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May 15, 2020

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”), Docket No. ER09-1156
Informational Filing of 2020 Formula Rate Annual Update;
Notice of Annual Update

Dear Ms. Bose,

Atlantic City hereby submits electronically, for informational purposes, its 2020 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, Atlantic [Atlantic City Electric 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 H1-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

Atlantic City's 2020 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).

In addition, Atlantic City provides notification regarding accounting changes made in 2019. Atlantic City made certain reclassifications between FERC accounts that had no impact to transmission customers. Atlantic City also updated certain estimates with 2019 data, including the salaries and wages allocator, ratios used to allocate costs from the service companies, and ratios used to distribute overhead and other indirect costs. ACE also advises that a correction was made in the second quarter of 2019 to address an overstatement of plant in service at the end of 2018.⁴

Other accounting changes as defined in the Settlement are discussed in applicable disclosure statements filed within the Securities and Exchange Commission Form 10-K and/or within the FERC Form No. 1. Atlantic City has made no change to Other Post-Employment Benefits ("OPEB") charges that exceed the filing threshold set forth in the Protocols.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. ER09-1156 (February 17, 2010).

⁴ Additional detail regarding these items will be provided to interested parties during the Annual Customer Meeting to be held pursuant to the Annual Update.

⁵ See Settlement, Exhibit A containing PJM Tariff Attachment H1-B, Section 2.h.

ATTACHMENT H-1A

Atlantic City Electric Company

Formula Rate - Appendix A

Notes

FERC Form 1 Page # or Instruction

2019

Shaded cells are input cells

Allocators

1	Wages & Salary Allocation Factor Transmission Wages Expense		p354.21.b	\$ 3,743,276
2	Total Wages Expense		p354.28b	\$ 37,797,468
3	Less A&G Wages Expense		p354.27b	\$ 2,879,522
4	Total		(Line 2 - 3)	34,917,946
5	Wages & Salary Allocator		(Line 1 / 4)	10.7202%
Plant Allocation Factors				
6	Electric Plant in Service	(Note B)	p207.104g (see Attachment 5)	\$ 4,196,220,307
7	Common Plant In Service - Electric		(Line 24)	0
8	Total Plant In Service		(Sum Lines 6 & 7)	4,196,220,307
9	Accumulated Depreciation (Total Electric Plant)		p219.29c (see Attachment 5)	\$ 852,328,717
10	Accumulated Intangible Amortization	(Note A)	p200.21c (see Attachment 5)	\$ 21,922,426
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)	874,251,144
14	Net Plant		(Line 8 - 13)	3,321,969,163
15	Transmission Gross Plant		(Line 29 - Line 28)	1,546,829,720
16	Gross Plant Allocator		(Line 15 / 8)	36.8625%
17	Transmission Net Plant		(Line 39 - Line 28)	1,270,660,955
18	Net Plant Allocator		(Line 17 / 14)	38.2502%

Plant Calculations

Plant In Service				
19	Transmission Plant In Service	(Note B)	p207.58.g (see Attachment 5)	\$ 1,524,090,059
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	-
22	Total Transmission Plant In Service		(Line 19 - 20 + 21)	1,524,090,059
23	General & Intangible		p205.5.g & p207.99.g (see Attachment 5)	\$ 212,119,611
24	Common Plant (Electric Only)	(Notes A & B)	p356	\$ -
25	Total General & Common		(Line 23 + 24)	212,119,611
26	Wage & Salary Allocation Factor		(Line 5)	10.72021%
27	General & Common Plant Allocated to Transmission		(Line 25 * 26)	22,739,661
28	Plant Held for Future Use (Including Land)	(Note C)	p214	1,194,950
29	TOTAL Plant In Service		(Line 22 + 27 + 28)	1,548,024,670
Accumulated Depreciation				
30	Transmission Accumulated Depreciation	(Note B)	p219.25.c	\$ 269,061,580
31	Accumulated General Depreciation		p219.28.c (see Attachment 5)	\$ 44,374,658
32	Accumulated Intangible Amortization		(Line 10)	21,922,426
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)	66,297,085
36	Wage & Salary Allocation Factor		(Line 5)	10.72021%
37	General & Common Allocated to Transmission		(Line 35 * 36)	7,107,185
38	TOTAL Accumulated Depreciation		(Line 30 + 37)	276,168,765
39	TOTAL Net Property, Plant & Equipment		(Line 29 - 38)	1,271,855,905

Adjustment To Rate Base

Accumulated Deferred Income Taxes (ADIT)				
40a	Account No. 190 (ADIT)	(Note W)	Attachment 1A - ADIT, Line 1	9,378,606
40b	Account No. 281 (ADIT - Accel. Amort)	(Note W)	Attachment 1A - ADIT, Line 2	0
40c	Account No. 282 (ADIT - Other Property)	(Note W)	Attachment 1A - ADIT, Line 3	-260,815,851
40d	Account No. 283 (ADIT - Other)	(Note W)	Attachment 1A - ADIT, Line 4	-3,545,388
40e	Account No. 255 (Accum. Deferred Investment Tax Credits)	(Note V)	Attachment 1A - ADIT	0
40f	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 40a + 40b + 40c + 40d + 40e)	-254,982,633
Unamortized Deficient / (Excess) ADIT				
41a	Unamortized Deficient / (Excess) ADIT (Federal)	(Note X)	Attachment 1B - ADIT Amortization	-82,582,144
41b	Unamortized Deficient / (Excess) ADIT (State)	(Note X)	Attachment 1B - ADIT Amortization	0
42	Unamortized Deficient / (Excess) ADIT Allocated to Transmission		(Line 41a + 41b)	-82,582,144
43	Adjusted Accumulated Deferred Income Taxes Allocated To Transmission		(Line 40f + 42)	-337,564,778
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	-5,114,226
Prepayments				
45	Prepayments	(Note A)	Attachment 5	5,707,132
46	Total Prepayments Allocated to Transmission		(Line 45)	5,707,132
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0
48	Wage & Salary Allocation Factor		(Line 5)	10.72%
49	Total Transmission Allocated		(Line 47 * 48)	0
50	Transmission Materials & Supplies	(Note U)	p227.8c + p227.5c	\$ 292,214
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + 50)	292,214
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 85)	36,956,750
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * 53)	4,619,594
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)	-332,060,064
59	Rate Base		(Line 39 + 58)	939,795,842

