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May 15, 2018

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

Re: Potomac Electric Power Company (“Pepco”), Docket No. ER09-1159
Informational Filing of 2018 Formula Rate Annual Update;
Notice of Annual Meeting

Dear Ms. Bose,

Pepco hereby submits electronically, for informational purposes, its 2018 Annual Formula Rate Update. On November 3, 2015, the Commission approved an uncontested settlement agreement (“Settlement”) filed in Docket Nos. EL13-48, *et al.*¹ Formula Rate implementation protocols contained in the Settlement provide that:

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

- (i) cause such Annual Update to be posted at a publicly accessible location on PJM’s internet website;
- (ii) cause notice of such posting to be provided to PJM’s membership; and
- (iii) file such Annual Update with the FERC as an informational filing.²

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

¹ Baltimore Gas and Electric Company, *et al.*, 153 FERC ¶ 61,140 (2015).

² See Settlement, Exhibit A containing PJM Tariff Attachment H9-B, Section 2.b.

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, and as the Commission has concluded, there is no need for the Commission to notice this informational filing for comment.³

Pepco's 2018 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).

Pepco has made no accounting changes as defined in the Settlement (and any accounting changes, including accounting policy harmonization changes related to the merger between Exelon and Pepco Holdings, Inc., are discussed in applicable disclosure statements filed within the Securities and Exchange Commission Form 10-K and within the FERC Form No. 1).⁴ Pepco has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth 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

Enclosures

cc: All parties on Service Lists in Docket Nos. ER05-515, EL13-48 and EL15-27.

³ See Letter Order Re: Annual Update to Formula Rate in Docket No. ER09-1159 (February 17, 2010).

⁴ See Settlement, Exhibit A containing PJM Tariff Attachment H9-B, Section 2.f.(iii)(d). Accounting entries related to the merger between Exelon and Pepco Holdings, Inc. were approved by FERC in Docket AC16-203 on March 17, 2017 and April 11, 2017.

⁵ See Settlement, Exhibit A containing PJM Tariff Attachment H9-B, Section 2.h.

ATTACHMENT H-9A

Potomac Electric Power Company				
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	2017
Shaded cells are input cells				
Allocators				
1	Wages & Salary Allocation Factor Transmission Wages Expense		p354.21b	\$ 7,990,917
2	Total Wages Expense		p354.28b	\$ 81,232,578
3	Less A&G Wages Expense		p354.27b	\$ 5,959,568
4	Total		(Line 2 - 3)	75,273,010
5	Wages & Salary Allocator		(Line 1 / 4)	10.6159%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	p207.104g (See attachment 5)	\$ 8,490,358,236
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	8,490,358,236
9	Accumulated Depreciation (Total Electric Plant)		p219.29c See attachment 5)	\$ 2,894,810,748
10	Accumulated Intangible Amortization	(Note A)	p200.21c	\$ 24,819,816
11	Accumulated Common Amortization - Electric	(Note A)	p356	0
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	0
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	2,919,630,565
14	Net Plant		(Line 8 - 13)	5,570,727,671
15	Transmission Gross Plant		(Line 29 - Line 28)	1,589,088,388
16	Gross Plant Allocator		(Line 15 / 8)	18.7164%
17	Transmission Net Plant		(Line 39 - Line 28)	1,107,196,849
18	Net Plant Allocator		(Line 17 / 14)	19.8753%
Plant Calculations				
Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g	\$ 1,554,445,764
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6 - Enter Negative	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	-
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	1,554,445,764
23	General & Intangible		p205.5.g & p207.99.g (see attachment 5)	326,327,325
24	Common Plant (Electric Only)	(Notes A & B)	p356	0
25	Total General & Common		(Line 23 + 24)	326,327,325
26	Wage & Salary Allocation Factor		(Line 5)	10.61591%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	34,642,624
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	1,589,088,388
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	466,991,003
31	Accumulated General Depreciation		p219.28.c (see attachment 5)	115,540,571
32	Accumulated Intangible Amortization		(Line 10)	24,819,816
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)	140,360,388
36	Wage & Salary Allocation Factor		(Line 5)	10.61591%
37	General & Common Allocated to Transmission		(Line 35 * 36)	14,900,536
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	481,891,539
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	1,107,196,849
Adjustment To Rate Base				
Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-330,583,532
41	Accumulated Investment Tax Credit Account No. 255	Enter Negative	p266.h	0
42	Net Plant Allocation Factor	(Notes A & I)	(Line 18)	19.88%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * 42) + Line 40	-330,583,532
43a	Transmission Related CWIP (Current Year 12 Month weighted average balances)	(Note B)	p216.43.b as Shown on Attachment 6	0
43b	Unamortized Abandoned Transmission Plant		Attachment 5	0
Transmission O&M Reserves				
44	Total Balance Transmission Related Account 242 Reserves	Enter Negative	Attachment 5	-8,362,856
Prepayments				
45	Prepayments	(Note A)	Attachment 5	40,704,919
46	Total Prepayments Allocated to Transmission		(Line 45)	40,704,919
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0
48	Wage & Salary Allocation Factor		(Line 5)	10.62%
49	Total Transmission Allocated		(Line 47 * 48)	0
50	Transmission Materials & Supplies		p227.8c	8,987,721
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	8,987,721
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	48,369,944
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	6,046,243
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 + 43b + 44 + 46 + 51 + 54 - 57)	-283,207,505
59	Rate Base		(Line 39 + 58)	823,989,343

O&M			
Transmission O&M			
60	Transmission O&M		31,719,430
61	Less extraordinary property loss	p321.112.b (see attachment 5)	0
62	Plus amortized extraordinary property loss	Attachment 5	0
63	Less Account 565	p321.96.b	0
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	0
65	Plus Transmission Lease Payments	(Note A) p200.3.c	0
66	Transmission O&M	(Lines 60 - 63 + 64 + 65)	31,719,430
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) p356	0
68	Total A&G	p323.197.b (see attachment 5)	159,379,059
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S) Attachment 5	1,830,717
69	Less Property Insurance Account 924	p323.185b	1,210,424
70	Less Regulatory Commission Exp Account 928	(Note E) p323.189b	4,320,061
71	Less General Advertising Exp Account 930.1	p323.191b	409,143
72	Less DE Enviro & Low Income and MD Universal Funds	p335.b	0
73	Less EPRI Dues	(Note D) p352-353	418,896
74	General & Common Expenses	(Lines 67 + 68) - Sum (69 to 73)	153,020,535
75	Wage & Salary Allocation Factor	(Line 5)	10.6159%
76	General & Common Expenses Allocated to Transmission	(Line 74 * 75)	16,244,526
Directly Assigned A&G			
77	Regulatory Commission Exp Account 928	(Note G) p323.189b	165,413
78	General Advertising Exp Account 930.1	(Note K) p323.191b	0
79	Subtotal - Transmission Related	(Line 77 + 78)	165,413
80	Property Insurance Account 924	p323.185b	1,210,424
81	General Advertising Exp Account 930.1	(Note F) p323.191b	0
82	Total	(Line 80 + 81)	1,210,424
83	Net Plant Allocation Factor	(Line 18)	19.88%
84	A&G Directly Assigned to Transmission	(Line 82 * 83)	240,575
85	Total Transmission O&M	(Line 66 + 76 + 79 + 84)	48,369,944

Depreciation & Amortization Expense			
Depreciation Expense			
86	Transmission Depreciation Expense	p336.7b&c	31,604,170
86a	Amortization of Abandoned Transmission Plant	Attachment 5	0
87	General Depreciation	p336.10b&c (see attachment 5)	9,471,130
88	Intangible Amortization	(Note A) p336.1d&e (see attachment 5)	551,834
89	Total	(Line 87 + 88)	10,022,965
90	Wage & Salary Allocation Factor	(Line 5)	10.6159%
91	General Depreciation Allocated to Transmission	(Line 89 * 90)	1,064,029
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)	10.6159%
96	Common Depreciation - Electric Only Allocated to Transmission	(Line 94 * 95)	0
97	Total Transmission Depreciation & Amortization	(Line 86 + 86a + 91 + 96)	32,668,199

Taxes Other than Income			
98	Taxes Other than Income	Attachment 2	12,209,747
99	Total Taxes Other than Income	(Line 98)	12,209,747

