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May 15, 2015

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, DC 20426

Re: Atlantic City Electric Company (“Atlantic City”)
Informational Filing of 2015 Formula Rate Annual Update in
Docket No. ER09-1156 and Pursuant to Approved Settlement Agreement
in Docket Nos. ER05-515-000, *et al.*

Dear Ms. Bose,

Atlantic City hereby submits electronically, for informational purposes, its 2015 Annual Formula Rate Update. On April 19, 2006, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. ER05-515-000, *et al.*, (115 FERC ¶ 61,066). Formula rate implementation protocols contained in the Settlement provide that:

[o]n or before May 15 of each year, Atlantic [Atlantic City Electric Company] shall recalculate its Annual Transmission Revenue Requirements, producing an “Annual Update” for the upcoming Rate Year, and:

- (i) post such Annual Update on PJM’s Internet website via link to the Transmission Services page or a similar successor page; and
- (ii) file such Annual Update with FERC as an informational filing.¹

The same information contained in this informational filing has been transmitted to PJM for posting on its website as required by the formula rate implementation protocols. Thus, all interested parties should have ample notice of and access to the Annual Update. The protocols provide specific procedures for notice, review, exchanges of information and potential challenges to aspects of the Annual Update. Consequently,

¹ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H1-B, Section 1.b.

and as the Commission has concluded, there is no need for the Commission to notice this informational filing for comment.²

Atlantic City's 2015 Annual Update contains no expenses or costs that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, as defined in 18 C.F.R. § 35.13(b)(7).

Atlantic City has made no Material Accounting Changes as defined in the Settlement.³ Atlantic City has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Settlement.⁴ In addition, Atlantic City has not recorded any extraordinary property losses in FERC Account 182.1. Therefore, no amortization is required over the periods described in the Settlement.⁵

Thank you for your attention to this informational filing. Please direct any questions to the undersigned.

Very truly yours,

/s/ Amy L. Blauman

Amy L. Blauman
Associate General Counsel
Atlantic City Electric Company

Enclosures

² See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1156 (February 17, 2010).

³ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.f.(iii). For the Commission's information, Atlantic City no longer records PHI Service Company costs in Account 923 "Outside Services Employed," if those costs meet the definition of Account 928 "Regulatory Commission Expenses."

⁴ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.g.

⁵ See Settlement, Exhibit B-1 containing PJM Tariff Attachment H-1B, Section 1.h.

ATTACHMENT H-1A

Atlantic City Electric Company

Formula Rate - Appendix A

Notes FERC Form 1 Page # or Instruction

2014

Shaded cells are input cells

Allocators

1	Wages & Salary Allocation Factor			
	Transmission Wages Expense		p354.21.b	\$ 2,239,982
2	Total Wages Expense		p354.28b	\$ 27,471,315
3	Less A&G Wages Expense		p354.27b	\$ 1,047,152
4	Total		(Line 2 - 3)	26,424,163
5	Wages & Salary Allocator		(Line 1 / 4)	8.4770%
Plant Allocation Factors				
6	Electric Plant In Service	(Note B)	p207.104g (see Attachment 5)	\$ 2,928,413,842
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	2,928,413,842
9	Accumulated Depreciation (Total Electric Plant)		p219.29c (see Attachment 5)	\$ 739,384,650
10	Accumulated Intangible Amortization		p200.21c	\$ 16,702,099
11	Accumulated Common Amortization - Electric	(Note A)	p356	\$ -
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	\$ -
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	756,086,749
14	Net Plant		(Line 8 - 13)	2,172,327,093
15	Transmission Gross Plant		(Line 29 - Line 28)	877,312,310
16	Gross Plant Allocator		(Line 15 / 8)	29.9586%
17	Transmission Net Plant		(Line 39 - Line 28)	647,462,905
18	Net Plant Allocator		(Line 17 / 14)	29.8050%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 838,506,779
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6 - Enter Negative	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	26,153,337
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	864,660,116
23	General & Intangible		p205.5.g & p207.99.g (see Attachment 5)	\$ 149,252,824
24	Common Plant (Electric Only)	(Notes A & B)	p356	\$ -
25	Total General & Common		(Line 23 + 24)	149,252,824
26	Wage & Salary Allocation Factor		(Line 5)	8.47702%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	12,652,194
28	Plant Held for Future Use (Including Land)	(Note C)	p214	782,029
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	878,094,339
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 223,585,359
31	Accumulated General Depreciation		p219.28.c (see Attachment 5)	\$ 57,192,317
32	Accumulated Intangible Amortization		(Line 10)	16,702,099
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)	73,894,416
36	Wage & Salary Allocation Factor		(Line 5)	8.47702%
37	General & Common Allocated to Transmission		(Line 35 * 36)	6,264,046
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	229,849,405
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	648,244,934

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-181,596,841
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	0
42	Net Plant Allocation Factor		(Line 18)	29.81%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-181,596,841
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B)	p216.43.b as Shown on Attachment 6	0
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-2,470,750
Prepayments				
45	Prepayments	(Note A)	Attachment 5	8,392,275
46	Total Prepayments Allocated to Transmission		(Line 45)	8,392,275
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,260,277
48	Wage & Salary Allocation Factor		(Line 5)	8.48%
49	Total Transmission Allocated		(Line 47 * 48)	106,834
50	Transmission Materials & Supplies		p227.8c	\$ 1,751,752
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	1,858,586
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	18,077,392
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	2,259,674
Network Credits				
55	Outstanding Network Credits	(Note N)	From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0
57	Net Outstanding Credits		(Line 55 - 56)	0
58	TOTAL Adjustment to Rate Base		(Line 43 + 43a + 44 + 46 + 51 + 54 - 57)	-171,557,055
59	Rate Base		(Line 39 + 58)	476,687,879

O&M

60	Transmission O&M				
61	Transmission O&M		p321.112.b (see Attachment 5)	\$	12,996,745
62	Less extraordinary property loss		Attachment 5		0
63	Plus amortized extraordinary property loss		Attachment 5		0
64	Less Account 565		p321.96.b	\$	-
65	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	\$	-
66	Plus Transmission Lease Payments	(Note A)	p200.3c	\$	-
66	Transmission O&M		(Lines 60 - 63 + 64 + 65)		12,996,745
Allocated General & Common Expenses					
67	Common Plant O&M	(Note A)	p356	\$	-
68	Total A&G		p323.197.b (see Attachment 5)	\$	62,776,639
69	Less Property Insurance Account 924		p323.185b	\$	367,746
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$	4,305,510
71	Less General Advertising Exp Account 930.1		p323.191b	\$	108,372
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	\$	-
73	Less EPRI Dues	(Note D)	p352-353	\$	135,371
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)		57,859,640
75	Wage & Salary Allocation Factor		(Line 5)		8.4770%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)		4,904,774
Directly Assigned A&G					
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b		66,266
78	General Advertising Exp Account 930.1	(Note K)	p323.191b		0
79	Subtotal - Transmission Related		(Line 77 + 78)		66,266
80	Property Insurance Account 924		p323.185b	\$	367,746
81	General Advertising Exp Account 930.1	(Note F)	p323.191b		0
82	Total		(Line 80 + 81)		367,746
83	Net Plant Allocation Factor		(Line 18)		29.81%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)		109,607
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)		18,077,392