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b (see Attachment 5)	\$ 26,866,774
61	Less extraordinary property loss		Attachment 5	0
62	Plus amortized extraordinary property loss		Attachment 5	0
63	Less Account 565		p321.96.b	\$ -
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	\$ -
65	Plus Transmission Lease Payments	(Note A)	p200.3c	\$ -
66	Transmission O&M		(Lines 60 - 63 + 64 + 65)	26,866,774
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	p356	\$ -
68	Total A&G		p323.197.b (see Attachment 5)	\$ 96,617,849
68a	For informational purposes: PBOB expense in FERC Account 926	(Note S)	Attachment 5	\$ 381,359
69	Less Property Insurance Account 924		p323.185b	\$ 359,314
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	\$ 4,137,986
71	Less General Advertising Exp Account 930.1		p323.191b	\$ 833,948
72	Less DE Enviro & Low Income and MD Universal Funds		p335.b	\$ -
73	Less EPRI Dues	(Note D)	p352-353 (see Attachment 5)	\$ 319,978
74	General & Common Expenses		(Lines 67 + 68) - Sum (69 to 73)	90,966,623
75	Wage & Salary Allocation Factor		(Line 5)	10.7202%
76	General & Common Expenses Allocated to Transmission		(Line 74 * 75)	9,751,810
Directly Assigned A&G				
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b (see Attachment 5)	200,728
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	0
79	Subtotal - Transmission Related		(Line 77 + 78)	200,728
80	Property Insurance Account 924		p323.185b	\$ 359,314
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	0
82	Total		(Line 80 + 81)	359,314
83	Net Plant Allocation Factor		(Line 18)	38.25%
84	A&G Directly Assigned to Transmission		(Line 82 * 83)	137,438
85	Total Transmission O&M		(Line 66 + 76 + 79 + 84)	36,956,750

Depreciation & Amortization Expense

Depreciation Expense				
86	Transmission Depreciation Expense		p336.7b&c	36,542,405
87	General Depreciation		p336.10b&c (see Attachment 5)	7,555,695
88	Intangible Amortization	(Note A)	p336.1d&e (see Attachment 5)	5,642,771
89	Total		(Line 87 + 88)	13,198,465
90	Wage & Salary Allocation Factor		(Line 5)	10.7202%
91	General Depreciation Allocated to Transmission		(Line 89 * 90)	1,414,903
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)	10.7202%
96	Common Depreciation - Electric Only Allocated to Transmission		(Line 94 * 95)	0
97	Total Transmission Depreciation & Amortization		(Line 86 + 91 + 96)	37,957,308

Taxes Other than Income

98	Taxes Other than Income		Attachment 2	1,100,877
99	Total Taxes Other than Income		(Line 98)	1,100,877

Return / Capitalization Calculations

Long Term Interest				
100	Long Term Interest		p117.62c through 67c	57,709,830
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	2,579,701
102	Long Term Interest		"(Line 100 - line 101)"	55,130,129
103	Preferred Dividends	enter positive	p118.29c	\$ -
Common Stock				
104	Proprietary Capital		p112.16c	\$ 1,276,295,808
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)	1,276,295,808
Capitalization				
108	Long Term Debt		p112.17c through 21c	\$ 1,313,398,829
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	\$ (3,855,349)
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	\$ -
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1A - ADIT, Line 6	1,083,739
112	Less LTD on Securitization Bonds	(Note P)	Attachment 8	-26,383,829
113	Total Long Term Debt		(Sum Lines Lines 108 to 112)	1,284,243,390
114	Preferred Stock		p112.3c	\$ -
115	Common Stock		(Line 107)	1,276,295,808
116	Total Capitalization		(Sum Lines 113 to 115)	2,560,539,198
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)	0.0429
121	Preferred Cost	Preferred Stock	(Line 103 / 114)	0.0000
122	Common Cost	Common Stock	(Note) Fixed	0.1050
123	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 117 * 120)	0.0215
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)	0.0740
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	69,511,107

Composite Income Taxes

Income Tax Rates			
128	FIT=Federal Income Tax Rate	(Note I)	21.00%
129	SIT=State Income Tax Rate or Composite	(Note I)	9.00%
130	p	(percent of federal income tax deductible for state purposes)	0.00%
131	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.11%
132a	T / (1-T)		39.10%
132b	Tax Gross-Up Factor	$1 * 1 / (1 - T)$	1.3910
ITC Adjustment			
133	Investment Tax Credit Amortization	(Note V) enter negative	Attachment 1A - ADIT (Line 132a) -325,830
134	Tax Gross-Up Factor		1.3910
135	Net Plant Allocation Factor		(Line 18) 38.2502%
136a	ITC Adjustment Allocated to Transmission		(Line 133 * 134 * 135) -173,363
Other Income Tax Adjustment			
136b	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	(Note T)	Attachment 5, Line 136b 55,326
136c	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component	(Note T)	Attachment 5, Line 136c -12,992,454
136d	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component	(Note T)	Attachment 5, Line 136d 0
136e	Amortization of Other Flow-Through Items - Transmission Component	(Note T)	Attachment 5, Line 136e 134,274
136f	Other Income Tax Adjustments - Expense / (Benefit)		(Line 136b + 136c + 136d + 136e) -12,802,854
136g	Tax Gross-Up Factor		(Line 132b) 1.3910
136h	Other Income Tax Adjustment		(Line 136f * 136g) -17,808,950
137	Income Tax Component =	$CIT=(T/1-T) * Investment\ Return * (1-(WCLTD/R)) =$	(Line 132a * 127 * (1-(123 / 126))) 19,292,352
138	Total Income Taxes		(Line 136a + 136h + 137) 1,310,039

REVENUE REQUIREMENT

Summary			
139	Net Property, Plant & Equipment		(Line 39) 1,271,855,905
140	Adjustment to Rate Base		(Line 58) -332,060,064
141	Rate Base		(Line 59) 939,795,842
142	O&M		(Line 85) 36,956,750
143	Depreciation & Amortization		(Line 97) 37,957,308
144	Taxes Other than Income		(Line 99) 1,100,877
145	Investment Return		(Line 127) 69,511,107
146	Income Taxes		(Line 138) 1,310,039
147	Gross Revenue Requirement		(Sum Lines 142 to 146) 146,836,082
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
148	Transmission Plant In Service		(Line 19) 1,524,090,059
149	Excluded Transmission Facilities	(Note M)	Attachment 5 0
150	Included Transmission Facilities		(Line 148 - 149) 1,524,090,059
151	Inclusion Ratio		(Line 150 / 148) 100.00%
152	Gross Revenue Requirement		(Line 147) 146,836,082
153	Adjusted Gross Revenue Requirement		(Line 151 * 152) 146,836,082
Revenue Credits & Interest on Network Credits			
154	Revenue Credits		Attachment 3 2,901,517
155	Interest on Network Credits	(Note N)	PJM Data -
156	Net Revenue Requirement		(Line 153 - 154 + 155) 143,934,564
Net Plant Carrying Charge			
157	Net Revenue Requirement		(Line 156) 143,934,564
158	Net Transmission Plant		(Line 19 - 30) 1,255,028,479
159	Net Plant Carrying Charge		(Line 157 / 158) 11.4686%
160	Net Plant Carrying Charge without Depreciation		(Line 157 - 86) / 158 8.5569%
161	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Line 157 - 86 - 127 - 138) / 158 2.9140%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
162	Net Revenue Requirement Less Return and Taxes		(Line 156 - 145 - 146) 73,113,418
163	Increased Return and Taxes		Attachment 4 77,357,492
164	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 162 + 163) 150,470,910
165	Net Transmission Plant		(Line 19 - 30) 1,255,028,479
166	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 164 / 165) 11.9894%
167	Net Plant Carrying Charge per 100 Basis Point increase in ROE without Depreciation		(Line 163 - 86) / 165 9.0778%
168	Net Revenue Requirement		(Line 156) 143,934,564
169	True-up amount		Attachment 6 (19,145,765)
170	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7 286,839
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) 125,075,638
Network Zonal Service Rate			
173	1 CP Peak	(Note L)	PJM Data 2,737
174	Rate (\$/MW-Year)		(Line 172 / 173) 45.693
175	Network Service Rate (\$/MW/Year)		(Line 174) 45.693