Return / Capitalization Calculations			
Long Term Interest			
100	Long Term Interest	p117.62c through 67c	130,227,602
101	Less LTD Interest on Securitization Bonds	(Note P) Attachment 8	0
102	Long Term Interest	"(Line 100 - line 101)"	130,227,602
103	Preferred Dividends	enter positive p118.29c	-
Common Stock			
104	Proprietary Capital	p112.16c	\$ 2,533,342,208
105	Less Preferred Stock	(Line 114)	0
106	Less Account 216.1	enter negative p112.12c	-1,646,367
107	Common Stock	enter negative (Sum Lines 104 to 106)	2,531,695,841
Capitalization			
108	Long Term Debt	p112.17c through 21c	2,542,952,327
109	Less Loss on Reacquired Debt	enter negative p111.81c	-15,226,454
110	Plus Gain on Reacquired Debt	enter positive p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative Attachment 1	4,111,752
112	Less LTD on Securitization Bonds	(Note P) Attachment 8	0
113	Total Long Term Debt	(Sum Lines 108 to 112)	2,531,837,625
114	Preferred Stock	p112.3c	0
115	Common Stock	(Line 107)	2,531,695,841
116	Total Capitalization	(Sum Lines 113 to 115)	5,063,533,466
117	Debt %	Total Long Term Debt (Line 113 / 116)	50%
118	Preferred %	Preferred Stock (Line 114 / 116)	0%
119	Common %	Common Stock (Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt (Line 102 / 113)	0.0514
121	Preferred Cost	Preferred Stock (Line 103 / 114)	0.0000
122	Common Cost	Common Stock (Note J) Fixed	0.1050
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 117 * 120)	0.0257
124	Weighted Cost of Preferred	Preferred Stock (Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock (Line 119 * 122)	0.0525
126	Total Return (R)	(Sum Lines 123 to 125)	0.0782
127	Investment Return = Rate Base * Rate of Return	(Line 59 * 126)	64,450,181

Composite Income Taxes

Income Tax Rates				
128	FIT=Federal Income Tax Rate			21.00%
129	SIT=State Income Tax Rate or Composite		(Note I)	7.60%
130	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	0.00%
131	T			27.00%
132	T/(1-T)	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		36.99%
ITC Adjustment				
133	Amortized Investment Tax Credit		(Note I) enter negative	-167,520
134	T/(1-T)		p266.8f (Line 132)	36.99%
135	Net Plant Allocation Factor		(Line 18)	19.8753%
136	ITC Adjustment Allocated to Transmission		(Line 133 * (1 + 134) * 135)	-45,612
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	[Line 132 * 127 * (1-(123 / 126))]	16,002,866
138	Total Income Taxes		(Line 136 + 137)	15,957,254

REVENUE REQUIREMENT

Summary				
139	Net Property, Plant & Equipment		(Line 39)	1,107,196,849
140	Adjustment to Rate Base		(Line 58)	-283,207,505
141	Rate Base		(Line 59)	823,989,343
142	O&M		(Line 85)	48,369,944
143	Depreciation & Amortization		(Line 97)	32,668,199
144	Taxes Other than Income		(Line 99)	12,209,747
145	Investment Return		(Line 127)	64,450,181
146	Income Taxes		(Line 138)	15,957,254
147	Gross Revenue Requirement		(Sum Lines 142 to 146)	173,655,325
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
148	Transmission Plant In Service		(Line 19)	1,554,445,764
149	Excluded Transmission Facilities	(Note M)	Attachment 5	0
150	Included Transmission Facilities		(Line 148 - 149)	1,554,445,764
151	Inclusion Ratio		(Line 150 / 148)	100.00%
152	Gross Revenue Requirement		(Line 147)	173,655,325
153	Adjusted Gross Revenue Requirement		(Line 151 * 152)	173,655,325
Revenue Credits & Interest on Network Credits				
154	Revenue Credits		Attachment 3	5,031,745
155	Interest on Network Credits	(Note N)	PJM Data	-
156	Net Revenue Requirement		(Line 153 - 154 + 155)	168,623,581
Net Plant Carrying Charge				
157	Net Revenue Requirement		(Line 156)	168,623,581
158	Net Transmission Plant		(Line 19 - 30)	1,087,454,761
159	Net Plant Carrying Charge		(Line 157 / 158)	15.5063%
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158	12.6000%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158	5.2059%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE				
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146)	88,216,146
163	Increased Return and Taxes		Attachment 4	86,051,349
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163)	174,267,494
165	Net Transmission Plant		(Line 19 - 30)	1,087,454,761
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165)	16.0253%
167	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 163 - 86) / 165	13.1190%
168	Net Revenue Requirement		(Line 156)	168,623,581
169	True-up amount		Attachment 6	4,213,939
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7	952,351
171	Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515		Attachment 5	-
171a	MAPP Abandonment recovery pursuant to ER13-607		Attachment 5	-
172	Net Zonal Revenue Requirement		(Line 168 - 169 + 171)	173,789,871
Network Zonal Service Rate				
173	1 CP Peak	(Note L)	PJM Data	6,097
174	Rate (\$/MW-Year)		(Line 172 / 173)	28,502
175	Network Service Rate (\$/MW/Year)		(Line 174)	28,502

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.

The ROE is 10.5% which includes a base ROE of 10.0% ROE per FERC order in Docket No. EL13-48 and a 50 basis point RTO membership adder as authorized by FERC: provided, that the projects identified in Docket Nos. ER08-686 and ER08-1423
- J have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.
- 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.
- S See Attachment 5 - Cost Support, section entitled "PBOP Expense in FERC Account 926" for additional information per FERC orders in Docket Nos. EL13-48 , EL15-27 and ER16-456.

Potomac Electric Power Company

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
ADIT- 282	0	(1,730,347,201)	0	
ADIT-283	(1,222,254)	(6,850,506)	(146,296,364)	
ADIT-190	0	36,976,338	41,347,776	
Subtotal	(1,222,254)	(1,700,221,369)	(104,948,588)	
Wages & Salary Allocator			10.6159%	
Gross Plant Allocator		18.7164%		
ADIT	(1,222,254)	(318,220,028)	(11,141,250)	(330,583,532)

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 (4,111,752)

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

A	B	C	D	E	F	G
ADIT-190	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Deferred Compensation	1,050,678	-	-	-	1,050,678	For book purposes, deferred compensation and deferred payments are expensed when accrued. For tax purposes, they are deducted when paid. Affects Company personnel across all functions.
Allowance for Doubtful Accounts	5,803,794	5,803,794	-	-	-	Under the Tax Reform Act of 1986, taxpayers are required to account for bad debts using the specific write-off method. The reserve method is used for book purposes. This amount represents the deferred tax asset related to the add-back of book reserves for tax purposes. This deferred tax asset is retail related.
Accrued Liabilities	78,513,571	54,496,517	-	-	24,017,054	For book purposes the liabilities are accrued with an offset to book expense. For tax purposes, a deduction is not allowed until the liability is paid.
Environmental Expense	7,206,005	7,206,005	-	-	-	For book purposes an environmental reserve is established with an offset to book expense for future environmental costs to be paid for clean-up. For tax purposes, no deduction is allowed until the environmental liability is paid. Relates to the retail function.
Charitable Contribution Carryforward	3,518,292	3,518,292	-	-	-	Pepco is in a net operating loss carryforward position, therefore, Pepco's charitable contributions are carried forward until such time as Pepco or its Parent company can use them in its consolidated federal income tax return. For book purposes, the contributions are expensed when incurred. Charitable contributions are not included in Operating Income and any related deferred income taxes are excluded from Rate Base.
Capital Loss Limitation	63,332	63,332	-	-	-	Tax capital losses are limited to the amount of tax capital gains.
FAS 106 OPEB Adjustment	9,856,980	-	-	-	9,856,980	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.
Regulatory Liabilities	1,541,500	1,541,500	-	-	-	When a regulatory asset/liability is established, books credits/debits income, which for tax purposes needs to be reversed along with the associated amortization
FAS 109 - Deferred Taxes on ITC	715,724	-	-	715,724	-	Pursuant to the requirements of FAS 109, Pepco's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant.
FAS 109 - Regulatory Liability	216,731,382	-	-	216,731,382	-	Pursuant to the requirements of FAS 109, Pepco's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant.
Federal & State NOL	36,370,016	6,842,135	-	29,527,881	-	PHI's consolidated return is in an NOL situation, therefore, they are carried forward until such time as PHI is in a taxable income position.
Other 190 Deferred Taxes	4,211,979	4,211,979	-	-	-	Miscellaneous temporary differences including DC Gross Receipts Tax and Sales and Use Tax
Merger Commitment Deferrals	8,546,200	8,546,200	-	-	-	Deferral of Merger Commitment expenses that are non-deductible until paid.
Interest on Contingent Taxes	82,534	82,534	-	-	-	Estimated book interest expense on prior year taxes not deductible for tax purposes until paid
Subtotal - p234	374,211,987	92,312,288	-	246,974,987	34,924,712	
Less FASB 109 Above if not separately removed	162,533,869	(31,184,736)	-	209,998,649	(16,280,044)	
Less FASB 106 Above if not separately removed	9,856,980				9,856,980	
Total	201,821,138	123,497,024	-	36,976,338	41,347,776	