Depreciation & Amortization Expense

Depreciation Expense					
86	Transmission Depreciation Expense		p336.7b&c		19,681,563
87	General Depreciation		p336.10b&c		6,741,561
88	Intangible Amortization	(Note A)	p336.1d&e		49,728
89	Total		(Line 87 + 88)		6,791,289
90	Wage & Salary Allocation Factor		(Line 5)		8.4770%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)		575,699
92	Common Depreciation - Electric Only	(Note A)	p336.11.b		0
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d		0
94	Total		(Line 92 + 93)		0
95	Wage & Salary Allocation Factor		(Line 5)		8.4770%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)		0
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)		20,257,262

Taxes Other than Income

98	Taxes Other than Income		Attachment 2		1,011,390
99	Total Taxes Other than Income		(Line 98)		1,011,390

Return / Capitalization Calculations

Long Term Interest					
100	Long Term Interest		p117.62c through 67c		64,016,473
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8		12,935,772
102	Long Term Interest		*(Line 100 - line 101)*		51,080,701
103	Preferred Dividends	enter positive	p118.29c	\$	-
Common Stock					
104	Proprietary Capital		p112.16c	\$	887,829,155
105	Less Preferred Stock	enter negative	(Line 114)		0
106	Less Account 216.1	enter negative	p112.12c	\$	-
107	Common Stock		(Sum Lines 104 to 106)		887,829,155
Capitalization					
108	Long Term Debt		p112.17c through 21c	\$	1,053,163,351
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	\$	(7,698,729)
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	\$	-
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1		-3,128,863
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8		-149,148,351
113	Total Long Term Debt		(Sum Lines 108 to 112)		893,187,408
114	Preferred Stock		p112.3c	\$	-
115	Common Stock		(Line 107)		887,829,155
116	Total Capitalization		(Sum Lines 113 to 115)		1,781,016,563
117	Debt %	Total Long Term Debt	(Note Q)	(Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Note Q)	(Line 114 / 116)	0%
119	Common %	Common Stock	(Note Q)	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt		(Line 102 / 113)	0.0572
121	Preferred Cost	Preferred Stock		(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note J)	Fixed	0.1130
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 117 * 120)	0.0286
124	Weighted Cost of Preferred	Preferred Stock		(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock		(Line 119 * 122)	0.0565
126	Total Return (R)			(Sum Lines 123 to 125)	0.0851
127	Investment Return = Rate Base * Rate of Return			(Line 59 * 126)	40,563,572

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate		35.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	8.99%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T = 1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	40.85%
132	T / (1-T)		69.05%
ITC Adjustment			
133	Amortized Investment Tax Credit	(Note I) enter negative	\$ (448,414)
134	T/(1-T)	p266.8f (Line 132)	69.05%
135	Net Plant Allocation Factor	(Line 18)	29.8050%
136	ITC Adjustment Allocated to Transmission	(Line 133 * (1 + 134) * 135)	-225,937
137	Income Tax Component =	$CIT = (T/1-T) * Investment\ Return * (1 - (WCLTD/R)) =$	[Line 132 * 127 * (1 - (123 / 126))] 18,597,595
138	Total Income Taxes	(Line 136 + 137)	18,371,657

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment	(Line 39)	648,244,934
140	Adjustment to Rate Base	(Line 58)	-171,557,055
141	Rate Base	(Line 59)	476,687,879
142	O&M	(Line 85)	18,077,392
143	Depreciation & Amortization	(Line 97)	20,257,262
144	Taxes Other than Income	(Line 99)	1,011,390
145	Investment Return	(Line 127)	40,563,572
146	Income Taxes	(Line 138)	18,371,657
147	Gross Revenue Requirement	(Sum Lines 142 to 146)	98,281,274
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service	(Line 19)	838,506,779
149	Excluded Transmission Facilities	(Note M) Attachment 5	0
150	Included Transmission Facilities	(Line 148 - 149)	838,506,779
151	Inclusion Ratio	(Line 150 / 148)	100.00%
152	Gross Revenue Requirement	(Line 147)	98,281,274
153	Adjusted Gross Revenue Requirement	(Line 151 * 152)	98,281,274
Revenue Credits & Interest on Network Credits			
154	Revenue Credits	Attachment 3	2,894,356
155	Interest on Network Credits	(Note N) PJM Data	-
156	Net Revenue Requirement	(Line 153 - 154 + 155)	95,386,918
Net Plant Carrying Charge			
157	Net Revenue Requirement	(Line 156)	95,386,918
158	Net Transmission Plant	(Line 19 - 30)	614,921,420
159	Net Plant Carrying Charge	(Line 157 / 158)	15.5121%
160	Net Plant Carrying Charge without Depreciation	(Line 157 - 86) / 158	12.3114%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 157 - 86 - 127 - 138) / 158	2.7272%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes	(Line 156 - 145 - 146)	36,451,689
163	Increased Return and Taxes	Attachment 4	62,964,473
164	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 162 + 163)	99,416,162
165	Net Transmission Plant	(Line 19 - 30)	614,921,420
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 164 / 165)	16.1673%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation	(Line 163 - 86) / 165	12.9666%
168	Net Revenue Requirement	(Line 156)	95,386,918
169	True-up amount	Attachment 6	3,700,606
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	439,835
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)	Attachment 5	-
172	Net Zonal Revenue Requirement	(Line 168 - 169 + 171)	99,527,358
Network Zonal Service Rate			
173	1 CP Peak	(Note L) PJM Data	2,444
174	Rate (\$/MW-Year)	(Line 172 / 173)	40,731
175	Network Service Rate (\$/MW/Year)	(Line 174)	40,731

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.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ "the percentage of federal income tax deductible for state income taxes". If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to use amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.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.
Per FERC order in Docket No. ER08-10, 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. Per FERC orders in Docket Nos. ER08-686 and ER08-1423, the ROE for specific projects identified or to be identified in Attachment 7 is 12.80%, which includes a 150 basis-point transmission incentive ROE adder as authorized by FERC to become effective June 1, 2008 and November 1, 2008 respectively.
- J 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.

