2000				2000				2000				2000			
36	FCR increased RGE	500				500				500				500			
37	Base FCR	2000				2000				2000				2000			
38	FCR increased RGE	500				500				500				500			
39	Base FCR	2000				2000				2000				2000			
40	FCR increased RGE	500				500				500				500			
41	Base FCR	2000				2000				2000				2000			
42	FCR increased RGE	500				500				500				500			
43	Base FCR	2000				2000				2000				2000			
44	FCR increased RGE	500				500				500				500			
45	Base FCR	2000				2000				2000				2000			
46	FCR increased RGE	500				500				500				500			
47	Base FCR	2000				2000				2000				2000			
48	FCR increased RGE	500				500				500				500			
49	Base FCR	2000				2000				2000				2000			
50	FCR increased RGE	500				500				500				500			
51	Base FCR	2000				2000				2000				2000			
52	FCR increased RGE	500				500				500				500			
53	Base FCR	2000				2000				2000				2000			
54	FCR increased RGE	500				500				500				500			
55	Base FCR	2000				2000				2000				2000			
56	FCR increased RGE	500				500				500				500			
57	Base FCR	2000				2000				2000				2000			
58	FCR increased RGE	500				500				500				500			
59	Base FCR	2000				2000				2000				2000			
60	FCR increased RGE	500				500				500				500			
61	Base FCR	2000				2000				2000				2000			
62	FCR increased RGE	500				500				500				500			

**DELMARVA POWER & LIGHT COMPANY**

**ATTACHMENT H-3D**

**(Clean version)**

Adjustment To Rate Base

<b>Accumulated Deferred Income Taxes</b>			
40	ADIT net of FASB 108 and 109		Attachment 1
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative (Notes A & I)	p266.h
42	Net Plant Allocation Factor		(Line 18)
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 * 42) + Line 40
43a	<b>Transmission Related CWIP (Current Year 12 Month weighted average balances)</b>	(Note B)	p216.43.b as Shown on Attachment 6
<b>Transmission O&amp;M Reserves</b>			
44	<b>Total Balance Transmission Related Account 242 Reserves</b>	Enter Negative	Attachment 5
<b>Prepayments</b>			
45	Prepayments	(Note A)	Attachment 5
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 45)
<b>Materials and Supplies</b>			
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c
48	Wage & Salary Allocation Factor		(Line 5)
49	Total Transmission Allocated		(Line 47 * 48)
50	Transmission Materials & Supplies		p227.6c
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + 50)
<b>Cash Working Capital</b>			
52	Operation & Maintenance Expense		(Line 85)
53	1/8th Rule		x 1/8
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 * 53)
<b>Network Credits</b>			
55	Outstanding Network Credits	(Note N)	From PJM
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM
57	Net Outstanding Credits		(Line 55 - 56)
58	<b>TOTAL Adjustment to Rate Base</b>		(Line 43 + 43a + 44 + 45 + 51 + 54 - 57)
59	<b>Rate Base</b>		(Line 39 + 58)
<b>O&amp;M</b>			
<b>Transmission O&amp;M</b>			
60	Transmission O&M		p321.112.b
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)	p200.3.c
66	<b>Transmission O&amp;M</b>		(Lines 60 - 63 + 64 + 65)
<b>Allocated General &amp; Common Expenses</b>			
67	Common Plant O&M	(Note A)	p356
68	Total A&G		p323.197.b
69	Less Property Insurance Account 924		p323.185b
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b
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72	Less DE Enviro & Low Income and MD Universal Funds		p335.b
73	Less EPR! Dues	(Note D)	p352-353
74	<b>General &amp; Common Expenses</b>		(Lines 67 + 68) - Sum (69 to 73)
75	Wage & Salary Allocation Factor		(Line 5)
76	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 74 * 75)
<b>Directly Assigned A&amp;G</b>			
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b
78	General Advertising Exp Account 930.1	(Note K)	p323.191b
79	Subtotal - Transmission Related		(Line 77 + 78)
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81	General Advertising Exp Account 930.1	(Note F)	p323.191b
82	Total		(Line 80 + 81)
83	Net Plant Allocation Factor		(Line 18)
84	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 82 * 83)
85	<b>Total Transmission O&amp;M</b>		(Line 66 + 76 + 79 + 84)