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

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT- 282	Total	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	Justification
Plant Related Deferred Taxes	(1,730,347,201)	-	-	(1,730,347,201)	-	This deferred tax balance relates to the life and method differences on property related items for book and tax.
FAS109 AFUDC Equity	(27,046,939)	-	-	(27,046,939)	-	Under SFAS 109, deferred income taxes must be provided on all book/tax temporary differences, including AFUDC-Equity. Deferred income taxes on AFUDC-Equity are not recognized for Regulatory purposes and are excluded from Rate Base.
CIAC - Non Rate Base	46,890,907	46,890,907	-	-	-	Contributions in Aid of Construction (CIAC) are a reduction to Plant for book accounting purposes, but are included in taxable income and depreciated for income tax purposes. This different book/tax treatment results in deferred income taxes which must be recorded in accordance with SFAS 109. The company collects an income tax gross-up from the customer which is reimbursement for the time value of money on the additional tax liability incurred until such time as the amounts are fully depreciated for tax purposes. The deferred income tax asset on CIAC's is excluded from Rate Base because the underlying plant is not included in Rate Base.
Leased Vehicles - Non Rate Base	(6,253,896)	(6,253,896)	-	-	-	The Company leases its vehicles under arrangements that are treated as Operating Leases for book purposes, but financing leases for tax purposes. The differing income tax treatment between Rent Expense deducted for book purposes and tax depreciation expense deducted for income tax purposes, results in deferred income taxes being recorded on the books. Since Leased Vehicles are not included in Rate Base, the deferred income

						Pursuant to the requirements of FAS 109, Pepco's accumulated deferred taxes must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These balances primarily represent the deferred taxes on prior flow-through items, including the amount of the required gross-up necessary for full recovery of the prior flow-through amount. Related to all plant.
Plant Related - FAS109 Deferred Taxes	561,841,819			561,841,819		
Subtotal - p275 (Form 1-F filer: see note 6 below)	(1,154,915,310)	40,637,010	-	(1,195,552,320)	-	
Less FASB 109 Above if not separately removed	534,794,880	-	-	534,794,880	-	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(1,689,710,190)	40,637,010	-	(1,730,347,201)	-	

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

Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
ADIT-283	Total	Gas, Prod Or Other	Only Transmission	Plant	Labor	Justification
		Related	Related	Related	Related	
Reacquired Debt	(4,111,752)	(4,111,752)	-	-	-	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. Related to all functions. Excluded here since it is included in Cost of Debt.
Maryland Property Taxes	(6,850,506)	-	-	(6,850,506)	-	For book purposes, the MD property taxes are accrued over the fiscal year. For tax purposes payments are deducted when paid based on the lien date.
Prepaid Interest	(400,843)	-	-	-	(400,843)	For book purposes, prepaid expenses, which related to a future period but are paid in the current period, must be capitalized and amortized to the balance sheet as an asset. For tax purposes, there is "12-month rule" which allows taxpayers that meet the 12-month rule to currently deduct the amount, as long as the benefits does not extend beyond 12 months. The prepaid interest relates to the Life Insurance plans, that is why this is labor related
Prepayments	(166,135)	-	-	-	(166,135)	For book purposes, prepaid expenses, which related to a future period but are paid in the current period, must be capitalized and amortized to the balance sheet as an asset. For tax purposes, there is "12-month rule" which allows taxpayers that meet the 12-month rule to currently deduct the amount, as long as the benefits does not extend beyond 12 months
Regulatory Asset - DSM	(59,126,549)	(59,126,549)	-	-	-	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.
Regulatory Asset - FERC Formula Rate True-up	(826,383)	-	(826,383)	-	-	For book purposes, a regulatory asset has been established for the FERC Formula Rate Filing true-up and book income has been increased. For tax purposes, this regulatory asset is not recognized and the book income must be reversed.
Regulatory Assets	(119,456,960)	(110,112,393)	-	-	(9,344,567)	For book purposes, regulatory assets are established with an increase to book income. For tax purposes the regulatory assets are not recognized and book income is reversed.
Pension Plan Contribution	(89,001,504)	-	-	-	(89,001,504)	The company is allowed to deduct for tax purposes all payments made to fund the General Retirement Plan per ERISA. For book purposes pension plan contributions are governed by FAS 106. This timing difference represents the excess tax payment over book. Affects company personnel across all functions.
Subtotal - p277 (Form 1-F filer: see note 6, below)	(279,940,631)	(173,350,693)	(826,383)	(6,850,506)	(98,913,049)	
Less FASB 109 Above if not separately removed	130,821,117	83,041,931	395,871	-	47,383,315	
Less FASB 106 Above if not separately removed	-	-	-	-	-	
Total	(410,761,749)	(256,392,624)	(1,222,254)	(6,850,506)	(146,296,364)	

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

Attachment 1- Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255

	Item	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	1,934,714 167,520
5	Total	1,934,714	167,520
6	Total Form No. 1 (p 266 & 267)	Form No. 1 balance (p	1,934,714 167,520
7	Difference /1	-	-

/1 Difference must be zero

Potomac Electric Power Company
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related	Gross Plant Allocator		
1 Transmission Personal Property Tax (directly assigned to Transmission)	\$ 11,559,085	100%	\$ 11,559,085
1a Other Personal Property Tax (excluded)	\$ 37,431,297	0%	\$ -
2 Capital Stock Tax		18.7164%	\$ -
3 Gross Premium (insurance) Tax		18.7164%	\$ -
4 PURTA		18.7164%	\$ -
5 Corp License		18.7164%	\$ -
Total Plant Related	48,990,382		11,559,085
Labor Related	Wages & Salary Allocator		
6 Federal FICA & Unemployment & state unemployment	\$ 6,029,495		
Total Labor Related	6,029,495	10.6159%	640,086
Other Included	Gross Plant Allocator		
7 Miscellaneous	56,505		
Total Other Included	56,505	18.7164%	10,576
Total Included			12,209,747

Currently Excluded

8 MD Franchise Tax	24,597,612
9 MD Environmental Surcharge	1,987,081
10 MD Universal Surcharge	8,421,696
11 MD Montgomery County Fuel	132,582,733
12 MD PSC Assessment	2,490,651
13 MD Sales & Use Tax	3,282,847
14 MD Real Property Taxes	720,978
15 DC PSC Assessment	8,281,765
16 DC Delivery Tax	82,463,981
17 DC Real Property Tax	7,581,579
18 DC Business Improvement Tax	124,929
19 DC Ballpark	16,500
20 DC Right-of-Way	22,764,888
21 DC RETF, SETF and EATF Funds	18,602,973
22 VA Property Taxes	551,388
23 Misc. Other-Sales and Use DC	333,255
24.1 Excluded merger costs in line 6	3,319
25 Total "Other" Taxes (included on p. 263)	369,884,559
26 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	369,884,559
27 Difference	(0)

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

**Allocation of Property taxes to
Transmission Function
Year Ended December 31, 2017**

Assessable Plant

Transmission	\$ 1,024,086,086
Distribution	\$ 3,217,077,649
General	\$ 180,298,644
Total T,D&Genl	<u>\$ 4,421,462,379</u>

Plant ratios by Jurisdiction

Transmission Ratio	0.2316170530
Distribution ratio	0.7276048902
General Ratio	0.0407780568
	<u>1.0000000000</u>

Property Taxes \$ 48,990,382

Transmission Property Tax	\$ 11,347,008
Distribution Property tax	\$ 35,645,642
General Property Tax	\$ 1,997,733
Total check	<u>\$ 48,990,382</u>

General Property Tax	\$ 1,997,733
Trans Labor Ratio	10.616%
Trans General	212,078

<u>Total Transmission Property Taxes</u>	
Transmission	\$ 11,347,008
General	\$ 212,078
Total Transmission Property Taxes	<u>\$ 11,559,085</u>

Potomac Electric Power Company

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property

1 Rent from Electric Property - Transmission Related (Note 3)		\$ 10,874,987
2 Total Rent Revenues	(Sum Lines 1)	10,874,987

Account 456 - Other Electric Revenues (Note 1)

3 Schedule 1A		\$ 578,001
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)		\$ 484,591
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)		-
10 Rent or Attachment Fees associated with Transmission Facilities (Note 3)		-
11 Gross Revenue Credits	(Sum Lines 2-10)	11,937,579
12 Less line 17g		(6,905,834)
13 Total Revenue Credits		5,031,745

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.		10,874,987
17b Costs associated with revenues in line 17a	Attachment 5 - Cost Support	2,936,682
17c Net Revenues (17a - 17b)		7,938,306
17d 50% Share of Net Revenues (17c / 2)		3,969,153
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)		3,969,153
17g Line 17f less line 17a		(6,905,834)
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.		96,229,101
19 Amount offset in line 4 above		168,688,738
20 Total Account 454, 456 and 456.1		276,855,418
21 Note 4: SECA revenues booked in Account 447.		