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	-	(613,363,777)	-	
ADIT-283	(791,062)	(18,447,587)	(41,924,151)	
ADIT-190	420,470	36,964,511	6,317,852	
Subtotal	(370,592)	(594,846,854)	(35,606,299)	
Wages & Salary Allocator			8.4770%	
Gross Plant Allocator		29.9586%		
ADIT	(370,592)	(178,207,895)	(3,018,354)	(181,596,841)

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 111.
Amount 3,128,863

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

ADIT-190	A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
190 1999 AMT		1,625,338			1,625,338		Plant related
190 Accrual Labor Related		5,890,325				5,890,325	For book purposes, the costs are expensed when a formal plan is adopted and the employees to be severed have been identified. For tax purposes, the costs are deductible when they are paid to the severed individual. Affects company personnel across all functions. For book purposes, deferred compensation and deferred payments are expensed when accrued. For tax purposes, they are not deducted until paid.
190 Accrued Liab - Auto		233,978				233,978	Affects company personnel across all functions
190 Accrued Liab - Misc.		3,564,210			3,564,210		Related to T&D plant
190 Accrued Liability - General		788,577			788,577		Related to T&D plant
190 Accumulated Deferred Investment Tax Credit		1,616,098			1,616,098		Related to T&D plant
190 BAD DEBT RESERVE		3,696,951	3,696,951				Under the Tax Reform Act of 1986, taxpayers were required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. The amount represents the add back of book reserve. Retail related.
190 BGS Deferred Related - Retail		16	16				Retail related
190 Charitable Contribution Limit		872,874	872,874				Related to gas, production or other
190 ENVIRONMENTAL EXPENSE		782,829	782,829				These deferred taxes are the result of a deduction taken for book purposes to set aside a reserve for environmental site clean-up expenses. For tax no deduction is permitted until the "all events" test is met typically when economic performance has occurred. This book reserve is primarily related to Deepwater and BL England sites which should not be in transmission service. Generation Related
190 MARK TO MARKET \$ 475 ADJUSTMENT		90,261	90,261				Relates to Above Market Energy Supply Contracts. All Generation related.
190 OPEB		14,824,880				14,824,880	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 Req Asset - FERC Formula Rate Adj. Trans. Svc.		420,470		420,470			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
190 SECTION 461(H) - PREPAID INSURANCE		2,617,534			2,617,534		Book records a deduction for accrual liabilities of worker compensation and T&D property insurance. A tax deduction is only allowed for actual payments made. Related to both T & D plant
190 SERP		193,549				193,549	Affects company personnel across all functions.
190 Stranded Costs		3,337,529	3,337,529				All Generation related
190 Federal NOL		14,584,008				14,584,008	Related to both T & D plant
190 State NOL		13,784,845				13,784,845	Related to both T & D plant
190 FAS 109 Deferred Taxes - 190		1,282,671			1,282,671		Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the tax gross-up necessary for full recovery of the prior flow-through amounts. Related to all plant
190 Subtotal - p234		70,206,942	8,780,460	420,470	39,863,280	21,142,732	
Less FASB 109 Above if not separately removed		2,898,769			2,898,769		
190 Less FASB 106 Above if not separately removed		14,824,880				14,824,880	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. Amounts paid to participants or funded through the VEBA or 401(h) accounts are currently deductible for tax purposes. Affects company personnel across all functions.
190 Total		52,483,293	8,780,460	420,470	36,964,511	6,317,852	

Instructions for Account 190:
 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
 2. ADIT items related only to Transmission are directly assigned to Column D
 3. ADIT items related to Plant and not in Columns C & D are included in Column E
 4. ADIT items related to labor and not in Columns C & D are included in Column F
 5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.
 6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

ADIT-282	A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
282 Plant Related - APB 11 Deferred Taxes		(613,363,777)			(613,363,777)		This deferred tax balance relates to our plant and results from life and method differences. Related to both T & D plant.
282 Plant Related - FAS109 Deferred Taxes		(24,889,799)			(24,889,799)		Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the deferred taxes on prior flow-through items. Related to all plant.
Subtotal - p275		(638,253,576)			(638,253,576)		
Less FASB 109 Above if not separately removed		(24,889,799)			(24,889,799)		
Less FASB 106 Above if not separately removed							
282 Total		(613,363,777)			(613,363,777)		

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

ADIT-283	A	B Total	C Gas, Prod or Other Related	D Only Transmission Related	E Plant	F Labor	G Justifications
283 Accrual Labor Related		(2,255,143)				(2,255,143)	Affects company personnel across all functions.
283 Amortization of OPEB		(2)				(2)	OPEB, labor related and relates to all functions
283 ASBESTOS REMOVAL		(2)	(2)				Costs incurred and paid by the company for asbestos removal were tax deductible in full as paid. These costs were deferred and amortized for book purposes. Generation related.
283 BGS Deferred Related - Retail		(21,699,776)	(21,699,776)				Retail related
283 Decommissioning & Decontamination		12,244	12,244				Related to gas, production or other
283 DEFERRED EXPENSE CLEARING		(752,834)			(752,834)		Reflects the deferred taxes generated as a result of the tax deductions taken for actual store room expenses. For book purposes, these amounts were recorded as an asset in FERC account 165.
283 DSM COSTS		(118,040)	(118,040)				For books, Demand Side Management Costs are deferred. For tax these costs are expensed when paid. These deferred taxes are the result of this book/tax difference which is retail in nature. Retail related.
283 Interest on Contingent Taxes		(9,909,704)			(9,909,704)		Estimated book interest income on prior year taxes not included for tax purposes.
283 Loss on Reacquired Debt		3,128,863	3,128,863				The cost of bond redemption is deductible currently for tax purposes and is amortized over the life of the new bond issue for book purposes. Excluded here since included in Cost of Debt
283 Misc. Deferred Debits - Retail		(44,379)	(44,379)				Retail related
283 NJG BUYOUT		(14,291,857)	(14,291,857)				Generation related
283 PENSION PAYMENT RESERVE		(39,220,043)				(39,220,043)	Affects company personnel across all functions.
283 Req Asset - FERC Formula Rate Adj. Trans. Svc.		(791,062)		(791,062)			When a regulatory asset/liability is established, books credit/debit income, which for tax purposes needs to be reversed along with the associated amortization.
283 Req Asset-NJ Rec.Base		(7,946,070)			(7,946,070)		Related to both T & D plant
283 Regulatory Asset - General		(448,962)				(448,962)	Regulatory liability for universal service fund
283 Regulatory Asset - NJ RGGI		(1,163,433)	(1,163,433)				Related to gas, production or other
283 Regulatory Asset - SREC Program		(3,615,820)	(3,615,820)				Generation related - Solar Renewable Energy/Certificate Program
283 Stranded Costs		(26,676,789)	(26,676,789)				All Generation related
283 Use Tax reserve		161,020			161,020		For book purposes, SFAS 5 reserves are established for potential prior year sales and use tax liabilities. For tax purposes, these liabilities can only be deducted when the amounts become fixed liabilities and are paid. Related to all plant.