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 $p = \frac{\text{percentage of federal income tax deductible for state income taxes}}{\text{FIT}}$. 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.
- J 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 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.
- T See Attachment 5 - Cost Support, section entitled "Other Income Tax Adjustment" for additional information.
- U Only the transmission portion of amounts reported at Form 1, page 227, line 5 is used. The transmission portion of line 5 is specified in a footnote to the Form 1, page 227.
- V Atlantic City Electric Company elected to amortize investment tax credits against recoverable income tax expense, rather than to reduce rate base by unamortized investment tax credit. Amortization reduces income tax expense and reduces the revenue requirement by the amount of the Investment Tax Credit Amortization multiplied by $(1/(1-T))$.
- W The Accumulated Deferred Income Tax (ADIT) balances in Accounts 190, 281, 282, and 283 are measured using the enacted tax rate that is expected to apply when the underlying temporary differences are expected to be settled or realized. See Attachment 1A - ADIT for additional information.
- X These balances represent the unamortized federal and state deficient / (excess) deferred income taxes. See Attachment 1B - ADIT Amortization for additional information.

Atlantic City Electric Company
Accumulated Deferred Income Taxes (ADIT)
Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line	ADIT	Total	Gas, Production, Distribution, or Other Related	Only Transmission Related	Plant Related	Labor Related	
1	ADIT-190	9,378,606	-	-	8,740,681	637,924	Total entered in ATT H-1A, Line 40a
2	ADIT-281	-	-	-	-	-	Total entered in ATT H-1A, Line 40b
3	ADIT-282	(260,815,851)	-	-	(260,815,851)	-	Total entered in ATT H-1A, Line 40c
4	ADIT-283	(3,545,388)	-	(1,973,303)	78,513	(1,650,598)	Total entered in ATT H-1A, Line 40d
5	Subtotal - Transmission ADIT	(254,982,633)	-	(1,973,303)	(251,996,656)	(1,012,674)	

Line	Description	Total
6	ADIT (Reacquired Debt)	(1,083,739)

Note: ADIT associated with Gain or Loss on Reacquired Debt included in ADIT-283, Column A is excluded from rate base and instead included in Cost of Debt on Attachment H-1A, Line 111. A deferred tax (liability) should be reported as a positive balance and a deferred tax asset should be reported as a negative balance on Attachment H-1A, Line 111.

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

(A) ADIT-190	(B) Total	(C) Gas, Production, Distribution, or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Accrued Benefits	683,891	-	-	-	683,891	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Accrued Bonuses & Incentives	1,996,214	-	-	-	1,996,214	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Accrued Environmental Liability	385,895	385,895	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Accrued OPEB	4,937,139	-	-	-	4,937,139	FAS No. 106 requires accrual basis instead of cash basis accounting for post retirement health care and life insurance benefits for book purposes. These amounts are removed from rate base below.
Accrued Other Expenses	2,059,852	2,059,852	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Accrued Payroll Taxes - AIP	124,712	-	-	-	124,712	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Accrued Retention	23,019	-	-	-	23,019	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Accrued Severance	133,245	-	-	-	133,245	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Accrued Vacation	711,217	711,217	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Accrued Worker's Compensation	2,983,638	-	-	-	2,983,638	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Allowance for Doubtful Accounts	5,077,467	5,077,467	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Asset Retirement Obligation	1,153,381	1,153,381	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Deferred Compensation	10,872	10,872	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Long-term Incentive Plan	5,955	-	-	-	5,955	ADIT relates to all functions and attributable to underlying operating and maintenance expenses that are recoverable in the transmission formula.
Merger Commitments	48,959	48,959	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
NJ AMA Credit	443,467	-	-	443,467	-	ADIT relates to all functions and attributable to plant in service that is included in rate base.
Regulatory Liability	1,536,312	1,536,312	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Sales & Use Tax Reserve	534,557	534,557	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Charitable Contribution Carryforward	173,732	173,732	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
State Net Operating Loss Carryforward	31,107,204	7,839,061	-	23,268,144	-	The state net operating loss carry-forward, net of federal taxes, is included to the extent attributable to plant in service that is included in rate base.
Unamortized Investment Tax Credit	852,848	-	-	852,848	-	Pursuant to the requirements of ASC 740, 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 of unamortized ITC. These amounts are removed from rate base below.
Other 190	(8,365)	(8,365)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
FAS 109 Regulatory Liability Gross Up	99,972,544	-	-	99,972,544	-	Accumulated Deferred Income Taxes attributable to income tax related regulatory assets and liabilities. This balance is excluded from rate base and removed below.
Subtotal: ADIT-190 (FERC Form)	154,947,755	19,522,940	-	124,537,003	10,887,812	
Less: ASC 740 ADIT Adjustments excluded from rate base	-	-	-	-	-	
Less: ASC 740 ADIT Adjustments related to unamortized ITC	(852,848)	-	-	(852,848)	-	
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)	(99,972,544)	-	-	(99,972,544)	-	
Less: OPEB related ADIT, Above if not separately removed	(4,937,139)	-	-	-	(4,937,139)	
Total: ADIT-190	49,185,224	19,522,940	-	23,711,611	5,950,673	
Wages & Salary Allocator					10.7202%	
Gross Plant Allocator				36.8625%		
Transmission Allocator			100.0000%			
Other Allocator		0.0000%				
ADIT - Transmission	9,378,606	-	-	8,740,681	637,924	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer), Production or Distribution Only 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.

Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

(A) ADIT- 282	(B) Total	(C) Gas, Production, Distribution, or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Plant Deferred Taxes - FAS 109	(705,122,212)	2,415,764	-	(707,537,976)	-	ADIT attributable to plant in service that is included in rate base.
CIAC	37,411,528	37,411,528	-	-	-	ADIT attributable to contributions-in-aid of construction excluded from rate base.
AFUDC Equity	(7,227,919)	(5,077,168)	(2,150,751)	-	-	Under ASC 740, deferred income taxes must be provided on all tax temporary differences, including AFUDC-Equity. Deferred income taxes on AFUDC-Equity are not recognized for Regulatory purposes and are excluded from Rate Base.
Plant Deferred Taxes - Flow-through	(12,877,804)	(12,743,533)	(134,271)	-	-	Pursuant to the requirements of ASC 740, ADIT must encompass all timing differences regardless of whether the difference is normalized or flowed-through. These items are removed below.
Subtotal: ADIT-282 (FERC Form)	(687,816,407)	22,006,591	(2,285,022)	(707,537,976)	-	
Less: ASC 740 ADIT Adjustments excluded from rate base	12,877,804	12,743,533	134,271	-	-	
Less: ASC 740 ADIT Adjustments related to AFUDC Equity	7,227,919	5,077,168	2,150,751	-	-	
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)	-	-	-	-	-	
Less: OPEB related ADIT, Above if not separately removed	-	-	-	-	-	
Total: ADIT-282	(667,710,684)	39,827,292	-	(707,537,976)	-	
Wages & Salary Allocator					10.7202%	
Gross Plant Allocator				36.8625%		
Transmission Allocator			100.0000%			
Other Allocator		0.0000%				
ADIT - Transmission	(260,815,851)	-	-	(260,815,851)	-	

Instructions for Account 282:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer), Production or Distribution Only 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.

Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

(A) ADIT-283	(B) Total	(C) Gas, Production, Distribution, or Other Related	(D) Only Transmission Related	(E) Plant Related	(F) Labor Related	(G) Justification
Asset Retirement Obligation	(162,572)	(162,572)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Materials Reserve	212,989	-	-	212,989	-	ADIT relates to all functions and attributable materials and supplies included in rate base.
Other Deferred Debits	(219,485)	(219,485)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Pension Asset	(15,397,073)	-	-	-	(15,397,073)	Included because the pension asset is included in rate base. Related to accrual recognition of expense for book purposes & deductibility of cash funding's for tax purposes.
Regulatory Asset	(21,662,413)	(21,662,413)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Regulatory Asset - Accrued Vacation	(1,193,868)	(1,193,868)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Regulatory Asset - FERC Transmission True-up	(1,973,303)	-	(1,973,303)	-	-	ADIT relates to transmission function and included in rate base.
Renewable Energy Credits	(127,726)	(127,726)	-	-	-	ADIT excluded because the underlying account(s) are not recoverable in the transmission formula.
Unamortized Loss on Reacquired Debt	(1,083,739)	(1,083,739)	-	-	-	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
Subtotal: ADIT-283 (FERC Form)	(41,607,190)	(24,449,802)	(1,973,303)	212,989	(15,397,073)	
Less: ASC 740 ADIT Adjustments excluded from rate base	-	-	-	-	-	
Less: ASC 740 ADIT Adjustments related to unamortized ITC	-	-	-	-	-	
Less: ASC 740 ADIT balances related to income tax regulatory assets / (liabilities)	-	-	-	-	-	
Less: OPEB related ADIT, Above if not separately removed	-	-	-	-	-	
Total: ADIT-283	(41,607,190)	(24,449,802)	(1,973,303)	212,989	(15,397,073)	
Wages & Salary Allocator					10.7202%	
Gross Plant Allocator				36.8625%		
Transmission Allocator			100.0000%			
Other Allocator		0.0000%				
ADIT - Transmission	(3,545,388)	-	(1,973,303)	78,513	(1,650,598)	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer), Production or Distribution Only 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.

Attachment 1A - Accumulated Deferred Income Taxes (ADIT) Worksheet

ADITC-255		Unamortized ITC Balance	Current Year Amortization
1	Rate Base Treatment		
2	Account No. 255 (Accum. Deferred Investment Tax Credits)	To ATT H-1A, Line 40e	-
3	Amortization		
4	Investment Tax Credit Amortization	To ATT H-1A, Line 133	3,033,967
5	Total		3,033,967
6	Form No. 1 balance (p.266) for amortization		3,033,967
7	Difference /1		-

/1 Difference must be zero

END

Atlantic City Electric Company
Deficient / Excess Deferred Income Taxes
Attachment 1B - Deficient / Excess Deferred Income Tax Amortization Worksheet

Federal Deficient / (Excess) Deferred Income Taxes							
Tax Cuts and Jobs Act of 2017							
Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) December 31, 2017 ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
1	Unprotected Non-Property						
2	ADIT - 190	(Note A)	4 Years	\$ (831,666)	\$ (623,750)	\$ 207,916	\$ (415,833)
3	ADIT - 281	(Note A)	4 Years	-	-	-	-
4	ADIT - 282	(Note A)	4 Years	-	-	-	-
5	ADIT - 283	(Note A)	4 Years	(5,013,302)	(3,759,977)	1,253,325	(2,506,651)
6	Subtotal - Deficient / (Excess) ADIT			\$ (5,844,968)	\$ (4,383,726)	\$ 1,461,242	\$ (2,922,484)
7	Unprotected Property						
8	ADIT - 190	(Note A)	5 Years	\$ -	\$ -	\$ -	\$ -
9	ADIT - 281	(Note A)	5 Years	-	-	-	-
10	ADIT - 282	(Note A)	5 Years	(54,437,932)	(43,550,346)	10,887,586	(32,662,759)
11	ADIT - 283	(Note A)	5 Years	-	-	-	-
12	Subtotal - Deficient / (Excess) ADIT			\$ (54,437,932)	\$ (43,550,346)	\$ 10,887,586	\$ (32,662,759)
13	Protected Property						
14	ADIT - 190	(Note A)	ARAM	\$ 3,570,954	3,570,954	-	3,570,954
15	ADIT - 281	(Note A)	ARAM	-	-	-	-
16	ADIT - 282	(Note A)	ARAM	(51,415,785)	(50,995,671)	594,442	(50,401,229)
17	ADIT - 283	(Note A)	ARAM	-	-	-	-
18	Subtotal - Deficient / (Excess) ADIT			\$ (47,844,831)	\$ (47,424,717)	\$ 594,442	\$ (46,830,275)
19	Total - Deficient / (Excess) ADIT			\$ (108,127,731)	\$ (95,358,789)	\$ 12,943,270	\$ (82,415,518)

Tax Reform Act of 1986							
Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) September 30, 2018 ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
20	Protected Property						
21	ADIT - 190	(Note B)	ARAM	\$ -	\$ -	\$ -	\$ -
22	ADIT - 281	(Note B)	ARAM	-	-	-	-
23	ADIT - 282	(Note B)	ARAM	(228,106)	(215,810)	49,184	(166,626)
24	ADIT - 283	(Note B)	ARAM	-	-	-	-
25	Subtotal - Deficient / (Excess) ADIT			\$ (228,106)	\$ (215,810)	\$ 49,184	\$ (166,626)
26	Total - Deficient / (Excess) ADIT			\$ (228,106)	\$ (215,810)	\$ 49,184	\$ (166,626)