Notes

- A Electric portion only
- B Exclude Construction Work in Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.2.
- I The currently effective income tax rate, where FIT is the Federal income tax rate, SIT is the State income tax rate, and  $p = \frac{\text{FIT} + \text{SIT}}{1 + \text{FIT} + \text{SIT}}$  "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1-I-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.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.

END

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**Attachment 6 - Estimate and Reconciliation Worksheet**

Step Month Year Action

**Exec Summary**

- 1 April Year 1 TO populate the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)
- 2 April Year 2 TO estimate an transmission Cap Adds and CWIP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)
- 3 April Year 2 TO add 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 populate the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
- 7 April Year 3 Reconciliation - TO calculate 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 and CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimate Cap Adds and CWIP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)
- 9 April Year 3 Reconciliation - TO add the difference between the Reconciliation in Step 7 and the forecast in Line 5 with reference to the result of Step 7 (the difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)

- 1 April Year 2 TO populate the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)  
 - - - - - Row Req based on Year 1 data Must run Appendix A to get this number (without inputs in lines 20, 31 or 43a of Appendix A)
- 2 April Year 2 TO estimate an transmission Cap Adds and CWIP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2005)

	(A) Monthly Additions Other Plant in Service	(B) Monthly Additions Other Plant in Service	(C) Monthly Additions MAPP CWIP	(D) Monthly Additions MAPP in Service	(E) Weighting	(F) Other Plant in Service Amount (A x E)	(G) Other Plant in Service Amount (B x E)	(H) MAPP CWIP Amount (C x E)	(I) MAPP in Service Amount (D x E)	(J) Other Plant in Service (F + I)	(K) Other Plant in Service (G + I)	(L) MAPP CWIP (H + I)	(M) MAPP in Service (J + I)
Jan					11.5								
Feb					10.5								
Mar					9.5								
Apr					8.5								
May					7.5								
Jun					6.5								
Jul					5.5								
Aug					4.5								
Sep					3.5								
Oct					2.5								
Nov					1.5								
Dec					0.5								
Total													
New Transmission Plant Additions and CWIP (weighted by months in service)													
										Input to Line 21 of Appendix A			
										Input to Line 43a of Appendix A			
										Month in Service or Months for CWIP			

- 3 April Year 2 TO add weighted Cap Adds to plant in service in Formula  
 - - - - - Input to Formula Line 21
- 4 May Year 2 Post results of Step 3 on PJM web site  
 - - - - - Must run Appendix A to get this number (with inputs on lines 21 and 43a of Attachment A)
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2005 - May 31, 2006)  
 - - - - -

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6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)  
 New Plant based on Prior Year data Must run Appendix A to get the number without inputs in lines 20, 21 of 42a of Appendix A 1

7 April Year 3 Reconciliation - TO calculate Reconciliation by removing from Year 2 data - the total Cap. Added placed in service in Year 2 and adding weighted average in Year 2 actual Cap. Adds and CWP in Reconciliation  
 (Required 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 \$ - Input to Formula Line 20  
 Add weighted Cap. Adds actually placed in service in Year 2

	(A) Monthly Additions Other Plant in Service	(B) Monthly Additions Other Plant in Service	(C) 1 Monthly Additions MAPP CWP	(D) Monthly Additions MAPP in Service	(E) Weighting	(F) Other Plant in Service Amount (A x E)	(G) Other Plant in Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP in Service Amount (D x E)	(J) Other Plant in Service (F + G)	(K) Other Plant in Service (G + I)	(L) MAPP CWP (H + I)	(M) MAPP in Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													
New Transmission Plant Additions and CWP (weighted by months in service)													
										Input to Line 21 of Appendix A Input to Line 42a of Appendix A Months in Service or Month for CWP			

Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 & line 25  
 (Year 2 data with total of Year 2 Cap. Adds removed and monthly weighted average of Year 2 actual Cap. Adds added in)

8 April Year 3 TO associates Cap. Adds and CWP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2008)

	(A) Monthly Additions Other Plant in Service	(B) Monthly Additions Other Plant in Service	(C) 1 Monthly Additions MAPP CWP	(D) Monthly Additions MAPP in Service	(E) Weighting	(F) Other Plant in Service Amount (A x E)	(G) Other Plant in Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP in Service Amount (D x E)	(J) Other Plant in Service (F + G)	(K) Other Plant in Service (G + I)	(L) MAPP CWP (H + I)	(M) MAPP in Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													
New Transmission Plant Additions and CWP (weighted by months in service)													
										Input to Line 21 of Appendix A Input to Line 42a of Appendix A Months in Service or Month for CWP			

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

The Reconciliation in Step 7		The forecast in Prior Year					
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed	
Jun	Year 1	-	0.0000%	11.5	-	-	
Jul	Year 1	-	0.0000%	10.5	-	-	
Aug	Year 1	-	0.0000%	9.5	-	-	
Sep	Year 1	-	0.0000%	8.5	-	-	
Oct	Year 1	-	0.0000%	7.5	-	-	
Nov	Year 1	-	0.0000%	6.5	-	-	
Dec	Year 1	-	0.0000%	5.5	-	-	
Jan	Year 2	-	0.0000%	4.5	-	-	
Feb	Year 2	-	0.0000%	3.5	-	-	
Mar	Year 2	-	0.0000%	2.5	-	-	
Apr	Year 2	-	0.0000%	1.5	-	-	
May	Year 2	-	0.0000%	0.5	-	-	
Total		-			-	-	

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	-	0.0000%	-	-
Jul	Year 2	-	0.0000%	-	-
Aug	Year 2	-	0.0000%	-	-
Sep	Year 2	-	0.0000%	-	-
Oct	Year 2	-	0.0000%	-	-
Nov	Year 2	-	0.0000%	-	-
Dec	Year 2	-	0.0000%	-	-
Jan	Year 3	-	0.0000%	-	-
Feb	Year 3	-	0.0000%	-	-
Mar	Year 3	-	0.0000%	-	-
Apr	Year 3	-	0.0000%	-	-
May	Year 3	-	0.0000%	-	-
Total with interest		-			-

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest -  
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$  
 Revenue Requirement for Year 3 -

10 May Year 3 Post results of Step 9 on PJM web site  
 \$ - 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)  
 \$ -

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Attachment 7 - Transmission Enhancement Charge Worksheet

1 Net Plant Carrying Charge  
 2  
 3 **Plant Charge Rate (CCR) if not a CIAC**  
 4 Formula Line  
 5 A 160 Net Plant Carrying Charge without Depreciation  
 6 B 167 Net Plant Carrying Charge less 100 Basis Point increase in RGE without Depreciation  
 7 C Line B less Line A  
 8 **CCR if a CIAC**  
 9 D 161 Net Plant Carrying Charge without Depreciation, Pajares, and Interest Taxes

10 The CCR resulting from Formula B in a given year is used for that year only.  
 11 Therefore annual revenues collected in a year do not change based on rate data for subsequent years.

12 **Net Revenue to SPS&S, RGE, or other entities for facilities in service prior to 1-1-08 and 11-30-07**