283	Gross up on FAS 109 Deferred Taxes	(17,187,269)			(17,187,269)		Pursuant to the requirements of FAS 109, ACE's accumulated deferred income taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances represent the tax gross-up necessary for full recovery of the prior flow-through amounts. Related to all plant.
283	Subtotal - e227 (Form 1-F filer: see note 6, below)	(142,819,059)	(64,468,990)	(791,062)	(35,634,856)	(41,924,151)	
283	Less FASB 109 Above if not separately removed	(17,187,269)			(17,187,269)		
283	Less FASB 106 Above if not separately removed						
283	Total	(125,631,790)	(64,468,990)	(791,062)	(18,447,587)	(41,924,151)	

Instructions for Account 283:

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

ADITC-255		Balance	Amortization
1	Rate Base Treatment		
2	Balance to line 41 of Appendix A	Total	
3	Amortization		
4	Amortization to line 133 of Appendix A	Total	4,858,878
5	Total		4,858,878
6	Form No. 1 balance (p.266) for amortization	Total Form No. 1 (p.266 & 267)	4,858,878
7	Difference /1		0

/1 Difference must be zero

Atlantic City Electric Company

Attachment 2 - Taxes Other Than Income Worksheet

<i>Other Taxes</i>	<i>Page 263 Col (i)</i>	<i>Allocator</i>	<i>Allocated Amount</i>
Plant Related		Gross Plant Allocator	
1 Real property (State, Municipal or Local)	2,749,102		
2 Personal property	-		
3 City License	-		
4 Federal Excise	14,210		
Total Plant Related	2,763,312	29.9586%	827,850
Labor Related		Wages & Salary Allocator	
5 Federal FICA & Unemployment	1,860,922		
6 Unemployment	294,694		
Total Labor Related	2,155,616	8.4770%	182,732
Other Included		Gross Plant Allocator	
7 Miscellaneous	2,698		
Total Other Included	2,698	29.9586%	808
Total Included			1,011,390
Excluded			
8 State Franchise tax	-		
9 TEFA	(103,352)		
10 Use & Sales Tax	(595,385)		
11 Total "Other" Taxes (included on p. 263)	4,222,889		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	4,222,889		
13 Difference	-		

Criteria for Allocation:

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

Atlantic City Electric Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1 Rent from Electric Property - Transmission Related (Note 3)		894,990
2 Total Rent Revenues	(Sum Line 1)	894,990

Account 456 - Other Electric Revenues (Note 1)

3 Schedule 1A		\$ 867,192
4 Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)		-
5 Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner (Note 4)		1,143,075
6 PJM Transitional Revenue Neutrality (Note 1)		-
7 PJM Transitional Market Expansion (Note 1)		-
8 Professional Services (Note 3)		-
9 Revenues from Directly Assigned Transmission Facility Charges (Note 2)		619,380
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11 Gross Revenue Credits	(Sum Lines 2-10)	3,524,637
12 Less line 17g		(630,281)
13 Total Revenue Credits		2,894,356

Revenue Adjustment to determine Revenue Credit

- 14 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 173 of Appendix A.
- 15 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.
- 16 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

17a Revenues included in lines 1-11 which are subject to 50/50 sharing.		894,990
17b Costs associated with revenues in line 17a		365,572
17c Net Revenues (17a - 17b)		529,418
17d 50% Share of Net Revenues (17c / 2)		264,709
17e Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.		-
17f Net Revenue Credit (17d + 17e)		264,709
17g Line 17f less line 17a		(630,281)
18 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.		10,284,670
19 Amount offset in line 4 above		88,320,039
20 Total Account 454, 456 and 456.1		102,129,346
21 Note 4: SECA revenues booked in Account 447.		

Atlantic City Electric Company

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 127 + Line 138)	62,964,473
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	476,687,879
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	64,016,473
101	Less LTD Interest on Securitization B _i (Note P)		Attachment 8	12,935,772
102	Long Term Interest		"(Line 100 - line 101)"	51,080,701
103	Preferred Dividends	enter positive	p118.29c	0
Common Stock				
104	Proprietary Capital		p112.16c	887,829,155
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	0
107	Common Stock		(Sum Lines 104 to 106)	887,829,155
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,053,163,351
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-7,698,729
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	-3,128,863
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-149,148,351
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)	893,187,408
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	887,829,155
116	Total Capitalization		(Sum Lines 113 to 115)	1,781,016,563
117	Debt %	(Note Q from Appendix A)	Total Long Term Debt (Line 113 / 116)	50%
118	Preferred %	(Note Q from Appendix A)	Preferred Stock (Line 114 / 116)	0%
119	Common %	(Note Q from Appendix A)	Common Stock (Line 115 / 116)	50%
120	Debt Cost		Total Long Term Debt (Line 102 / 113)	0.0572
121	Preferred Cost		Preferred Stock (Line 103 / 114)	0.0000
122	Common Cost	(Note J from Appendix A)	Common Stock Appendix A % plus 100 Basis Pts	0.1230
123	Weighted Cost of Debt		Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0286
124	Weighted Cost of Preferred		Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common		Common Stock (Line 119 * 122)	0.0615
126	Total Return (R)		(Sum Lines 123 to 125)	0.0901
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	42,947,011

Composite Income Taxes

(Note L)

Income Tax Rates				
128	FIT=Federal Income Tax Rate			35.00%
129	SIT=State Income Tax Rate or Composite			8.99%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T		$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	40.85%
132	T/ (1-T)			69.05%
ITC Adjustment				
133	Amortized Investment Tax Credit	enter negative	p266.8f	-448,414
134	T/(1-T)		(Line 132)	69.05%
135	Net Plant Allocation Factor		(Line 18)	29.8050%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-225,937
137	Income Tax Component =	$CIT = (T/(1-T)) * Investment Return * (1 - (WCLTD/R)) =$		20,243,400
138	Total Income Taxes			20,017,462

Atlantic City Electric Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
10	Accumulated Intangible Amortization	(Note A)	p200.21c	16,702,099	16,702,099	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	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p266.h	4,858,878	4,858,878	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	1,260,277	1,260,277	0	Respondent is Electric Utility only.
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3c	0	0	0	
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e	49,728	49,728	0	Respondent is Electric Utility only.
92	Common Depreciation - Electric Only	(Note A)	p336.11.b	0	0	0	
93	Common Amortization - Electric Only	(Note A)	p356 or p336.11d	0	0	0	

Transmission / Non-transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
28	Plant Held for Future Use (Including Land)	(Note C)	p214	13,292,544	782,029	12,510,515	Transmission Right of Way - Carl's Corner to Landis

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	2,928,510,397	0	0	See ARO Exclusion - Cost Support section below for Electric Plant in Service without AROs
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	838,506,779	0	0	See Form 1
24	Common Plant (Electric Only)	(Notes A & B)	p356	0	0	0	
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	223,585,359	0	0	See Form 1

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	EPRI Dues	Details	
Allocated General & Common Expenses							
73	Less EPRI Dues	(Note D)	p352-353	135,371	135,371		See Form 1

Atlantic City Electric Company

Attachment 5 - Cost Support

Regulatory Expense Related to Transmission Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	4,305,510	66,266	4,239,244	FERC Form 1 page 351 line 3 (h)
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	4,305,510	66,266	4,239,244	FERC Form 1 page 351 line 3 (h)

Safety Related Advertising Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
81	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.191b	108,372	-	108,372	None

MultiState Workpaper

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
129	Income Tax Rates SIT=State Income Tax Rate or Composite	(Note I)	8.9946%	NJ 9.00%	PA 9.990%				Enter Calculation Apportioned: NJ 8.8864%, PA 0.1082%

Education and Out Reach Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
78	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.191b	108,372	-	108,372	None

Excluded Plant Cost Support

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

Atlantic City Electric Company

Attachment 5 - Cost Support

Outstanding Network Credits Cost Support

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

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Total	Allocation	Transmission Related	Details
44 Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)				Enter \$		Amount	
Directly Assignable to Transmission				-	100%	-	
Labor Related, General plant related or Common Plant related				8,051,088	8.48%	682,492	
Plant Related				5,969,091	29.96%	1,788,257	
Other					0.00%	-	
Total Transmission Related Reserves				14,020,179		2,470,750	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Description of the Prepayments
45 Prepayments					
5	Wages & Salary Allocator		8.477%	To Line 45	
	Pension Liabilities, if any, in Account 242	-	8.477%	-	
	Prepayments	\$ 2,980,483	8.477%	252,656	
	Prepaid Pensions if not included in Prepayments	\$ 96,019,794	8.477%	8,139,619	Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
		99,000,277		8,392,275	
Add more lines if necessary					