Total Federal Deficient / (Excess) Deferred Income Taxes							
Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
27	ADIT - 190			\$ 2,739,288	\$ 2,947,204	\$ 207,916	\$ 3,155,121
28	ADIT - 281			-	-	-	-
29	ADIT - 282			(106,081,823)	(94,761,827)	11,531,212	(83,230,614)
30	ADIT - 283			(5,013,302)	(3,759,977)	1,253,325	(2,506,651)
31	Total - Deficient / (Excess) ADIT	Col G entered in ATT H-1A, Line 41a		\$ (108,355,837)	\$ (95,574,599)	\$ 12,992,454	\$ (82,582,144)
32	Tax Gross-Up Factor	Att. H-1A, Line 132b		1.3910	1.3910	1.3910	1.3910
33	Regulatory Asset / (Liability)			\$ (150,724,491)	\$ (132,945,610)	\$ 18,072,686	\$ (114,872,923)

Federal Income Tax Regulatory Asset / (Liability)							
Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
34	Account 182.3 (Other Regulatory Assets)			\$ -	\$ -	\$ -	\$ -
35	Account 254 (Other Regulatory Liabilities)			(150,724,491)	(132,945,610)	18,072,686	(114,872,923)
36	Total - Transmission Regulatory Asset / (Liability)			\$ (150,724,491)	\$ (132,945,610)	\$ 18,072,686	\$ (114,872,923)

Atlantic City Electric Company
Deficient / Excess Deferred Income Taxes
Attachment 1B - Deficient / Excess Deferred Income Tax Amortization Worksheet

State Deficient / (Excess) Deferred Income Taxes							
State Tax Rate Change							
Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
37	Unprotected Non-Property						
38	ADIT - 190		4 Years	\$ -	\$ -	\$ -	\$ -
39	ADIT - 281		4 Years	-	-	-	-
40	ADIT - 282		4 Years	-	-	-	-
41	ADIT - 283		4 Years	-	-	-	-
42	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
43	Unprotected Property						
44	ADIT - 190		5 Years	\$ -	\$ -	\$ -	\$ -
45	ADIT - 281		5 Years	-	-	-	-
46	ADIT - 282		5 Years	-	-	-	-
47	ADIT - 283		5 Years	-	-	-	-
48	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
49	Protected Property						
50	ADIT - 190		NA	\$ -	\$ -	\$ -	\$ -
51	ADIT - 281		NA	-	-	-	-
52	ADIT - 282		NA	-	-	-	-
53	ADIT - 283		NA	-	-	-	-
54	Subtotal - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -
55	Total - Deficient / (Excess) ADIT			\$ -	\$ -	\$ -	\$ -

Total State Deficient / (Excess) Deferred Income Taxes							
Line	(A) Deficient / (Excess) Deferred Income Taxes	(B) Notes	(C) Amortization Fixed Period	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
56	ADIT - 190			\$ -	\$ -	\$ -	\$ -
57	ADIT - 281			-	-	-	-
58	ADIT - 282			-	-	-	-
59	ADIT - 283			-	-	-	-
60	Total - Deficient / (Excess) ADIT	Col G entered in ATT H-1A, Line 41b		\$ -	\$ -	\$ -	\$ -
61	Tax Gross-Up Factor	Att. H-1A, Line 132b		1.3910	1.3910	1.3910	1.3910
62	Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

State Income Tax Regulatory Asset / (Liability)							
Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
63	Account 182.3 (Other Regulatory Assets)			\$ -	\$ -	\$ -	\$ -
64	Account 254 (Other Regulatory Liabilities)			-	-	-	-
65	Total - Transmission Regulatory Asset / (Liability)			\$ -	\$ -	\$ -	\$ -

Federal and State Income Tax Regulatory Asset / (Liability)							
Federal and State Income Tax Regulatory Asset / (Liability) related to Deficient / (Excess) Deferred Income Taxes							
Line	(A) Regulatory Assets / (Liabilities)	(B) Notes	(C)	(D) ADIT Deficient / (Excess)	(E) December 31, 2018 BOY Balance	(F) Current Year Amortization	(G) December 31, 2019 EOY Balance
66	Account 182.3 (Other Regulatory Assets)			\$ -	\$ -	\$ -	\$ -
67	Account 254 (Other Regulatory Liabilities)			(150,724,491)	(132,945,610)	18,072,686	(114,872,923)
68	Total - Transmission Regulatory Asset / (Liability)			\$ (150,724,491)	\$ (132,945,610)	\$ 18,072,686	\$ (114,872,923)

Instructions

- For transmission allocated deficient / (excess) accumulated deferred income taxes (ADIT) related to rate change(s) to income tax rates occurring after September 30, 2018, insert new amortization table(s) that delineates the deficient and (excess) ADIT by category (i.e., protected property, unprotected property, and unprotected non-property).
- Set the amortization period for unprotected property to 5 years and unprotected non-property to 4 years. The amortization of deficient and (excess) ADIT designated as protected will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements.
- Update applicable formulas in the "Total Federal Deficient / (Excess) Deferred Income Taxes" and "Total State Deficient / (Excess) Deferred Income Taxes" sections to ensure appropriate inclusion of deficient / (excess) ADIT balances related to rate changes occurring after September 30, 2018.
- Insert note explaining the event giving rise to the deficient / (excess) ADIT including the start and end date for the amortization. The amortization ceases after the related regulatory asset / liability is drawn down to zero.

Notes

- A Deficient and (excess) ADIT related to the Tax Cuts and Jobs Act of 2017 (TCJA) will be amortized beginning January 1, 2018 based on the prescribed amortization periods as provided in the Settlement in Docket No. ER19-5 et al. The amortization periods for unprotected property and unprotected non-property related deficient and (excess) ADIT are fixed and cannot be changed without the Commission's express approval except, balances and categorizations may be changed if required by audit adjustments, amendments to income tax returns, or new IRS guidance. The amortization of protected property related deficient and (excess) ADIT will be calculated using the Average Rate Assumption Method (ARAM) or a manner that complies with the normalization requirements and may vary by year depending on where each underlying asset resides in its individual life cycle. The unprotected property related deficient and (excess) ADIT will be fully amortized by December 31, 2022. The unprotected non-property related deficient and (excess) ADIT will be fully amortized by December 31, 2021. Note - The amortization formula in Column F will change based on where ACE resides in the amortization cycle. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.
- B The remaining unamortized deficient and (excess) ADIT related to the Tax Reform Act of 1986 will be amortized using the Average Rate Assumption Method (ARAM) as provided in the Settlement in Docket No. ER19-5 et al. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.