Potomac Electric Power 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)	86,051,349
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	823,989,343
	Long Term Interest			
100	Long Term Interest		p117.62c through 67c	130,227,602
101	Less LTD Interest on Securitization Bc (Note P)		Attachment 8	0
102	Long Term Interest		"(Line 100 - line 101)"	130,227,602
103	Preferred Dividends	enter positive	p118.29c	0
	Common Stock			
104	Proprietary Capital		p112.16c	2,533,342,208
105	Less Preferred Stock	enter negative	(Line 114)	0
106	Less Account 216.1	enter negative	p112.12c	-1,646,367
107	Common Stock		(Sum Lines 104 to 106)	2,531,695,841
	Capitalization			
108	Long Term Debt		p112.17c through 21c	2,542,952,327
109	Less Loss on Reacquired Debt	enter negative	p111.81c	-15,226,454
110	Plus Gain on Reacquired Debt	enter positive	p113.61c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	4,111,752
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	0
113	Total Long Term Debt		(Sum Lines 108 to 112)	2,531,837,625
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	2,531,695,841
116	Total Capitalization		(Sum Lines 113 to 115)	5,063,533,466
117	Debt %	Total Long Term Debt	(Line 113 / 116)	50%
118	Preferred %	Preferred Stock	(Line 114 / 116)	0%
119	Common %	Common Stock	(Line 115 / 116)	50%
120	Debt Cost	Total Long Term Debt	(Line 102 / 113)	0.0514
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	0.1150
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0257
124	Weighted Cost of Preferred	Preferred Stock	(Line 118 * 121)	0.0000
125	Weighted Cost of Common	Common Stock	(Line 119 * 122)	0.0575
126	Total Return (R)		(Sum Lines 123 to 125)	0.0832
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	68,570,012

Composite Income Taxes

	Income Tax Rates			
128	FIT=Federal Income Tax Rate			21.00%
129	SIT=State Income Tax Rate or Composite			7.60%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		27.00%
132	T / (1-T)			36.99%
	ITC Adjustment			
133	Amortized Investment Tax Credit	enter negative	p266.8f	(167,520)
134	T/(1-T)		(Line 132)	37%
135	Net Plant Allocation Factor		(Line 18)	19.8753%
136	ITC Adjustment Allocated to Transmission	(Note I from Appendix A)	(Line 133 * (1 + 134) * 135)	-45,612
137	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$		17,526,949
138	Total Income Taxes			17,481,337

Potomac Electric Power 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	\$ 24,847,329	24,847,329	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	\$ 1,934,714	1,934,714	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	\$ -	0	0	Respondent is Electric Utility only.
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.3.c				
67	Common Plant O&M	(Note A)	p356	0	0	0	
Depreciation Expense							
88	Intangible Amortization	(Note A)	p336.1d&e (see attachm	\$ 579,347	579,347	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	\$ 48,702,678	0	48,702,678	Specific identification based on plant records: The following plant investments are included: 1 2 3 4 5

CWIP & Expensed Lease Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104g	\$ 8,494,209,866	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	\$ 1,554,445,764	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	\$ 466,991,003	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	\$ 418,896	418,896	See Form 1

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	\$ 4,320,061	165,413	4,154,648	FERC Form 1 page 351.1 line 13 (h) and 15 (h), transmission related only.
77	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G)	p323.189b	\$ 4,320,061	165,413	4,154,648	FERC Form 1 page 351.1 line 13 (h) and 15 (h), transmission related only.

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	\$ 409,143	-	409,143	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)	7.60%	Maryland 8.25%	DC 8.25%	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter Calculation Apportioned: MD 4.50%, DC 3.10%

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	\$ 409,143	0	409,143	None

Excluded Plant Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
149	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities	(Note M)	Attachment 5	0	General Description of the Facilities
Instructions:				Enter \$	None
1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process				Or	
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:				Enter \$	
Example					
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					

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	75,418,110	10.62%	8,006,321	
	Plant Related	1,904,937	18.72%	356,535	
	Other		0.00%	-	
	Total Transmission Related Reserves	77,323,047		8,362,856	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments
45	Prepayments		To Line 45	
5	Wages & Salary Allocator		10.616%	
	Pension Liabilities, if any, in Account 242	-	10.616%	
	Prepayments - DC ROW	\$ 4,673,066	0.000%	Prepayments related to DC ROW
	Prepayments - Transmission Personal Property Tax	\$ 24,368,593	23.595%	Prepayments related to Transmission Personal Property Tax. See "Prop taxes to function" worksheet for total Transmission assessable plant factor (total transmission property taxes/total property taxes).
	Prepayments	\$ 3,685,837	10.616%	Remaining balance of Prepayments
	Prepaid Pensions if not included in Prepayments	\$ 325,586,334	10.616%	Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).
		358,313,830		40,704,919

Outstanding Network Credits Cost Support

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

Add more lines if necessary

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	\$ -	\$ -

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
Revenue Credits & Interest on Network Credits					
155	Interest on Network Credits	(Note N)	PJM Data	0	General Description of the Credits
				Enter \$	None
<i>Add more lines if necessary</i>					

Facility Credits under Section 30.9 of the PJM OATT and Facility Credits to Vineland per settlement in ER05-515

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

PJM Load Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
173	1 CP Peak	(Note L)	PJM Data	6,097.4	See Form 1

Statements BG/BH (Present and Proposed Revenues)

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

Abandoned Transmission Plant

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			
A	Beginning Balance of Unamortized Transmission Plant	Per FERC Order	
B	Months Remaining in Amortization Period	Per FERC Order	
C	Monthly Ammortization	A/B	
D	Months in Year to be Amortized		
E	Amortization in Rate Year	C*D	Line 86a
F	Deductions		
G	End of Year Balance in Unamortized Transmission Plant	A-E-F	Line 43b

MAPP Abandonment recovery pursuant to ER13-607

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					
		DPL	Pepco	Total	
171a	2013-14 rate period	\$ 9,750,649	\$ 12,725,412	\$ 22,476,061	
171a	2014-15 rate period	\$ 14,666,395	\$ 16,524,210	\$ 31,190,605	
171a	2015-16 rate period	\$ 12,208,522	\$ 14,624,812	\$ 26,833,334	
	Total	\$ 36,625,566	\$ 43,874,434	\$ 80,500,000	

Brandywine Fly Ash Landfill Environmental Expenses

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			
Step 9	Attachment 6 - Estimate and Reconciliation Worksheet - Footnote 1	\$	(2,617,572)
<p>Pepco shall make a negative adjustment to its transmission revenue requirement in its 2015 Annual Update in the amount of \$2,617,572, to offset the \$2,617,572 of Brandywine fly ash landfill environmental expenses included in Pepco's 2014 Annual Update ("2013 Brandywine Fly Ash Expenses"). Pepco shall not include the 2013 Brandywine Fly Ash Expenses in a future Annual Update while recovery of such expenses is being pursued from a party outside of the PJM Tariff, but once Pepco is no longer pursuing recovery of such expenses outside of the PJM Tariff, Pepco may include such costs in a future Annual Update to the extent such expenses have not been recovered outside of the PJM Tariff, subject to SMECO's right to challenge such inclusion at that time on any grounds permitted pursuant to Attachment H-9, including the Formula Rate Implementation Protocols, as though the costs had been included in the 2014 Annual Update. Any payments to Pepco for its 2013 Brandywine Fly Ash Expenses shall not be included in any Pepco Annual Update.</p>			

Supporting documentation for FERC Form 1 reconciliation

Compliance with FERC Order on the Exelon Merger					
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Merger Costs	Non Merger Related
6	Electric Plant in Service	p207.104g	8,494,209,866	301,285	8,493,908,581
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	2,895,219,919	965	2,895,218,954
10	Accumulated Intangible Amortization	p200.21c	24,847,329	27,513	24,819,816
23	General & Intangible	p205.5.g & p207.99.g	326,887,552	301,285	326,586,267
60	Transmission O&M	p321.112.b	31,874,937	155,507	31,719,430
68	Total A&G	p323.197.b	156,729,695	(2,649,364)	159,379,059
87	General Depreciation	p336.10b&c	9,472,095	965	9,471,130
88	Intangible Amortization	(Note A) p336.1d&e	579,347	27,513	551,834
Removal of \$8,841,909 of 2017 merger related costs, offset by establishment of regulatory asset of \$11,491,273 in A&G accounts.					

ARO Exclusion - Cost Support					
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	8,494,209,866	3,550,345	8,490,659,521
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	2,895,219,919	408,206	2,894,811,713
23	General & Intangible	p205.5.g & p207.99.g	326,887,552	258,942	326,628,610
31	Accumulated General Depreciation	p219.28.c	115,712,875	171,339	115,541,537
Distribution ARO-\$3,291,403 and General & Intangible ARO-\$258,942					
Distribution ARO-\$236,867 and General ARO-\$171,339					
General & Intangible ARO-\$258,942					
General ARO-\$171,339					

ARO & Merger Related Exclusion- Cost Support						
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amounts	ARO's	Merger Costs	Non-ARO's & Non Merger Related
6	Electric Plant in Service	p207.104g	8,494,209,866	3,550,345	301,285	8,490,358,236
Distribution ARO-\$3,291,403 and General & Intangible ARO-\$258,942 and Intangible Merger Cost \$301,285						
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	2,895,219,919	408,206	965	2,894,810,748
Distribution ARO-\$236,867 and General ARO-\$171,339 and Intangible Merger Cost \$965						
23	General & Intangible	p205.5.g & p207.99.g	326,887,552	258,942	301,285	326,327,325
General & Intangible ARO-\$258,942 and Intangible Merger Cost \$301,285						
31	Accumulated General Depreciation	p219.28.c	115,712,875	171,339	965	115,540,571
General ARO-\$171,339 and General Merger Cost \$965						

PBOP Expense in FERC 926							
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Total A&G Form 1 Amount	Account 926 Form 1 Amount	PBOP in FERC 926 current rate year	PBOP in FERC 926 prior rate year	Explanation of change in PBOP in FERC 926
68	Total A&G	Total: p.323.197.b Account 926: p.323.187.b and c	156,729,695	27,423,342	1,830,717	1,882,600	The actuarially determined amount of OPEB expense in FERC 926 decreased \$.1 million from the prior year; the decrease primarily represents a (\$0.2 million) decrease in service cost primarily due to (i) change in the discount rate from 3.80% in 2016 to 4.0% in 2017 and (ii) updated census data, (\$0.3 million) increase in expected return on plan assets due to year over year assets growth, (\$0.1 million) decrease in interest, offset by \$0.2 million increase in amortization of unregonized gain/loss. This decrease was offset by a \$0.323 million decrease in OPEB costs directly charged to capital or other income deduction accounts (i.e. below the line).