Extraordinary Property Loss

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

Atlantic City Electric Company

Attachment 5 - Cost Support

Interest on Outstanding Network Credits Cost Support

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

Facility Credits under Section 30.9 of the PJM OATT and Facility Credits paid to Vineland per settlement in ER05-515 (Note R)

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
173	Network Zonal Service Rate 1 CP Peak	(Note L)	PJM Data	2,443.5	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Supporting documentation for FERC Form 1 reconciliation

Compliance with FERC Order on the Exelon Merger				Form 1 Amount	Merger Costs	Non Merger Related
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Merger Costs	Non Merger Related
60	Transmission O&M		p321.112.b	12,998,149	1,404	12,996,745
68	Total A&G		p323.197.b	63,969,747	1,193,108	62,776,639

ARO Exclusion - Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	ARO's	Non-ARO's
6	Electric Plant in Service		p207.104g	2,928,510,397	96,555	2,928,413,842
9	Accumulated Depreciation (Total Electric Plant)		p219.29c	739,424,882	40,232	739,384,650
23	General & Intangible		p205.5.g & p207.99.g	149,349,379	96,555	149,252,824
31	Accumulated General Depreciation		p219.28.c	57,232,549	40,232	57,192,317

Atlantic City Electric Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	\$ 13,882,162	\$ 11,785,623	\$ 24,382,713	\$ 5,667,656	\$ 55,718,155
Procurement & Administrative Services	7,001,366	4,598,470	10,475,398	343,584	22,418,818
Financial Services & Corporate Expenses	13,502,547	10,768,241	20,331,591	2,392,152	46,994,531
Insurance Coverage and Services	2,519,625	2,187,093	3,305,370	887,190	8,899,278
Human Resources	3,653,925	2,428,050	5,847,877	1,046,090	12,975,941
Legal Services	2,651,005	2,242,024	6,008,665	1,200,772	12,102,467
Audit Services	980,075	750,029	1,750,164	234,556	3,714,825
Customer Services	50,507,172	38,945,027	33,693,424	59,420	123,205,044
Utility Communication Services	56,240	-	87,358	-	143,598
Information Technology	15,350,317	11,421,231	34,068,152	334,163	61,173,863
External Affairs	3,329,577	2,605,534	5,487,511	670,032	12,092,654
Environmental Services	1,774,836	1,370,486	1,976,135	117,173	5,238,631
Safety Services	380,152	421,829	615,823	-	1,417,804
Regulated Electric & Gas T&D	33,672,104	25,702,737	45,555,831	330,416	105,261,089
Internal Consulting Services	699,514	376,268	1,019,829	1,904	2,097,515
Interns	208,653	118,776	144,867	180	472,476
Cost of Benefits	12,791,136	7,921,448	21,384,267	1,993,351	44,090,202
Building Services	4,513	110,543	4,224,537	-	4,339,592
Total	\$ 162,964,920	\$ 123,753,411	\$ 220,359,512	\$ 15,278,638	\$ 522,356,481

Name of Respondent PHI Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, 2014
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Schedule XVII - Analysis of Billing -- Associate Companies (Account 457)

1. For services rendered to associate companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Potomac Electric Power Company	57,214,714	162,918,093	226,705	220,359,512
2	Delmarva Power & Light Company	39,247,411	123,549,735	167,774	162,964,920
3	Atlantic City Electric Company	24,854,235	98,773,234	125,942	123,753,411
4	Pepco Energy Services, Inc.	2,653,237	5,856,129	9,444	8,518,810
5	Connectiv, LLC	3,919	46,852	59	50,830
6	Potomac Capital Investment Corporation	146,353	120,086	661	267,100
7	Thermal Energy Limited Partnership	16,405	723,744	728	740,877
8	ATS Operating Services, Inc.	106	322,506	331	322,943
9	Atlantic Southern Properties, Inc.	7,201	184,696	197	192,094
10	Connectiv Energy Supply, Inc.	20,415	8,175	36	28,626
11	Pepco Holdings, Inc.	4,226,510	595,934	1,568	4,824,012
12	Connectiv Properties and Investments, Inc.	694	156,517	166	157,377
13	Connectiv Thermal Systems, Inc.	4,666	108,488	117	113,271
14	Connectiv Communications, Inc.	53	10,566	10	10,619
15	Atlantic City Electric Transition Funding LLC	31,698	5,736	35	37,469
16	Connectiv North East, LLC	253	4,677	5	4,935
17	Delaware Operating Services Company, LLC	177	118	8	303
18	ATE Investment, Inc.	773	1,097	3	1,873
19	Atlantic Generation, Inc.	80	13	1	94
20	Connectiv Services II, Inc.	33	7,227	7	7,267
21	Connectiv Solutions LLC	136	2		136
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total	128,429,069	393,393,615	533,797	522,356,481