Line No.	Description	Other Plant Service				Near Plant Service				RGE Plant Service				RGE	Revenue Charge	Revenue Credit
		Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue			
21	Base FCR															
22	10 Increased FCR															
23	Base FCR															
24	10 Increased FCR															
25	Base FCR															
26	10 Increased FCR															
27	Base FCR															
28	10 Increased FCR															
29	Base FCR															
30	10 Increased FCR															
31	Base FCR															
32	10 Increased FCR															
33	Base FCR															
34	10 Increased FCR															
35	Base FCR															
36	10 Increased FCR															
37	Base FCR															
38	10 Increased FCR															
39	Base FCR															
40	10 Increased FCR															
41	Base FCR															
42	10 Increased FCR															
43	Base FCR															
44	10 Increased FCR															
45	Base FCR															
46	10 Increased FCR															
47	Base FCR															
48	10 Increased FCR															
49	Base FCR															
50	10 Increased FCR															
51	Base FCR															
52	10 Increased FCR															
53	Base FCR															
54	10 Increased FCR															
55	Base FCR															
56	10 Increased FCR															
57	Base FCR															
58	10 Increased FCR															
59	Base FCR															
60	10 Increased FCR															
61	Base FCR															
62	10 Increased FCR															
63	Base FCR															
64	10 Increased FCR															
65	Base FCR															
66	10 Increased FCR															

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**POTOMAC ELECTRIC POWER COMPANY**

**ATTACHMENT H-9A**

**(Clean version)**

Adjustment To Rate Base

<b>Accumulated Deferred Income Taxes</b>			
40	ADIT net of FASB 106 and 109		Attachment 1
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative (Notes A & I)	p266.h
42	Net Plant Allocation Factor		(Line 18)
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 * 42) + Line 40
43a	<b>Transmission Related CWIP (Current Year 12 Month weighted average balances)</b>	(Note B)	p216.43.b as Shown on Attachment 6
<b>Transmission O&amp;M Reserves</b>			
44	<b>Total Balance Transmission Related Account 242 Reserves</b>	Enter Negative	Attachment 5
<b>Prepayments</b>			
45	Prepayments	(Note A)	Attachment 5
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 45)
<b>Materials and Supplies</b>			
47	Undistributed Stores Exp	(Note A)	p227.8c & 16.c
48	Wage & Salary Allocation Factor		(Line 5)
49	Total Transmission Allocated		(Line 47 * 48)
50	Transmission Materials & Supplies		p227.8c
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + 50)
<b>Cash Working Capital</b>			
52	Operation & Maintenance Expense		(Line 85)
53	1/8th Rule		x 1/8
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 * 53)
<b>Network Credits</b>			
55	Outstanding Network Credits	(Note N)	From PJM
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM
57	Net Outstanding Credits		(Line 55 - 56)
58	<b>TOTAL Adjustment to Rate Base</b>		(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)
59	<b>Rate Base</b>		(Line 39 + 58)
<b>O&amp;M</b>			
<b>Transmission O&amp;M</b>			
60	Transmission O&M		p321.112.b
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 C)	PJM Data
65	Plus Transmission Lease Payments	(Note A)	p200.3.c
66	<b>Transmission O&amp;M</b>		(Lines 60 - 63 + 64 + 65)
<b>Allocated General &amp; Common Expenses</b>			
67	Common Plant O&M	(Note A)	p356
68	Total A&G		p323.197.b
69	Less Property Insurance Account 924		p323.185b
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b
71	Less General Advertising Exp Account 930.1		p323.191b
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b
73	Less EPRI Dues	(Note D)	p352-353
74	<b>General &amp; Common Expenses</b>		(Lines 67 + 68) - Sum (69 to 73)
75	Wage & Salary Allocation Factor		(Line 5)
76	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 74 * 75)
<b>Directly Assigned A&amp;G</b>			
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b
78	General Advertising Exp Account 930.1	(Note K)	p323.191b
79	Subtotal - Transmission Related		(Line 77 + 78)
80	Property Insurance Account 924		p323.185b
81	General Advertising Exp Account 930.1	(Note F)	p323.191b
82	Total		(Line 80 + 81)
83	Net Plant Allocation Factor		(Line 18)
84	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 82 * 83)
85	<b>Total Transmission O&amp;M</b>		(Line 66 + 76 + 79 + 84)