Attachment 3 - Revenue Credit Workpaper

17b	Costs associated with revenues in line 17a	\$	2,936,682
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$	10,874,987
	Federal Income Tax Rate		21.00%
	Federal Tax on Revenue subject to 50/50 sharing		2,283,747
	Net Revenue subject to 50/50 sharing		8,591,240
	Composite State Income Tax Rate		7.600%
	State Tax on Revenue subject to 50/50 sharing		652,934
	Total Tax on Revenue subject to 50/50 sharing	\$	<u>2,936,682</u>

Potomac Electric Power Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Non - Regulated	Total
Executive Management	6,721,922	6,040,279	11,559,004	2,731,918	27,053,123
Procurement & Administrative Services	5,753,548	4,160,116	8,276,756	3,721,474	21,911,894
Financial Services & Corporate Expenses	16,768,656	13,558,856	23,867,875	15,207,024	69,402,411
Insurance Coverage and Services	292,642	563,869	(390,363)	(5,012)	461,136
Human Resources	(1,116,564)	(1,258,037)	(540,100)	5,485,522	2,570,821
Legal Services	2,170,665	1,000,599	4,150,743	6,816,457	14,138,464
Customer Services	52,746,755	47,419,527	45,717,038	2,626	145,885,946
Information Technology	17,257,383	13,248,946	32,727,761	10,871,056	74,105,146
External Affairs	3,411,728	2,935,223	5,190,824	626,833	12,164,608
Environmental Services	2,358,711	2,065,133	2,509,472	346	6,933,662
Safety Services	481,504	493,828	775,837		1,751,169
Regulated Electric & Gas T&D	44,391,825	35,785,749	58,175,755	2,973,981	141,327,310
Internal Consulting Services	241,911	194,452	414,624		850,987
Interns	174,619	133,726	128,150		436,495
Cost of Benefits	13,261,385	8,972,178	22,145,832		44,379,395
Building Services	146,800	96,476	4,309,323	849,170	5,401,769
Total	\$ 165,063,490	\$ 135,410,920	\$ 219,018,531	\$ 49,281,395	\$ 568,774,336

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, 2017
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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 Company	54,658,874	164,339,096	20,561	219,018,531
2	Delmarva Power & Light Company	43,878,996	121,169,503	14,991	165,063,490
3	Atlantic City Electric Company	29,283,609	106,115,313	11,998	135,410,920
4	Exelon Business Services Company, LLC	47,134,513			47,134,513
5	Pepco Energy Services, Inc	415,765	1,111,189		1,526,954
6	Pepco Holdings LLC	45,859	490,907	268	537,034
7	Atlantic Southern Properties, Inc	2,419	39,576		41,995
8	Connectiv Properties & Investments, Inc	250	29,336		29,586
9	Atlantic City Electric Transition Funding, LLC	2,895	2,847	4	5,746
10	Connectiv Holding Company, Inc.	3,279			3,279
11	Potomac Capital Investments Corporation	1,623	255		1,878
12	Connectiv Thermal Systems, Inc.		410		410
13					
14					
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36					
37					
38					
39					
40	Total	175,428,082	393,298,432	47,822	568,774,336

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2017
Total PHI

FERC Accounts	FERC Account Name	DPL	ACE	PEPCO	Non-Utility	Total	Inclusion in ATRR
107	Constr Work In Progress	26,393,027	20,238,001	36,545,201	-	83,176,229	Not included
182.3	Other Regulatory Assets	2,372,237	217,458	7,097,229	-	9,686,924	Not included
184	Clearing Accounts - Other	290,866	240,842	743,443	(623,559)	651,592	Not included
408.1	Taxes other than inc taxes, utility operating inc	1,821	705	1,742	-	4,268	Wage & Salary Factor
416-421.2	Other Income -Below the Line	791,529	668,026	953,108	49,904,954	52,317,617	Not included
426.1-426.5	Other Income Deductions - Below the Line	793,436	612,278	1,127,607	-	2,533,321	Not included
430	Interest-Debt to Associated Companies	33,667	27,028	45,561	-	106,256	Not included
431	Interest-Short Term Debt	(16,005)	(12,879)	(21,440)	-	(50,324)	Not included
556	System cont & load dispatch	1,762,459	1,397,736	1,967,404	-	5,127,599	Not included
557	Other expenses	1,289,456	1,123,936	1,209,338	-	3,622,730	Not included
560	Operation Supervision & Engineering	3,383,115	3,135,496	4,630,184	-	11,148,795	100% included
561.1	Load Dispatching - Reliability	14,659	9,981	-	-	24,640	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sys	67,228	19,453	727,609	-	814,290	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	33,317	44,911	29,401	-	107,629	100% included
561.5	Reliability, Planning and Standards	348,426	219,013	131,562	-	699,001	100% included
563	Overhead line expenses	-	-	225	-	225	100% included
562	Station expenses	-	-	6,587	-	6,587	100% included
564	Underground Line Expenses - Transmission	-	-	525	-	525	100% included
566	Miscellaneous transmission expenses	964,413	829,555	916,409	-	2,710,377	100% included
568	Maintenance Supervision & Engineering	131,952	100,446	465,203	-	697,601	100% included
569	Maint of structures	6,463	6,993	7,169	-	20,625	100% included
569.2	Maintenance of Computer Software	646,321	311,341	457,266	-	1,414,928	100% included
569.4	Maintenance of Transmission Plant	-	-	4	-	4	100% included
570	Maintenance of station equipment	177,361	64,923	367,252	-	609,536	100% included
571	Maintenance of overhead lines	393,340	286,999	590,906	-	1,271,245	100% included
572	Maintenance of underground lines	194	172	1,137	-	1,503	100% included
573	Maintenance of miscellaneous transmission plant	15,358	28,110	145,477	-	188,945	100% included
575.5	Ancillary services market administration	-	-	8,945	-	8,945	Not included
580	Operation Supervision & Engineering	1,205,549	900,876	1,342,800	-	3,449,225	Not included
581	Load dispatching	1,088,271	408,220	1,622,032	-	3,118,523	Not included
582	Station expenses	519,935	-	127,953	-	647,888	Not included
583	Overhead line expenses	79,339	179,386	37,971	-	296,696	Not included
584	Underground line expenses	35,984	-	181,498	-	217,482	Not included
585	Street lighting	1,575	-	27	-	1,602	Not included
586	Meter expenses	709,279	447,257	1,114,080	-	2,270,616	Not included
587	Customer installations expenses	345,833	349,544	1,003,345	-	1,698,722	Not included
588	Miscellaneous distribution expenses	3,807,435	4,244,289	6,809,195	-	14,860,919	Not included
589	Rents	80,562	409	77,296	-	158,267	Not included
590	Maintenance Supervision & Engineering	948,744	573,387	499,410	-	2,021,541	Not included
591	Maintain structures	7,013	6,792	6,974	-	20,779	Not included
592	Maintain equipment	353,360	427,768	916,673	-	1,697,801	Not included
593	Maintain overhead lines	1,754,068	1,231,469	1,850,015	-	4,835,552	Not included
594	Maintain underground line	129,627	69,299	728,487	-	927,413	Not included
595	Maintain line transformers	2,257	-	150,585	-	152,842	Not included
596	Maintain street lighting & signal systems	41,343	36,511	6,306	-	84,160	Not included
597	Maintain meters	164,705	34,459	132,584	-	331,748	Not included
598	Maintain distribution plant	44,155	20,222	574,205	-	638,582	Not included
800-894	Total Gas Accounts	2,355,199	-	-	-	2,355,199	Not included
902	Meter reading expenses	144,273	36,799	129,651	-	310,723	Not included
903	Customer records and collection expenses	50,866,226	47,660,833	48,331,246	-	146,858,305	Not included
907	Supervision - Customer Svc & Information	88	156,520	42,124	-	198,732	Not included
908	Customer assistance expenses	1,897,100	652,072	545,344	-	3,094,516	Not included
909	Informational & instructional advertising	524,046	539,891	834,890	-	1,898,827	Not included
912	Demonstrating and selling expense	161,461	-	-	-	161,461	Not included
913	Advertising expense	40,738	-	-	-	40,738	Not included
920	Administrative & General salaries	339,115	100,744	689,110	-	1,128,969	Wage & Salary Factor
921	Office supplies & expenses	240	712	361	-	1,313	Wage & Salary Factor
923	Outside services employed	46,996,640	42,150,533	75,985,080	-	165,132,253	Wage & Salary Factor
924	Property insurance	113	91	154	-	358	Net Plant Factor
926	Employee pensions & benefits	7,809,871	4,323,683	12,245,344	-	24,378,898	Wage & Salary Factor
928	Regulatory commission expenses	1,470,858	492,412	2,686,522	-	4,649,792	Direct Transmission Only
929	Duplicate charges-Credit	422,348	150,426	1,117,064	-	1,689,838	Wage & Salary Factor
930.1	General ad expenses	208	186	356	-	750	Direct Transmission Only
930.2	Miscellaneous general expenses	518,497	510,021	999,424	-	2,027,942	Wage & Salary Factor
935	Maintenance of general plant	302,795	135,585	75,371	-	513,751	Wage & Salary Factor
Total		165,063,490	135,410,920	219,018,531	49,281,395	568,774,336	