END

Atlantic City Electric Company
 Accumulated Deferred Income Taxes Reassessment
 Attachment 1C - Deficient / Excess Deferred Income Taxes Worksheet

Tax Cuts and Jobs Act of 2017

Line	Detailed Description	Description	Category	ADIT - Pre Rate Change (December 31, 2017)				ADIT - Post Rate Change (December 31, 2017)				Deficient / (Excess) Deferred Income Taxes (December 31, 2017)				Jurisdiction	Electric Transmission	Allocator (Note 7)	Transmission Allocator (Note 7)	FERC Account
				Federal Gross Timing Difference (D)	Federal ADIT @ 35% (E) = (D) * 35%	State ADIT (F)	FT on BIT @ 35% (G) = (E) + (F)	Total ADIT (H) = (E) + (F) + (G)	Federal Gross Timing Difference (I)	Federal ADIT @ 21% (J) = (I) * 21%	State ADIT (K)	FT on BIT @ 21% (L) = (J) + (K)	Total ADIT (M) = (J) + (K) + (L)	Deferred Tax Rate Change (N) = (H) - (M)	Non-Recognizable (O)					
FERC Account 190 - Non-Current (Note A)																				
1	NJ A&M	1999 A&M	Non-Property	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2	Accrued Payroll Taxes - Manual	Accrued Labor Related	Non-Property	222,022	77,176	561,351	(196,473)	364,878	222,022	74,866	561,351	(117,884)	443,467	(78,589)						
3	Accrued Labor Related	Accrued Labor Related	Non-Property	196,538	68,288	501,528	(174,888)	326,640	196,538	68,288	501,528	(105,613)	395,915	(29,289)						
4	Accrued Liabilities - Workers Comp	Accrued Labor Related	Non-Property	1,350,412	472,644	121,537	(42,538)	551,643	1,350,412	283,567	121,537	(25,223)	379,801	172,042						
5	Accrued Liabilities - Disability	Accrued Labor Related	Non-Property	146,169	51,005	14,005	(4,919)	32,796	146,169	51,005	14,005	(4,369)	37,634	19,896						
6	Accrued Liability - PHI Incentive Plan	Accrued Labor Related	Non-Property	3,405,704	1,191,996	3,405,704	(1,072,390)	1,919,230	3,405,704	715,198	3,065,513	(63,886)	957,343	433,887						
7	Accrued Lab-Stock Pay Carryover	Accrued Labor Related	Non-Property	1,776,911	617,919	1,776,911	(55,973)	725,866	1,776,911	373,161	1,530,922	(49,480)	226,378	226,378						
8	Accrued Lab-Vacation	Accrued Labor Related	Non-Property	2,878,952	1,012,633	2,878,952	(83,577)	1,216,902	2,878,952	625,580	2,878,952	(56,302)	379,519	379,519						
9	Acc Lab - Deferred Comp ST	Accrued Labor Related	Non-Property	130,000	45,750	130,000	(40,500)	89,500	130,000	28,500	101,500	(2,500)	37,949	17,199						
10	Liabilities-Diversity (92420L)-Contra	Accrued Labor Related	Non-Property	(156,169)	(54,665)	(156,169)	(49,055)	(107,114)	(156,169)	(53,236)	(102,933)	(31,688)	(19,898)	(19,898)						
11	Liab-Workers Comp (92420L)-Contra	Accrued Labor Related	Non-Property	(1,350,412)	(472,644)	(121,537)	(42,538)	(551,643)	(1,350,412)	(283,567)	(121,537)	(25,223)	(379,801)	(172,042)						
12	Accrued Liabilities - Workers Comp - Long Term	Accrued Labor Related	Non-Property	8,741,596	3,059,559	786,744	(275,342)	3,570,942	8,741,596	1,825,735	786,744	(165,216)	2,457,263	1,113,679						
13	Accrued Liabilities - Disability - Long Term	Accrued Labor Related	Non-Property	518,589	181,506	46,673	(16,336)	118,589	518,589	108,904	46,673	(9,801)	145,775	66,068						
14	Liability-Deferred Comp (92500P)-Contra	Accrued Labor Related	Non-Property	(130,000)	(45,750)	(130,000)	(40,500)	(89,500)	(130,000)	(28,500)	(101,500)	(2,500)	(37,949)	(17,199)						
15	Acc Lab - Deferred Comp LT-Old Plans	Accrued Labor Related	Non-Property	140,236	49,083	140,236	(44,117)	96,119	140,236	24,460	115,776	(2,000)	38,420	17,866						
16	Section 401(a) Adjustments - Payroll Taxes	Accrued Labor Related	Non-Property	(122,306)	(42,807)	(11,008)	(3,853)	(149,862)	(122,306)	(25,884)	(11,008)	(3,853)	(34,380)	(15,582)						
17	Accrued Lab - Auto	Accrued Labor - Auto	Non-Property	248,150	87,203	224,64	(7,440)	109,778	248,150	52,222	222,424	(4,709)	70,056	31,742						
18	Accrued Lab-General Liability	Accrued Lab - Misc.	Non-Property	2,941,546	1,029,541	2,647,79	(82,659)	1,201,622	2,941,546	617,725	2,647,79	(55,595)	828,869	374,753						
19	Regulatory Liability-Currency Rev Act	Accrued Lab - Misc.	Non-Property	(1,093,270)	(382,645)	(89,394)	(34,438)	(446,601)	(1,093,270)	(229,587)	(89,394)	(20,663)	(307,318)	(139,283)						
20	Reg Lab-NJ 201 Energy Supply-Wetting	Accrued Lab - Misc.	Non-Property	(10,676,348)	(3,736,722)	(10,676,348)	(3,242,033)	(6,902,811)	(10,676,348)	(2,402,977)	(6,902,811)	(2,011,763)	(1,360,167)	(1,360,167)						
21	NJ On Reg Liability-Deferred DM	Accrued Lab - Misc.	Non-Property	648,725	227,054	58,385	(20,435)	265,004	648,725	136,232	58,385	(20,201)	162,367	82,648						
22	Regulatory Liability - NJ Distribution Deferral SBC	Accrued Lab - Misc.	Non-Property	399,147	139,701	35,323	(12,370)	163,053	399,147	83,203	163,053	(47,472)	112,200	50,851						
23	NJ Reg Liability-Universal Service Fund	Accrued Lab - Misc.	Non-Property	890,926	311,824	80,183	(28,964)	363,943	890,926	187,094	80,183	(16,830)	250,439	113,504						
24	NJ Reg Liability-Line	Accrued Lab - Misc.	Non-Property	465,468	162,914	18,892	(6,462)	190,144	465,468	97,748	41,892	(11,281)	130,843	59,301						
25	ACE - Unfilled Generation Deferral	Accrued Lab - Misc.	Non-Property	11,121,011	3,892,334	1,234,416	(412,312)	4,542,033	11,121,011	2,328,412	1,000,891	(316,717)	1,416,817	1,416,817						