Notes

- A Electric portion only
- B Exclude Construction Work in Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant that is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. New Transmission plant expected to be placed in service in the current calendar year that is not included in the PJM Regional Transmission Plan (RTEP) must be separately detailed on Attachment 5. For the Reconciliation, new transmission plant that was actually placed in service weighted by the number of months it was actually in service CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Transmission Portion Only
- D All EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.5.
- I The currently effective income tax rate, where FIT is the Federal income tax rate, SIT is the State income tax rate, and  $p =$  "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by  $(1/(1-T))$ . A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J The RCE is 11.36%, 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 2009-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 155.
- O Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M. If they are booked to Acct 565, they are included in on line 64
- P Securitization bonds may be included in the capital structure per settlement in ER05-515.
- Q ACE capital structure is initially fixed at 50% common equity and 50% debt per settlement in ER05-515 subject to moratorium provisions in the settlement.
- R Per the settlement in ER05-515, the facility credits of \$15,000 per month paid to Vineland will increase to \$37,500 per month (prorated for partial months) effective on the date FERC approves the settlement in ER05-515.

END

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6 April Year 3 TO populate the formulas with Year 2 data from FERC Form 1 for Year 3 (e.g., 2005)  
 Run Appendix A to get this number (without costs in lines 20, 21 or 40 of Appendix A)  
 New Cap based on Prior Year Data

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

Remove all Cap Adds placed in service in Year 2  
 For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 \$ - Input to Formula Line 20  
 Add weighted Cap Adds actually placed in service in Year 2

	(A) Monthly Additions Other Plant in Service	(B) Monthly Additions Other Plant in Service	(C) Monthly Additions MAPP CWP	(D) Monthly Additions MAPP in Service	(E) Weighting	(F) Other Plant in Service Amount (A x E)	(G) Other Plant in Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP in Service Amount (D x E)	(J) Other Plant in Service (F + G)	(K) Other Plant in Service (J + I)	(L) MAPP CWP (H + I)	(M) MAPP in Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													

New Transmission Plant Additions and CWP (weighted by months in service)

Input to Line 21 of Appendix A  
 Input to Line 43a of Appendix A  
 Month in Service or Month for CWP

Result of Formula for Reconciliation  
 Must run Appendix A with cap add in line 21 & line 20  
 (Year 3 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added in)

8 April Year 3 TO estimate Cap Adds and CWP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2006)

	(A) Monthly Additions Other Plant in Service	(B) Monthly Additions Other Plant in Service	(C) Monthly Additions MAPP CWP	(D) Monthly Additions MAPP in Service	(E) Weighting	(F) Other Plant in Service Amount (A x E)	(G) Other Plant in Service Amount (B x E)	(H) MAPP CWP Amount (C x E)	(I) MAPP in Service Amount (D x E)	(J) Other Plant in Service (F + G)	(K) Other Plant in Service (J + I)	(L) MAPP CWP (H + I)	(M) MAPP in Service (I + J)
Jan					11.5	-	-	-	-	-	-	-	-
Feb					10.5	-	-	-	-	-	-	-	-
Mar					9.5	-	-	-	-	-	-	-	-
Apr					8.5	-	-	-	-	-	-	-	-
May					7.5	-	-	-	-	-	-	-	-
Jun					6.5	-	-	-	-	-	-	-	-
Jul					5.5	-	-	-	-	-	-	-	-
Aug					4.5	-	-	-	-	-	-	-	-
Sep					3.5	-	-	-	-	-	-	-	-
Oct					2.5	-	-	-	-	-	-	-	-
Nov					1.5	-	-	-	-	-	-	-	-
Dec					0.5	-	-	-	-	-	-	-	-
Total													

New Transmission Plant Additions and CWP (weighted by months in service)

Input to Line 21 of Appendix A  
 Input to Line 43a of Appendix A  
 Month in Service or Month for CWP