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 **\$ 212,364,621** 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	\$141,088				11.5	1,622,516	-	-	-	135,210	-	-	-	
Feb	\$10,407,274				10.5	109,276,376	-	-	-	9,106,365	-	-	-	
Mar	\$228,188				9.5	2,167,790	-	-	-	180,649	-	-	-	
Apr	\$8,692,183				8.5	73,883,558	-	-	-	6,156,963	-	-	-	
May	\$22,291,199				7.5	167,183,989	-	-	-	13,931,999	-	-	-	
Jun	\$2,217,195				6.5	14,411,767	-	-	-	1,200,981	-	-	-	
Jul	\$4,549,159				5.5	25,020,374	-	-	-	2,085,031	-	-	-	
Aug	\$1,842,955				4.5	8,293,296	-	-	-	691,108	-	-	-	
Sep	\$378,989				3.5	1,326,463	-	-	-	110,539	-	-	-	
Oct	(\$658,760)				2.5	(1,646,899)	-	-	-	(137,242)	-	-	-	
Nov	\$50,188,490				1.5	75,282,735	-	-	-	6,273,561	-	-	-	
Dec	\$112,086,660				0.5	56,043,330	-	-	-	4,670,278	-	-	-	
Total	212,364,621	-	-	-		532,865,296	-	-	-	44,405,441	-	-	-	
New Transmission Plant Additions and CWIP (weighted by months in service)										44,405,441	-	-	-	
										Input to Line 21 of Appendix A	44,405,441	-	-	44,405,441
										Input to Line 43a of Appendix A	-	-	-	-
										Month In Service or Month for CWIP	9.49	#DIV/0!	#DIV/0!	#DIV/0!

168,034,596 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					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)										0	-	-	-	
										Input to Line 21 of Appendix A	-	-	-	-
										Input to Line 43a of Appendix A	-	-	-	-
										Month In Service or Month for CWIP	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

169,575,932

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)

Footnote 1: See Attachment 5 - Cost Support in regards to Brandywine Fly Ash Environmental Expenses

The Reconciliation in Step 7		The forecast in Prior Year			
168,034,596	-	164,004,674	=	4,029,921	See footnote 1 Attachment 5 - Cost Support 1

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of t		0.3600%				
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	335,827	0.3600%	11.5	13,903	349,730
Jul	Year 1	335,827	0.3600%	10.5	12,694	348,521
Aug	Year 1	335,827	0.3600%	9.5	11,485	347,312
Sep	Year 1	335,827	0.3600%	8.5	10,276	346,103
Oct	Year 1	335,827	0.3600%	7.5	9,067	344,894
Nov	Year 1	335,827	0.3600%	6.5	7,858	343,685
Dec	Year 1	335,827	0.3600%	5.5	6,649	342,476
Jan	Year 2	335,827	0.3600%	4.5	5,440	341,267
Feb	Year 2	335,827	0.3600%	3.5	4,231	340,058
Mar	Year 2	335,827	0.3600%	2.5	3,022	338,849
Apr	Year 2	335,827	0.3600%	1.5	1,813	337,640
May	Year 2	335,827	0.3600%	0.5	604	336,431
Total		4,029,921				4,116,968

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	4,116,968	0.3600%	351,162	3,780,627
Jul	Year 2	3,780,627	0.3600%	351,162	3,443,076
Aug	Year 2	3,443,076	0.3600%	351,162	3,104,309
Sep	Year 2	3,104,309	0.3600%	351,162	2,764,323
Oct	Year 2	2,764,323	0.3600%	351,162	2,423,113
Nov	Year 2	2,423,113	0.3600%	351,162	2,080,675
Dec	Year 2	2,080,675	0.3600%	351,162	1,737,003
Jan	Year 3	1,737,003	0.3600%	351,162	1,392,095
Feb	Year 3	1,392,095	0.3600%	351,162	1,045,945
Mar	Year 3	1,045,945	0.3600%	351,162	698,549
Apr	Year 3	698,549	0.3600%	351,162	349,902
May	Year 3	349,902	0.3600%	351,162	-
Total with interest				4,213,939	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest 4,213,939

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8)	\$	169,575,932
Revenue Requirement for Year 3		173,789,871

10 May Year 3 Post results of Step 9 on PJM web site
\$ 173,789,871 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)
\$ 173,789,871

Potomac Electric Power Company

Attachment 7 - Transmission Enhancement Charge Worksheet

1	New Plant Carrying Charge				
2	Fixed Charge Rate (FCR) if not a CIAC				
3	Formula Line				
4	A	160	Net Plant Carrying Charge without Depreciation	12.6000%	
5	B	167	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciati	13.1190%	
6	C		Line B less Line A	0.5190%	
7	FCR if a CIAC				
8	D	161	Net Plant Carrying Charge without Depreciation, Return, nor Income Tax	5.2059%	

The FCR resulting from Formula in a given year is used for that year only.

Therefore actual revenues collected in a year do not change based on cost data for subsequent years

The ROE is 10.5% which includes a base ROE of 10.0% ROE per FERC order in Docket No. EL13-48 and a 50 basis point RTO membership adder as authorized by FERC:

Details		B0288 Brighton Sub				B0251 Bells Mill 230kV Capacitors				
12	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes			No				
13	Useful life of project	Life	35			35				
14	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 18, otherwise "No"	CIAC (Yes or No)	No			No				
15	Input the allowed ROE Incentive From line 4 above if "No" on line 14 and From line 8 above if "Yes" on line 14	Increased ROE (Basis Points)	150			0				
16	Line 6 times line 15 divided by 100 basis points	Base FCR	12.6000%			12.6000%				
17	Columns A, B or C from Attachment 6	FCR for This Project	13.3785%			12.6000%				
18	Line 18 divided by line 13 From Columns H, I or J from Attachment 6	Investment	33,558,380			6,986,903				
		Annual Depreciation/ Amortization Exp	958,811			199,626				
20		Month In Service or Month for CWIP	6.50			5.50				
41		Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
42		2018	25,448,438	958,811	24,489,627	4,044,506	5,481,392	199,626	5,281,766	865,129
43		2019	24,489,627	958,811	23,530,816	3,923,696	5,281,766	199,626	5,082,140	839,976
44		2020	23,530,816	958,811	22,572,006	3,802,886	5,082,140	199,626	4,882,514	814,823
45		2021	22,572,006	958,811	21,613,195	3,682,076	4,882,514	199,626	4,682,889	789,670
46		2022	21,613,195	958,811	20,654,384	3,561,265	4,682,889	199,626	4,483,263	764,517
47		2023	20,654,384	958,811	19,695,573	3,440,455	4,483,263	199,626	4,283,637	739,364
48		2024	19,695,573	958,811	18,736,762	3,319,645	4,283,637	199,626	4,084,011	714,212
49		2025	18,736,762	958,811	17,777,951	3,198,835	4,084,011	199,626	3,884,385	689,059
50		2026	17,777,951	958,811	16,819,140	3,078,024	3,884,385	199,626	3,684,760	663,906
51		2027	16,819,140	958,811	15,860,330	2,957,214	3,684,760	199,626	3,485,134	638,753
52		2028	15,860,330	958,811	14,901,519	2,836,403	3,485,134	199,626	3,285,508	613,600

provided, that the projects identified in Docket Nos. ER08-686 and ER08-1423 have been awarded an additional 150 basis point adder and, thus, their ROE is 12.0%.