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2014
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	25,452,371	16,528,974	35,163,211	-	77,144,556	Not Included
182.3	Other Regulatory Assets	7,284,203	200,422	10,839,283	-	18,323,908	Not Included
184	Clearing Accounts - Other	(4,608)	(24,809)	126,528	(66,205)	30,906	Not Included
408.1	Taxes other than inc taxes, utility operating inc	1,811	15,040	1,849	-	18,699	Not Included
416-421	Other Income -Below the Line	266,750	465,608	570,194	15,344,844	16,647,396	Not Included
426.1-426.5	Other Income Deductions - Below the Line	3,271,318	2,695,830	5,494,225	-	11,461,373	Not Included
430	Interest-Debt to Associated Companies	346,840	260,349	468,738	-	1,075,927	Not Included
431	Interest-Short Term Debt	(179,066)	(134,408)	(242,033)	-	(555,506)	Not Included
556	System cont & load dispatch	2,177,755	1,891,923	1,705,407	-	5,775,084	Not Included
557	Other expenses	1,173,401	1,130,377	1,461,250	-	3,765,028	Not Included
560	Operation Supervision & Engineering	2,417,695	2,277,855	3,665,108	-	8,360,658	100% Included
561	Load dispatching	-	11	-	-	11	100% Included
561.1	Load Dispatching - Reliability	13,206	11,642	-	-	24,847	100% Included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	69,383	23,030	1,008,010	-	1,100,423	100% Included
561.3	Load Dispatch - Transmission Service & Scheduling	39,057	34,330	28,667	-	102,053	100% Included
561.5	Reliability, Planning and Standards	257,243	232,961	132,446	-	622,650	100% Included
563	Overhead line expenses	-	-	345	-	345	100% Included
562	Station expenses	-	-	8,533	-	8,533	100% Included
564	Underground Line Expenses - Transmission	-	-	6,641	-	6,641	100% Included
566	Miscellaneous transmission expenses	412,227	313,802	334,811	-	1,060,840	100% Included
568	Maintenance Supervision & Engineering	158,431	130,076	258,084	-	546,591	100% Included
569	Maint of structures	-	-	-	-	-	100% Included
569.2	Maintenance of Computer Software	571,924	291,641	454,366	-	1,317,931	100% Included
569.4	Maintenance of Transmission Plant	-	-	940	-	940	100% Included
570	Maintenance of station equipment	156,492	86,339	378,208	-	621,039	100% Included
571	Maintenance of overhead lines	146,461	170,076	249,124	-	565,660	100% Included
572	Maintenance of underground lines	35	272	9,974	-	10,281	100% Included
573	Maintenance of miscellaneous transmission plant	26,096	33,049	155,743	-	214,887	100% Included
580	Operation Supervision & Engineering	730,625	350,609	623,416	-	1,704,650	Not Included
581	Load dispatching	838,385	546,354	1,547,494	-	2,932,233	Not Included
582	Station expenses	837,194	-	115,333	-	952,527	Not Included
583	Overhead line expenses	77,312	125,967	29,852	-	233,131	Not Included
584	Underground line expenses	23,803	-	282,831	-	306,634	Not Included
585	Street lighting	11,177	-	41	-	11,218	Not Included
586	Meter expenses	786,669	575,817	1,622,146	-	2,984,632	Not Included
587	Customer installations expenses	69,822	341,159	487,591	-	898,572	Not Included
588	Miscellaneous distribution expenses	4,998,231	5,390,134	8,479,619	-	18,867,983	Not Included
589	Rents	30,570	6,315	20,959	-	57,844	Not Included
590	Maintenance Supervision & Engineering	865,163	720,247	338,570	-	1,923,980	Not Included
591	Maintain structures	-	-	1,937	-	1,937	Not Included
592	Maintain equipment	535,979	522,925	975,362	-	2,034,266	Not Included
593	Maintain overhead lines	1,107,894	653,471	1,798,778	-	3,560,142	Not Included
594	Maintain underground line	97,908	64,967	692,235	-	855,111	Not Included
595	Maintain line transformers	67	1,811	220,800	-	222,677	Not Included
596	Maintain street lighting & signal systems	44,641	37,249	8,246	-	90,136	Not Included
597	Maintain meters	27,120	31,452	41,070	-	99,642	Not Included
598	Maintain distribution plant	61,416	18,767	854,752	-	934,935	Not Included
800-894	Total Gas Accounts	2,210,101	-	-	-	2,210,101	Not Included
902	Meter reading expenses	188,544	49,162	49,142	-	286,847	Not Included
903	Customer records and collection expenses	41,899,731	39,033,339	33,166,986	-	114,100,056	Not Included
907	Supervision - Customer Svc & Information	82,458	10,418	108,745	-	201,620	Not Included
908	Customer assistance expenses	2,073,545	590,689	903,301	-	3,567,535	Not Included
909	Informational & instructional advertising	66,371	19,518	64,417	-	150,306	Not Included
912	Demonstrating and selling expense	7,962	-	-	-	7,962	Not Included
913	Advertising expense	30,520	-	-	-	30,520	Not Included
920	Administrative & General salaries	325,663	95,547	645,155	-	1,066,365	Wage & Salary Factor
921	Office supplies & expenses	14,314	12,513	24,279	-	51,106	Wage & Salary Factor
923	Outside services employed	48,702,231	40,630,932	84,352,816	-	173,685,978	Wage & Salary Factor
924	Property insurance	2,246	1,684	3,080	-	7,010	Net Plant Factor
925	Injuries & damages	2,046,510	1,624,059	3,293,661	-	6,964,230	Wage & Salary Factor
926	Employee pensions & benefits	6,990,629	3,656,906	11,806,837	-	22,454,372	Wage & Salary Factor
928	Regulatory commission expenses	1,280,938	532,794	1,787,129	-	3,600,860	Direct Transmission Only
929	Duplicate charges-Credit	240,484	131,613	1,078,264	-	1,450,360	Wage & Salary Factor
930.1	General ad expenses	273	-	13,789	-	14,062	Direct Transmission Only
930.2	Miscellaneous general expenses	1,268,142	1,121,501	2,354,056	-	4,743,699	Wage & Salary Factor
931	Rents	0	-	1	-	1	Wage & Salary Factor
935	Maintenance of general plant	331,262	221,104	287,172	-	839,538	Wage & Salary Factor
Total		162,964,920	123,753,411	220,359,512	15,278,638	522,356,481	

Atlantic City Electric Company

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form 1 data for Year 1 (e.g., 2004)
- 2 April Year 2 TO estimates all 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 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 CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates 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 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)
- 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)
87,722,798 Rev Req based on Year 1 data Must run Appendix A to get this number (without inputs in lines 20, 21 or 43a of Appendix A)

- 2 April Year 2 TO estimates all transmission Cap Adds and CWIP 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)		
	Monthly Additions	Monthly Additions	Monthly Additions	Monthly Additions		Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service		
	Other Plant In Service	Other Plant In Service	MAPP CWIP	MAPP In Service	Weighting	Amount (A x E)	Amount (B x E)	Amount (C x E)	Amount (D x E)	(F / 12)	(G / 12)	(H / 12)	(I / 12)		
Jan					11.5	-	-	-	-	-	-	-	-		
Feb					10.5	-	-	-	-	-	-	-	-		
Mar					9.5	-	-	-	-	-	-	-	-		
Apr					8.5	-	-	-	-	-	-	-	-		
May					7.5	-	-	-	-	-	-	-	-		
Jun					6.5	-	-	-	-	-	-	-	-		
Jul					5.5	-	-	-	-	-	-	-	-		
Aug	217,980				4.5	980,911	-	-	-	81,743	-	-	-		
Sep	1,967,886				3.5	6,887,601	-	-	-	573,967	-	-	-		
Oct					2.5	-	-	-	-	-	-	-	-		
Nov					1.5	-	-	-	-	-	-	-	-		
Dec					0.5	-	-	-	-	-	-	-	-		
Total	2,185,866					7,868,512	-	-	-	655,709	-	-	-		
New Transmission Plant Additions and CWIP (weighted by months in service)										655,709	-	-	-		
										655,709	-	-	655,709		
										Input to Line 21 of Appendix A		-	-	-	
										Input to Line 43a of Appendix A		-	-	-	
										Month In Service or Month for CWIP		8.40	#DIV/0!	#DIV/0!	#DIV/0!