26	ACE - Unfilled Social Benefits Charge	Accrued Lab - Misc.	Non-Property	2,534,006	886,902	228,601	(79,521)	1,035,141	2,534,006	532,141	228,601	(47,873)	712,309	322,832						
27	ACE - Unfilled Transmission Deferral	Accrued Lab - Misc.	Non-Property	1,371,626	480,069	123,446	(43,206)	560,309	1,371,626	288,041	123,446	(26,504)	385,664	174,745						
28	Regulatory Liability-Contra-Rev Act	Accrued Lab - Misc.	Non-Property	(1,093,270)	(382,645)	(89,394)	(34,438)	(446,601)	(1,093,270)	(229,587)	(89,394)	(20,663)	(307,318)	(139,283)						
29	Other Regulatory Liability - General	Accrued Lab - Misc.	Non-Property	(2,703,270)	(930,066)	(223,316)	(77,010)	(1,050,392)	(2,703,270)	(545,403)	(223,316)	(59,473)	(327,616)	(157,279)						
30	Reg Lab-Asset Retirement Oblig-Electric	Accrued Lab - Misc.	Non-Property	(1,450,366)	(507,623)	(140,933)	(49,607)	(600,473)	(1,450,366)	(304,877)	(140,933)	(36,777)	(184,777)	(87,000)						
31	Asset Retirement Obligation - Non-Utility	Accrued Lab - Misc.	Non-Property	2,210,220	773,577	198,520	(69,622)	902,875	2,210,220	464,146	198,520	(41,773)	612,933	281,582						
32	Asset Retirement Oblig-Utility	Accrued Lab - Misc.	Non-Property	(1,450,366)	(507,623)	(140,933)	(49,607)	(600,473)	(1,450,366)	(304,877)	(140,933)	(36,777)	(184,777)	(87,000)						
33	Accrued Lab-General	Accrued Liability - General	Non-Property	1,886,241	664,384	170,842	(59,735)	775,431	1,886,241	398,242	170,842	(35,773)	533,598	241,836						
34	On Reg Lab-Asset Retirement Oblig-Electric	Accrued Liability - General	Non-Property	130,533	45,687	130,533	(40,500)	89,500	130,533	28,500	101,500	(2,500)	37,949	17,199						
35	Merger Commitments	Accrued Liability - General	Non-Property	1,460,300	507,605	507,605	(156,877)	350,728	1,460,300	304,577	156,877	(41,212)	407,698	184,777						
36	Accrued Charitable Contributions NJ	Accrued Liability - General	Non-Property	339,122	119,203	33,203	(11,361)	139,045	339,122	72,303	33,203	(8,313)	272,263	123,440						
37	Accrued Charitable Contributions NJ-Long Term	Accrued Liability - General	Non-Property	6,720,798	2,352,268	6,720,798	(2,024,872)	4,695,926	6,720,798	1,411,368	2,352,268	(604,872)	866,230	866,230						
38	Accumulated Deferred Investment Tax Credit	Accumulated Deferred Investment Tax Credit	Protected Property	3,697,280	1,294,048	332,755	(116,646)	1,510,339	3,697,280	776,429	332,755	(89,879)	1,039,305	471,033						
39	BAD DEBT RESERVE	BAD DEBT RESERVE	Protected Property	1,831,322	640,963	154,619	(53,873)	687,609	1,831,322	384,573	154,619	(40,778)	425,302	203,010						
40	Provision for Uncollectible Accounts-Tax	BAD DEBT RESERVE	Non-Property	5,578,580	1,953,789	454,492	(152,072)	1,938,214	5,578,580	1,234,148	454,492	(116,442)	4,488,397	2,030,603						
41	Charitable Contributions - Fed	Charitable Contribution Limit	Non-Property	2,031,658	711,080	2,031,658	(626,648)	1,405,010	2,031,658	426,648	711,080	(182,412)	284,432	284,432						
42	Charitable Contributions - NJ	Charitable Contribution Limit	Non-Property	196,724	68,854	196,724	(60,854)	135,870	196,724	41,312	68,854	(17,241)	127,811	61,000						
43	ENVIRONMENTAL EXPENSE	ENVIRONMENTAL EXPENSE	Non-Property	99,750	34,663	99,750	(30,663)	69,087	99,750	21,663	34,663	(8,877)	30,309	14,732						
44	Liability-ENVIRONMENTAL EXPENSE	ENVIRONMENTAL EXPENSE	Non-Property	(285,000)	(100,250)	(285,000)	(87,750)	(197,250)	(285,000)	(62,250)	(100,250)	(27,500)	(132,500)	(62,750)						
45	Accrued Lab-Environmental Site Exp - Long Term	ENVIRONMENTAL EXPENSE	Non-Property	628,942	220,130	56,605	(19,812)	256,923	628,942	132,078	56,605	(11,887)	176,796	80,127						
46	Accrued Lab-TIP	OREB	Non-Property	427,575	149,651	38,462	(13,469)	174,664	427,575	89,791	38,462	(9,891)	120,391	54,473						
47	Accrued Lab-OREB	OREB	Non-Property	16,363,196	5,726,867	1,640,462	(544,489)	6,826,940	16,363,196	3,446,462	1,640,462	(419,841)	4,807,209	2,490,209						
48	Accrued Liability - TIP - Long Term	OREB	Non-Property	130,121	45,542	11,711	(4,099)	53,155	130,121	27,325	11,711	(2,459)	36,577	16,577						
49	Liabilities-SERP (92420L) - Contra	SERP	Non-Property	398,525	139,595	39,525	(13,525)	165,575	398,525	85,115	39,525	(10,000)	70,330	33,330						
50	Liabilities-SERP (92420L) - Contra	SERP	Non-Property	(881,501)	(308,525)	(27,767)	(9,733)	(380,063)	(881,501)	(185,115)	(308,525)	(16,660)	(247,730)	(112,303)						
51	Accrued Lab-SERP	SERP	Non-Property	881,501	308,525	73,325	(27,000)	300,099	881,501	185,115	308,525	(16,660)	247,730	112,303						
52	Retained Credits - Deferred MITC Tax Rev	Stranded Costs	Non-Property	3,889,854	1,361,484	3,889,854	(1,189,546)	2,700,308	3,889,854	816,890	1,361,484	(369,496)	456,586	456,586						
53	NJ On Reg Liability-Tax Benefits	Stranded Costs	Non-Property	444,546	155,991	44,546	(16,000)	184,537	444,546	93,355	44,546	(11,402)	124,962	56,635						
54	Line Tax Reserve	Line Tax Reserve	Non-Property	2,791,067	981,119	2,791,067	(874,194)	1,916,873	2,791,067	591,204	2,791,067	(874,194)	1,916,873	950,962						
55	Federal NOL	Federal NOL	Protected Property	73,232																