B0252 Northern System Rel -3 230 Caps				B0319 Burches Hill 500/230 kV transformer - second 1000 MVA				B0367.1/B0367.2 Reconnector Dickerson-Quince Orchard 230 kV				B0512.7 Chalk Point 230 kV Breaker 1A			
No				No				Yes				Yes			
35				35				35				35			
No				No				No				No			
0				150				150				0			
12.6000%				12.6000%				12.6000%				12.6000%			
12.6000%				13.3785%				13.3785%				12.6000%			
5,013,166				36,700,000				20,000,000				2,000,000			
143,233				1,048,571				571,429				57,143			
5.50				8.00				8.00				8.00			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
3,932,948	143,233	3,789,715	620,738	30,059,048	1,048,571	29,010,476	4,703,894	16,380,952	571,429	15,809,524	2,563,430	1,638,095	57,143	1,580,952	256,343
3,932,948	143,233	3,789,715	620,738	30,059,048	1,048,571	29,010,476	4,929,742	16,380,952	571,429	15,809,524	2,686,508	1,638,095	57,143	1,580,952	256,343
3,789,715	143,233	3,646,481	602,690	29,010,476	1,048,571	27,961,905	4,571,774	15,809,524	571,429	15,238,095	2,491,430	1,580,952	57,143	1,523,810	249,143
3,789,715	143,233	3,646,481	602,690	29,010,476	1,048,571	27,961,905	4,789,459	15,809,524	571,429	15,238,095	2,610,059	1,580,952	57,143	1,523,810	249,143
3,646,481	143,233	3,503,248	584,643	27,961,905	1,048,571	26,913,333	4,439,654	15,238,095	571,429	14,666,667	2,419,430	1,523,810	57,143	1,466,667	241,943
3,646,481	143,233	3,503,248	584,643	27,961,905	1,048,571	26,913,333	4,649,175	15,238,095	571,429	14,666,667	2,533,611	1,523,810	57,143	1,466,667	241,943
3,503,248	143,233	3,360,015	566,596	26,913,333	1,048,571	25,864,762	4,307,534	14,666,667	571,429	14,095,238	2,347,430	1,466,667	57,143	1,409,524	234,743
3,503,248	143,233	3,360,015	566,596	26,913,333	1,048,571	25,864,762	4,508,892	14,666,667	571,429	14,095,238	2,457,162	1,466,667	57,143	1,409,524	234,743
3,360,015	143,233	3,216,782	548,548	25,864,762	1,048,571	24,816,190	4,175,414	14,095,238	571,429	13,523,810	2,275,430	1,409,524	57,143	1,352,381	227,543
3,360,015	143,233	3,216,782	548,548	25,864,762	1,048,571	24,816,190	4,368,609	14,095,238	571,429	13,523,810	2,380,713	1,409,524	57,143	1,352,381	227,543
3,216,782	143,233	3,073,548	530,501	24,816,190	1,048,571	23,767,619	4,043,294	13,523,810	571,429	12,952,381	2,203,430	1,352,381	57,143	1,295,238	220,343
3,216,782	143,233	3,073,548	530,501	24,816,190	1,048,571	23,767,619	4,228,326	13,523,810	571,429	12,952,381	2,304,265	1,352,381	57,143	1,295,238	220,343
3,073,548	143,233	2,930,315	512,453	23,767,619	1,048,571	22,719,048	3,911,174	12,952,381	571,429	12,380,952	2,131,430	1,295,238	57,143	1,238,095	213,143
3,073,548	143,233	2,930,315	512,453	23,767,619	1,048,571	22,719,048	4,088,042	12,952,381	571,429	12,380,952	2,227,816	1,295,238	57,143	1,238,095	213,143
2,930,315	143,233	2,787,082	494,406	22,719,048	1,048,571	21,670,476	3,779,054	12,380,952	571,429	11,809,524	2,059,430	1,238,095	57,143	1,180,952	205,943
2,930,315	143,233	2,787,082	494,406	22,719,048	1,048,571	21,670,476	3,947,759	12,380,952	571,429	11,809,524	2,151,367	1,238,095	57,143	1,180,952	205,943
2,787,082	143,233	2,643,848	476,358	21,670,476	1,048,571	20,621,905	3,646,934	11,809,524	571,429	11,238,095	1,987,430	1,180,952	57,143	1,123,810	198,743
2,787,082	143,233	2,643,848	476,358	21,670,476	1,048,571	20,621,905	3,807,476	11,809,524	571,429	11,238,095	2,074,919	1,180,952	57,143	1,123,810	198,743
2,643,848	143,233	2,500,615	458,311	20,621,905	1,048,571	19,573,333	3,514,813	11,238,095	571,429	10,666,667	1,915,430	1,123,810	57,143	1,066,667	191,543
2,643,848	143,233	2,500,615	458,311	20,621,905	1,048,571	19,573,333	3,667,192	11,238,095	571,429	10,666,667	1,998,470	1,123,810	57,143	1,066,667	191,543

BO512.8 Chalk Point 230 kV Breaker 1B				BO512.9 Chalk Point 230 kV Breaker 2A				BO512.12 Chalk Point 230 kV Breaker 3A				BO478 Burches Hill-Palmer Cr Upgrade 23090, 91, 92, 93			
Yes				Yes				Yes				Yes			
35				35				35				35			
No				No				No				No			
0				0				0				150			
12.6000%				12.6000%				12.6000%				12.6000%			
12.6000%				12.6000%				12.6000%				13.3785%			
2,000,000				2,000,000				2,000,000				15,875,382			
57,143				57,143				57,143				453,582			
8.00				8.00				12.00				6.00			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
1,638,095	57,143	1,580,952	256,343	1,638,095	57,143	1,580,952	256,343	1,657,143	57,143	1,600,000	258,743	13,380,679	453,582	12,927,097	2,082,398
1,638,095	57,143	1,580,952	256,343	1,638,095	57,143	1,580,952	256,343	1,657,143	57,143	1,600,000	258,743	13,380,679	453,582	12,927,097	2,183,036
1,580,952	57,143	1,523,810	249,143	1,580,952	57,143	1,523,810	249,143	1,600,000	57,143	1,542,857	251,543	12,927,097	453,582	12,473,514	2,025,246
1,580,952	57,143	1,523,810	249,143	1,580,952	57,143	1,523,810	249,143	1,600,000	57,143	1,542,857	251,543	12,927,097	453,582	12,473,514	2,122,353
1,523,810	57,143	1,466,667	241,943	1,523,810	57,143	1,466,667	241,943	1,542,857	57,143	1,485,714	244,343	12,473,514	453,582	12,019,932	1,968,095
1,523,810	57,143	1,466,667	241,943	1,523,810	57,143	1,466,667	241,943	1,542,857	57,143	1,485,714	244,343	12,473,514	453,582	12,019,932	2,061,671
1,466,667	57,143	1,409,524	234,743	1,466,667	57,143	1,409,524	234,743	1,485,714	57,143	1,428,571	237,143	12,019,932	453,582	11,566,350	1,910,944
1,466,667	57,143	1,409,524	234,743	1,466,667	57,143	1,409,524	234,743	1,485,714	57,143	1,428,571	237,143	12,019,932	453,582	11,566,350	2,000,988
1,409,524	57,143	1,352,381	227,543	1,409,524	57,143	1,352,381	227,543	1,428,571	57,143	1,371,429	229,943	11,566,350	453,582	11,112,767	1,853,792
1,409,524	57,143	1,352,381	227,543	1,409,524	57,143	1,352,381	227,543	1,428,571	57,143	1,371,429	229,943	11,566,350	453,582	11,112,767	1,940,305
1,352,381	57,143	1,295,238	220,343	1,352,381	57,143	1,295,238	220,343	1,371,429	57,143	1,314,286	222,743	11,112,767	453,582	10,659,185	1,796,641
1,352,381	57,143	1,295,238	220,343	1,352,381	57,143	1,295,238	220,343	1,371,429	57,143	1,314,286	222,743	11,112,767	453,582	10,659,185	1,879,623
1,295,238	57,143	1,238,095	213,143	1,295,238	57,143	1,238,095	213,143	1,314,286	57,143	1,257,143	215,543	10,659,185	453,582	10,205,603	1,739,489
1,295,238	57,143	1,238,095	213,143	1,295,238	57,143	1,238,095	213,143	1,314,286	57,143	1,257,143	215,543	10,659,185	453,582	10,205,603	1,818,940
1,238,095	57,143	1,180,952	205,943	1,238,095	57,143	1,180,952	205,943	1,257,143	57,143	1,200,000	208,343	10,205,603	453,582	9,752,020	1,682,338
1,238,095	57,143	1,180,952	205,943	1,238,095	57,143	1,180,952	205,943	1,257,143	57,143	1,200,000	208,343	10,205,603	453,582	9,752,020	1,758,258
1,180,952	57,143	1,123,810	198,743	1,180,952	57,143	1,123,810	198,743	1,200,000	57,143	1,142,857	201,143	9,752,020	453,582	9,298,438	1,625,186
1,180,952	57,143	1,123,810	198,743	1,180,952	57,143	1,123,810	198,743	1,200,000	57,143	1,142,857	201,143	9,752,020	453,582	9,298,438	1,697,575
1,123,810	57,143	1,066,667	191,543	1,123,810	57,143	1,066,667	191,543	1,142,857	57,143	1,085,714	193,943	9,298,438	453,582	8,844,856	1,568,035
1,123,810	57,143	1,066,667	191,543	1,123,810	57,143	1,066,667	191,543	1,142,857	57,143	1,085,714	193,943	9,298,438	453,582	8,844,856	1,636,893