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

The Reconciliation in Step 7		The forecast in Prior Year		=		
				=		
Interest on Amount of Refunds or Surcharges						
Interest rate pursuant to 35.19a for March of the Current Yr						
Month:	Yr	1/12 of Step 3	Interest rate for	Months	Interest	Surcharge (Refund) Owed
			March of the Current Yr			
Jun	Year 1	-	0.0000%	11.5	-	-
Jul	Year 1	-	0.0000%	10.5	-	-
Aug	Year 1	-	0.0000%	9.5	-	-
Sep	Year 1	-	0.0000%	8.5	-	-
Oct	Year 1	-	0.0000%	7.5	-	-
Nov	Year 1	-	0.0000%	6.5	-	-
Dec	Year 1	-	0.0000%	5.5	-	-
Jan	Year 2	-	0.0000%	4.5	-	-
Feb	Year 2	-	0.0000%	3.5	-	-
Mar	Year 2	-	0.0000%	2.5	-	-
Apr	Year 2	-	0.0000%	1.5	-	-
May	Year 2	-	0.0000%	0.5	-	-
Total		-			-	-
Amortization over						
		Balance	Interest rate from above	Rate Year	Balance	
Jun	Year 2	-	0.0000%	-	-	-
Jul	Year 2	-	0.0000%	-	-	-
Aug	Year 2	-	0.0000%	-	-	-
Sep	Year 2	-	0.0000%	-	-	-
Oct	Year 2	-	0.0000%	-	-	-
Nov	Year 2	-	0.0000%	-	-	-
Dec	Year 2	-	0.0000%	-	-	-
Jan	Year 3	-	0.0000%	-	-	-
Feb	Year 3	-	0.0000%	-	-	-
Mar	Year 3	-	0.0000%	-	-	-
Apr	Year 3	-	0.0000%	-	-	-
May	Year 3	-	0.0000%	-	-	-
Total with interest		-			-	-
The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest					-	
Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)					\$	-
Revenue Requirement for Year 3					-	

10 May Year 3 Post results of Step 9 on PJM web site  
 \$ - 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)  
 \$ -

Attachment 7 - Transmission Enhancement Charge Worksheet

1 New Fixed Carrying Charge  
 2  
 3 **Fixed Charge Rate (FCR) if not a CIAC**  
 4 A 100 Not Fixed Carrying Charge without Depreciation  
 5 B 100 Not Fixed Carrying Charge per 100 basis, fixed increase in ROR without Depreciation  
 6 C Not Fixed Carrying Charge per 100 basis, fixed increase in ROR without Depreciation  
 7 **FCR if a CIAC**  
 8 D 100 Not Fixed Carrying Charge without Depreciation Return, for Income Taxes

9 The FCR resulting from Formula in a given year is used for that year only.  
 10 Therefore actual revenues collected in a year do not change based on cost data for subsequent years.

11 **Re-estimation in ERIS-015: ROR is determined initially to be 10.0% on facilities in service prior to 1-1-06 and 11.25% on facilities in service on or after 1-1-06.**

Line Item	Description	Year Paid in Service				Year Paid in Service				WSP's Service				Total	Incentive Charged	Revenue Cost
		Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue			
27	Base FCR	2796														
28	W increased ROR	2798														
29	Base FCR	2800														
30	W increased ROR	2802														
31	Base FCR	2804														
32	W increased ROR	2806														
33	Base FCR	2808														
34	W increased ROR	2810														
35	Base FCR	2812														
36	W increased ROR	2814														
37	Base FCR	2816														
38	W increased ROR	2818														
39	Base FCR	2820														
40	W increased ROR	2822														
41	Base FCR	2824														
42	W increased ROR	2826														
43	Base FCR	2828														
44	W increased ROR	2830														
45	Base FCR	2832														
46	W increased ROR	2834														
47	Base FCR	2836														
48	W increased ROR	2838														
49	Base FCR	2840														
50	W increased ROR	2842														
51	Base FCR	2844														
52	W increased ROR	2846														
53	Base FCR	2848														
54	W increased ROR	2850														
55	Base FCR	2852														
56	W increased ROR	2854														
57	Base FCR	2856														
58	W increased ROR	2858														
59	Base FCR	2860														
60	W increased ROR	2862														