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 655,709 Input to Formula Line 21

- 4 May Year 2 Post results of Step 3 on PJM web site
87,789,524 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)
\$ 87,789,524

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2005)
93,224,941 Rev Req 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 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)

Remove all Cap Adds placed in service in Year 2
 For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 **\$ 61,561,236** 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 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 / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)	
Jan	2,888,866				11.5	33,221,958	-	-	-	2,768,497	-	-	-	
Feb	2,063,237				10.5	21,663,990	-	-	-	1,805,333	-	-	-	
Mar	4,898,887				9.5	46,539,430	-	-	-	3,878,286	-	-	-	
Apr	4,007,472				8.5	34,063,510	-	-	-	2,838,626	-	-	-	
May	12,233,757				7.5	91,753,178	-	-	-	7,646,098	-	-	-	
Jun	7,326,379				6.5	47,621,462	-	-	-	3,968,455	-	-	-	
Jul	(68,580)				5.5	(377,193)	-	-	-	(31,433)	-	-	-	
Aug	(358,011)				4.5	(1,611,048)	-	-	-	(134,254)	-	-	-	
Sep	886,897				3.5	3,104,139	-	-	-	258,678	-	-	-	
Oct	3,080,853				2.5	7,702,133	-	-	-	641,844	-	-	-	
Nov	14,549,088				1.5	21,823,632	-	-	-	1,818,636	-	-	-	
Dec	10,052,392				0.5	5,026,196	-	-	-	418,850	-	-	-	
Total	61,561,236					310,531,386	-	-	-	25,877,615	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										25,877,615	-	-	-	
										Input to Line 21 of Appendix A	25,877,615	-	-	25,877,615
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWIP	6.96	#DIV/0!	#DIV/0!	#DIV/0!
89,677,518 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 CWIP 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 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 / 12)	(K) Other Plant In Service (G / 12)	(L) MAPP CWIP (H / 12)	(M) MAPP In Service (I / 12)	
Jan					11.5	-	-	-	-	-	-	-	-	
Feb					10.5	-	-	-	-	-	-	-	-	
Mar	11,324,742				9.5	107,585,052	-	-	-	8,965,421	-	-	-	
Apr	1,075,666				8.5	9,143,160	-	-	-	761,930	-	-	-	
May	26,281,577				7.5	197,111,825	-	-	-	16,425,985	-	-	-	
Jun					6.5	-	-	-	-	-	-	-	-	
Jul					5.5	-	-	-	-	-	-	-	-	
Aug					4.5	-	-	-	-	-	-	-	-	
Sep					3.5	-	-	-	-	-	-	-	-	
Oct					2.5	-	-	-	-	-	-	-	-	
Nov					1.5	-	-	-	-	-	-	-	-	
Dec					0.5	-	-	-	-	-	-	-	-	
Total	38,681,985					313,840,038	-	-	-	26,153,337	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										26,153,337	-	-	-	
										Input to Line 21 of Appendix A	26,153,337	-	-	26,153,337
										Input to Line 43a of Appendix A				
										Month In Service or Month for CWIP	3.89	#DIV/0!	#DIV/0!	#DIV/0!
95,826,753														

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		
89,677,518	-	86,103,438	=	3,574,081

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of 0.2800%

Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	297,840	0.2800%	11.5	9,590	307,431
Jul	Year 1	297,840	0.2800%	10.5	8,756	306,597
Aug	Year 1	297,840	0.2800%	9.5	7,923	305,763
Sep	Year 1	297,840	0.2800%	8.5	7,089	304,929
Oct	Year 1	297,840	0.2800%	7.5	6,255	304,095
Nov	Year 1	297,840	0.2800%	6.5	5,421	303,261
Dec	Year 1	297,840	0.2800%	5.5	4,587	302,427
Jan	Year 2	297,840	0.2800%	4.5	3,753	301,593
Feb	Year 2	297,840	0.2800%	3.5	2,919	300,759
Mar	Year 2	297,840	0.2800%	2.5	2,085	299,925
Apr	Year 2	297,840	0.2800%	1.5	1,251	299,091
May	Year 2	297,840	0.2800%	0.5	417	298,257
Total		3,574,081				3,634,125

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	3,634,125	0.2800%	308,384	3,335,917
Jul	Year 2	3,335,917	0.2800%	308,384	3,036,874
Aug	Year 2	3,036,874	0.2800%	308,384	2,736,993
Sep	Year 2	2,736,993	0.2800%	308,384	2,436,273
Oct	Year 2	2,436,273	0.2800%	308,384	2,134,711
Nov	Year 2	2,134,711	0.2800%	308,384	1,832,304
Dec	Year 2	1,832,304	0.2800%	308,384	1,529,051
Jan	Year 3	1,529,051	0.2800%	308,384	1,224,949
Feb	Year 3	1,224,949	0.2800%	308,384	919,995
Mar	Year 3	919,995	0.2800%	308,384	614,187
Apr	Year 3	614,187	0.2800%	308,384	307,523
May	Year 3	307,523	0.2800%	308,384	0
Total with interest				3,700,606	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 3,700,606
 Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 95,826,753
 Revenue Requirement for Year 3 99,527,358

10 May Year 3 Post results of Step 9 on PJM web site
 \$ 99,527,358 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)
 \$ 99,527,358

in Dockets No. ER08-686 and ER08-1423 the ROE for specific projects identified or to be identified in Attachment 7 is 12.80%, which includes a 150 basis-point transmission incentive ROE added as authorized by FERC to become effective June 1, 2008 and November