BO499 Burches Hill Sub: Add 3rd 500/230kV				BO526 Ritchie-Benning: Install (2) 230kV Lines				BO701.1 Benning Sub: Add 3rd 230/69kV, 250MVA				BO496 Brighton Sub: Upgrade T1 500/230kv Transormer			
Yes				Yes				Yes				Yes			
35				35				35				35			
No				No				No				No			
150				0				0				150			
12.6000%				12.6000%				12.6000%				12.6000%			
13.3785%				12.6000%				12.6000%				13.3785%			
29,544,357				58,581,170				5,226,954				19,021,804			
844,124				1,673,748				149,342				543,480			
6.00				6.00				6.00				2.00			
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue
24,901,672	844,124	24,057,548	3,875,378	49,375,558	1,673,748	47,701,810	7,684,181	4,405,576	149,342	4,256,234	685,627	16,580,284	543,480	16,036,804	2,564,119
24,901,672	844,124	24,057,548	4,062,667	49,375,558	1,673,748	47,701,810	7,684,181	4,405,576	149,342	4,256,234	685,627	16,580,284	543,480	16,036,804	2,688,966
24,057,548	844,124	23,213,423	3,769,018	47,701,810	1,673,748	46,028,062	7,473,288	4,256,234	149,342	4,106,892	666,810	16,036,804	543,480	15,493,324	2,495,641
24,057,548	844,124	23,213,423	3,949,735	47,701,810	1,673,748	46,028,062	7,473,288	4,256,234	149,342	4,106,892	666,810	16,036,804	543,480	15,493,324	2,616,257
23,213,423	844,124	22,369,299	3,662,658	46,028,062	1,673,748	44,354,314	7,262,396	4,106,892	149,342	3,957,551	647,993	15,493,324	543,480	14,949,844	2,427,162
23,213,423	844,124	22,369,299	3,836,804	46,028,062	1,673,748	44,354,314	7,262,396	4,106,892	149,342	3,957,551	647,993	15,493,324	543,480	14,949,844	2,543,547
22,369,299	844,124	21,525,174	3,556,299	44,354,314	1,673,748	42,680,567	7,051,503	3,957,551	149,342	3,808,209	629,176	14,949,844	543,480	14,406,364	2,358,683
22,369,299	844,124	21,525,174	3,723,873	44,354,314	1,673,748	42,680,567	7,051,503	3,957,551	149,342	3,808,209	629,176	14,949,844	543,480	14,406,364	2,470,837
21,525,174	844,124	20,681,050	3,449,939	42,680,567	1,673,748	41,006,819	6,840,611	3,808,209	149,342	3,658,868	610,359	14,406,364	543,480	13,862,884	2,290,205
21,525,174	844,124	20,681,050	3,610,942	42,680,567	1,673,748	41,006,819	6,840,611	3,808,209	149,342	3,658,868	610,359	14,406,364	543,480	13,862,884	2,398,128
20,681,050	844,124	19,836,925	3,343,579	41,006,819	1,673,748	39,333,071	6,629,719	3,658,868	149,342	3,509,526	591,542	13,862,884	543,480	13,319,404	2,221,726
20,681,050	844,124	19,836,925	3,498,010	41,006,819	1,673,748	39,333,071	6,629,719	3,658,868	149,342	3,509,526	591,542	13,862,884	543,480	13,319,404	2,325,418
19,836,925	844,124	18,992,801	3,237,219	39,333,071	1,673,748	37,659,324	6,418,826	3,509,526	149,342	3,360,185	572,725	13,319,404	543,480	12,775,923	2,153,248
19,836,925	844,124	18,992,801	3,385,079	39,333,071	1,673,748	37,659,324	6,418,826	3,509,526	149,342	3,360,185	572,725	13,319,404	543,480	12,775,923	2,252,709
18,992,801	844,124	18,148,676	3,130,860	37,659,324	1,673,748	35,985,576	6,207,934	3,360,185	149,342	3,210,843	553,908	12,775,923	543,480	12,232,443	2,084,769
18,992,801	844,124	18,148,676	3,272,148	37,659,324	1,673,748	35,985,576	6,207,934	3,360,185	149,342	3,210,843	553,908	12,775,923	543,480	12,232,443	2,179,999
18,148,676	844,124	17,304,552	3,024,500	35,985,576	1,673,748	34,311,828	5,997,042	3,210,843	149,342	3,061,502	535,091	12,232,443	543,480	11,688,963	2,016,291
18,148,676	844,124	17,304,552	3,159,216	35,985,576	1,673,748	34,311,828	5,997,042	3,210,843	149,342	3,061,502	535,091	12,232,443	543,480	11,688,963	2,107,290
17,304,552	844,124	16,460,427	2,918,140	34,311,828	1,673,748	32,638,080	5,786,149	3,061,502	149,342	2,912,160	516,274	11,688,963	543,480	11,145,483	1,947,812
17,304,552	844,124	16,460,427	3,046,285	34,311,828	1,673,748	32,638,080	5,786,149	3,061,502	149,342	2,912,160	516,274	11,688,963	543,480	11,145,483	2,034,580

B1125 Convert Buzzard to Ritchie Line - 138kV to 230kV				b2008 Reconductor feeder Dickerson to Quince Orchard						
Yes				Yes						
35				35						
No				No						
0				0						
12.6000%				12.6000%						
12.6000%				12.6000%						
51,852,352				8,623,505						
1,481,496				246,386						
10.00				2.00						
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
47,126,667	1,481,496	45,645,171	7,232,792	7,936,145	246,386	7,689,759	1,215,296	\$ 39,165,261		\$ 39,165,261
47,126,667	1,481,496	45,645,171	7,232,792	7,936,145	246,386	7,689,759	1,215,296	\$ 40,117,612	\$ 40,117,612	
45,645,171	1,481,496	44,163,675	7,046,123	7,689,759	246,386	7,443,373	1,184,252	\$ 38,088,918		\$ 38,088,918
45,645,171	1,481,496	44,163,675	7,046,123	7,689,759	246,386	7,443,373	1,184,252	\$ 39,006,859	\$ 39,006,859	
44,163,675	1,481,496	42,682,179	6,859,455	7,443,373	246,386	7,196,987	1,153,207	\$ 37,012,574		\$ 37,012,574
44,163,675	1,481,496	42,682,179	6,859,455	7,443,373	246,386	7,196,987	1,153,207	\$ 37,896,106	\$ 37,896,106	
42,682,179	1,481,496	41,200,683	6,672,786	7,196,987	246,386	6,950,601	1,122,162	\$ 35,936,231		\$ 35,936,231
42,682,179	1,481,496	41,200,683	6,672,786	7,196,987	246,386	6,950,601	1,122,162	\$ 36,785,353	\$ 36,785,353	
41,200,683	1,481,496	39,719,188	6,486,117	6,950,601	246,386	6,704,215	1,091,118	\$ 34,859,888		\$ 34,859,888
41,200,683	1,481,496	39,719,188	6,486,117	6,950,601	246,386	6,704,215	1,091,118	\$ 35,674,600	\$ 35,674,600	
39,719,188	1,481,496	38,237,692	6,299,449	6,704,215	246,386	6,457,829	1,060,073	\$ 33,783,545		\$ 33,783,545
39,719,188	1,481,496	38,237,692	6,299,449	6,704,215	246,386	6,457,829	1,060,073	\$ 34,563,847	\$ 34,563,847	
38,237,692	1,481,496	36,756,196	6,112,780	6,457,829	246,386	6,211,444	1,029,028	\$ 32,707,202		\$ 32,707,202
38,237,692	1,481,496	36,756,196	6,112,780	6,457,829	246,386	6,211,444	1,029,028	\$ 33,453,094	\$ 33,453,094	
36,756,196	1,481,496	35,274,700	5,926,112	6,211,444	246,386	5,965,058	997,984	\$ 31,630,859		\$ 31,630,859
36,756,196	1,481,496	35,274,700	5,926,112	6,211,444	246,386	5,965,058	997,984	\$ 32,342,341	\$ 32,342,341	
35,274,700	1,481,496	33,793,205	5,739,443	5,965,058	246,386	5,718,672	966,939	\$ 30,554,515		\$ 30,554,515
35,274,700	1,481,496	33,793,205	5,739,443	5,965,058	246,386	5,718,672	966,939	\$ 31,231,588	\$ 31,231,588	
33,793,205	1,481,496	32,311,709	5,552,774	5,718,672	246,386	5,472,286	935,894	\$ 29,478,172		\$ 29,478,172
33,793,205	1,481,496	32,311,709	5,552,774	5,718,672	246,386	5,472,286	935,894	\$ 30,120,835	\$ 30,120,835	
								\$	702,221,291	\$ 683,489,121

Potomac Electric Power Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

Long Term Interest

101	Less LTD Interest on Securitization Bonds		0
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Capitalization

112	Less LTD on Securitization Bonds		0
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Calculation of the above Securitization Adjustments