B0210 Orchard-500kV				B0210 Orchard-Below 500kV				B0277 Cumberland Sub:2nd Xfmr				B1398.5 Reconnector Mickleton - Depford - 230 Kv line				B1398.3.1 Mickleton Depford 230kv term		
Yes 35				Yes 35				Yes 35				Yes 35				Yes 35		
No 150				No 150				No 150				No 0				No 0		
12.3114%				12.3114%				12.3114%				12.3114%				12.3114%		
13.2943%				13.2943%				13.2943%				12.3114%				12.3114%		
26,046,638				18,572,212				6,759,777				4,127,104				12,794,561		
744,190				530,635				193,136				117,917				365,559		
7.00				7				2				5				5		
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending
21,271,421	744,190	20,527,231	3,271,377	15,167,306	530,635	14,636,672	2,332,612	5,826,284	193,136	5,633,148	886,655	4,127,104	68,785	4,058,319	610,057	12,794,561	213,243	12,581,318
21,271,421	744,190	20,527,231	3,473,132	15,167,306	530,635	14,636,672	2,476,471	5,826,284	193,136	5,633,148	942,021	4,127,104	68,785	4,058,319	610,057	12,794,561	213,243	12,581,318
20,527,231	744,190	19,783,042	3,179,756	14,636,672	530,635	14,106,037	2,267,283	5,633,148	193,136	5,440,011	862,877	4,058,319	117,917	3,940,402	603,035	12,581,318	365,559	12,215,759
20,527,231	744,190	19,783,042	3,374,198	14,636,672	530,635	14,106,037	2,405,927	5,633,148	193,136	5,440,011	916,345	4,058,319	117,917	3,940,402	603,035	12,581,318	365,559	12,215,759
19,783,042	744,190	19,038,852	3,088,136	14,106,037	530,635	13,575,403	2,201,955	5,440,011	193,136	5,246,875	839,100	3,940,402	117,917	3,822,485	588,518	12,215,759	365,559	11,850,201
19,783,042	744,190	19,038,852	3,275,263	14,106,037	530,635	13,575,403	2,335,383	5,440,011	193,136	5,246,875	890,669	3,940,402	117,917	3,822,485	588,518	12,215,759	365,559	11,850,201
19,038,852	744,190	18,294,662	2,996,516	13,575,403	530,635	13,044,768	2,136,626	5,246,875	193,136	5,053,738	815,322	3,822,485	117,917	3,704,568	574,001	11,850,201	365,559	11,484,642
19,038,852	744,190	18,294,662	3,176,329	13,575,403	530,635	13,044,768	2,264,839	5,246,875	193,136	5,053,738	864,993	3,822,485	117,917	3,704,568	574,001	11,850,201	365,559	11,484,642
18,294,662	744,190	17,550,473	2,904,896	13,044,768	530,635	12,514,133	2,071,298	5,053,738	193,136	4,860,602	791,544	3,704,568	117,917	3,586,650	559,484	11,484,642	365,559	11,119,083
18,294,662	744,190	17,550,473	3,077,394	13,044,768	530,635	12,514,133	2,194,295	5,053,738	193,136	4,860,602	839,317	3,704,568	117,917	3,586,650	559,484	11,484,642	365,559	11,119,083
17,550,473	744,190	16,806,283	2,813,276	12,514,133	530,635	11,983,499	2,005,970	4,860,602	193,136	4,667,465	767,766	3,586,650	117,917	3,468,733	544,966	11,119,083	365,559	10,753,524
17,550,473	744,190	16,806,283	2,978,460	12,514,133	530,635	11,983,499	2,123,752	4,860,602	193,136	4,667,465	813,641	3,586,650	117,917	3,468,733	544,966	11,119,083	365,559	10,753,524
16,806,283	744,190	16,062,093	2,721,656	11,983,499	530,635	11,452,864	1,940,641	4,667,465	193,136	4,474,329	743,988	3,468,733	117,917	3,350,816	530,449	10,753,524	365,559	10,387,965
16,806,283	744,190	16,062,093	2,879,525	11,983,499	530,635	11,452,864	2,053,208	4,667,465	193,136	4,474,329	787,965	3,468,733	117,917	3,350,816	530,449	10,753,524	365,559	10,387,965
16,062,093	744,190	15,317,904	2,630,036	11,452,864	530,635	10,922,229	1,875,313	4,474,329	193,136	4,281,192	720,211	3,350,816	117,917	3,232,899	515,932	10,387,965	365,559	10,022,406
16,062,093	744,190	15,317,904	2,780,591	11,452,864	530,635	10,922,229	1,982,664	4,474,329	193,136	4,281,192	762,289	3,350,816	117,917	3,232,899	515,932	10,387,965	365,559	10,022,406
15,317,904	744,190	14,573,714	2,538,416	10,922,229	530,635	10,391,595	1,809,984	4,281,192	193,136	4,088,056	696,433	3,232,899	117,917	3,114,981	501,415	10,022,406	365,559	9,656,847
15,317,904	744,190	14,573,714	2,681,656	10,922,229	530,635	10,391,595	1,912,120	4,281,192	193,136	4,088,056	736,613	3,232,899	117,917	3,114,981	501,415	10,022,406	365,559	9,656,847
14,573,714	744,190	13,829,524	2,446,796	10,391,595	530,635	9,860,960	1,744,656	4,088,056	193,136	3,894,919	672,655	3,114,981	117,917	2,997,064	486,897	9,656,847	365,559	9,291,288
14,573,714	744,190	13,829,524	2,582,722	10,391,595	530,635	9,860,960	1,841,576	4,088,056	193,136	3,894,919	710,937	3,114,981	117,917	2,997,064	486,897	9,656,847	365,559	9,291,288
13,829,524	744,190	13,085,335	2,355,176	9,860,960	530,635	9,330,326	1,679,327	3,894,919	193,136	3,701,783	648,877	2,997,064	117,917	2,879,147	472,380	9,291,288	365,559	8,925,729
13,829,524	744,190	13,085,335	2,483,787	9,860,960	530,635	9,330,326	1,771,032	3,894,919	193,136	3,701,783	685,261	2,997,064	117,917	2,879,147	472,380	9,291,288	365,559	8,925,729
13,085,335	744,190	12,341,145	2,263,556	9,330,326	530,635	8,799,691	1,613,999	3,701,783	193,136	3,508,646	625,099	2,879,147	117,917	2,761,229	457,863	8,925,729	365,559	8,560,171
13,085,335	744,190	12,341,145	2,384,853	9,330,326	530,635	8,799,691	1,700,488	3,701,783	193,136	3,508,646	659,585	2,879,147	117,917	2,761,229	457,863	8,925,729	365,559	8,560,171
12,341,145	744,190	11,596,955	2,171,936	8,799,691	530,635	8,269,056	1,548,670	3,508,646	193,136	3,315,510	601,322	2,761,229	117,917	2,643,312	443,346	8,560,171	365,559	8,194,612
12,341,145	744,190	11,596,955	2,285,918	8,799,691	530,635	8,269,056	1,629,944	3,508,646	193,136	3,315,510	633,909	2,761,229	117,917	2,643,312	443,346	8,560,171	365,559	8,194,612
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1, 2008 respectively

Revenue	Total	Incentive Charged	Revenue Credit
1,891,255	\$ 12,363,703		\$ 12,363,703
1,891,255	\$ 12,803,537	\$ 12,803,537	
1,869,488	\$ 9,588,608		\$ 9,588,608
1,869,488	\$ 10,012,652	\$ 10,012,652	
1,824,483	\$ 9,314,826		\$ 9,314,826
1,824,483	\$ 9,723,078	\$ 9,723,078	
1,779,478	\$ 9,041,044		\$ 9,041,044
1,779,478	\$ 9,433,504	\$ 9,433,504	
1,734,472	\$ 8,767,261		\$ 8,767,261
1,734,472	\$ 9,143,931	\$ 9,143,931	
1,689,467	\$ 8,493,479		\$ 8,493,479
1,689,467	\$ 8,854,357	\$ 8,854,357	
1,644,461	\$ 8,219,697		\$ 8,219,697
1,644,461	\$ 8,564,783	\$ 8,564,783	
1,599,456	\$ 7,945,914		\$ 7,945,914
1,599,456	\$ 8,275,209	\$ 8,275,209	
1,554,451	\$ 7,672,132		\$ 7,672,132
1,554,451	\$ 7,985,636	\$ 7,985,636	
1,509,445	\$ 7,398,350		\$ 7,398,350
1,509,445	\$ 7,696,062	\$ 7,696,062	
1,464,440	\$ 7,124,568		\$ 7,124,568
1,464,440	\$ 7,406,488	\$ 7,406,488	
1,419,435	\$ 6,850,785		\$ 6,850,785
1,419,435	\$ 7,116,915	\$ 7,116,915	
1,374,429	\$ 6,577,003		\$ 6,577,003
1,374,429	\$ 6,504,645	\$ 6,504,645	
....			
....			
	\$	\$	\$
		182,013,018	174,772,640

Atlantic City Electric Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest	
101	Less LTD Interest on Securitization Bonds	12,935,772
	Capitalization	
112	Less LTD on Securitization Bonds	149,148,351

Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2014 FERC Form 1
Pages 256-257 "Long Term Debt (Account 221, 222, 223, and 224)"
Line 25 "Note Payable to ACE Transition Funding - variable"
LTD Interest on Securitization Bonds in column (i)
LTD on Securitization Bonds in column (h)