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)	2,169,180		
2 Personal property	-		
3 City License	-		
4 Federal Excise	10,552		
	.		
Total Plant Related	2,179,732	36.8625%	803,503
Labor Related		Wages & Salary Allocator	
5 Federal FICA & Unemployment and Unemployment(State)	2,773,965		
6			
Total Labor Related	2,773,965	10.7202%	297,375
Other Included		Gross Plant Allocator	
7 Miscellaneous			
Total Other Included	0	36.8625%	0
Total Included			1,100,877
Excluded			
8 State Franchise tax	-		
9 TEFA	-		
10 Use & Sales Tax	(615,971)		
10.1 Excluded State Dist RA Amort in line 5	44,891		
11 Total "Other" Taxes (included on p. 263)	4,382,616		
12 Total "Taxes Other Than Income Taxes" - acct 408.10 (p. 114.14)	<u>4,382,616</u>		
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)		\$	830,783
2 Total Rent Revenues	(Sum Line 1)		830,783

Account 456 - Other Electric Revenues (Note 1)

3 Schedule 1A		\$	830,470
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)			957,837
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)		3,238,470
12 Less line 17g			(532,158)
13 Total Revenue Credits			2,901,517

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.			830,783
17b Costs associated with revenues in line 17a	Attachment 5 - Cost Support		233,533
17c Net Revenues (17a - 17b)			597,250
17d 50% Share of Net Revenues (17c / 2)			298,625
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)			298,625
17g Line 17f less line 17a			(532,158)
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.			18,337,529
19 Amount offset in line 4 above			142,987,355
20 Total Account 454, 456 and 456.1			166,384,265
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)	77,357,492
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + 58)	939,795,842
Long Term Interest				
100	Long Term Interest		p117.62c through 67c	57,709,830
101	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	2,579,701
102	Long Term Interest		"(Line 100 - line 101)"	55,130,129
103	Preferred Dividends	enter positive	p118.29c	0
Common Stock				
104	Proprietary Capital		p112.16c	1,276,295,808
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)	1,276,295,808
Capitalization				
108	Long Term Debt		p112.17c through 21c	1,313,398,829
109	Less Loss on Reacquired Debt	enter negative	p111.81.c	-3,855,349
110	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
111	Less ADIT associated with Gain or Loss	enter negative	Attachment 1A - ADIT, Line 6	1,083,739
112	Less LTD on Securitization Bonds	enter negative	Attachment 8	-26,383,829
113	Total Long Term Debt		(Sum Lines 108 to 112)	1,284,243,390
114	Preferred Stock		p112.3c	0
115	Common Stock		(Line 107)	1,276,295,808
116	Total Capitalization		(Sum Lines 113 to 115)	2,560,539,198
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)	0.0429
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)	0.0215
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)	0.0790
127	Investment Return = Rate Base * Rate of Return		(Line 59 * 126)	74,210,086

Composite Income Taxes (Note L)

Income Tax Rates				
128	FIT=Federal Income Tax Rate		(Note I from ATT H1-A)	21.00%
129	SIT=State Income Tax Rate or Composite		(Note I from ATT H1-A)	9.00%
130	p = percent of federal income tax deductible for state purposes		Per State Tax Code	0.00%
131	T		$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.11%
132a	T/(1-T)			39.10%
132b	Tax Gross-Up Factor	$1*/(1-T)$		1.3910
ITC Adjustment				
133	Investment Tax Credit Amortization		(Note V from ATT H1-A) enter negative	Attachment 1A - ADIT -325,830
134	Tax Gross-Up Factor		(Line 132b)	1.39
135	Net Plant Allocation Factor		(Line 18)	38.25%
136a	ITC Adjustment Allocated to Transmission		(Line 133 * 134 * 135)	-173,363
Other Income Tax Adjustment				
136b	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense		(Note T from ATT H1-A)	Attachment 5, Line 136b 55,326
136c	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component		(Note T from ATT H1-A)	Attachment 5, Line 136c -12,992,454
136d	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component		(Note T from ATT H1-A)	Attachment 5, Line 136d 0
136e	Amortization of Other Flow-Through Items - Transmission Component		(Note T from ATT H1-A)	Attachment 5, Line 136e 134,274
136f	Other Income Tax Adjustments - Expense / (Benefit)		(Line 136b + 136c + 136d + 136e)	-12,802,854
136g	Tax Gross-Up Factor		(Line 132b)	1.3910
136h	Other Income Tax Adjustment		(Line 136f * 136g)	-17,808,950
137	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	[Line 132a * 127 * (1-(123 / 126))]	21,129,719
138	Total Income Taxes		(Line 136a + 136h + 137)	3,147,406

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 (see Attachment 5)	22,872,299	22,872,299	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							
40e	(Note V)	(Note V)	p267.h	3,033,967	3,033,967	0	Respondent is Electric Utility only.
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.6c & 16.c	0	0	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	5,813,108	5,813,108	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	13,262,694	1,194,950	12,067,744	Transmission Right of Way - Carl's Corner to Landis, Terrace Substation - Land Expansion for Storm Water

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	4,207,834,817	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 (see Attachment 5)	1,542,090,059	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	269,061,580	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 (see Attachment 5)	319,978	319,978	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
Allocated General & Common Expenses							
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189b	4,137,986	200,728	3,937,258	FERC Form 1 page 351 line 9 (h) and 10 (h)
Directly Assigned A&G							
77	Regulatory Commission Exp Account 928	(Note G)	p323.189b	4,137,986	200,728	3,937,258	FERC Form 1 page 351 line 9 (h) and 10 (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
Directly Assigned A&G							
81	General Advertising Exp Account 930.1	(Note F)	p323.191b	833,948	-	833,948	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
Income Tax Rates									
129	SIT=State Income Tax Rate or Composite	(Note I)	9.0000%	NJ 9.00%	PA				Enter Calculation Apportioned: NJ 100.0000%, PA 0.0000%

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
Directly Assigned A&G							
78	General Advertising Exp Account 930.1	(Note K)	p323.191b	833,948	-	833,948	None

Excluded Plant Cost Support

Atlantic City Electric Company

Attachment 5 - 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:	Example	Or	
	A Total investment in substation	1,000,000	Enter \$	
	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				

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				

Transmission Related Account 242 Reserves

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Total	Allocation	Transmission Related	Details
			Enter \$		Amount	
44	Transmission Related Account 242 Reserves (exclude current year environmental site related reserves)		-	100%	-	
	Directly Assignable to Transmission					
	Labor Related, General plant related or Common Plant related		35,108,694	10.72%	3,763,725	
	Plant Related		3,663,624	36.86%	1,350,502	
	Other			0.00%	-	
	Total Transmission Related Reserves		38,772,318		5,114,226	

Prepayments

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Description of the Prepayments
45	Prepayments			
5	Wages & Salary Allocator	10.720%	To Line 45	
	Pension Liabilities, if any, in Account 242	10.720%	-	
	Prepayments	\$ 880,784	10.720%	94,422
	Prepaid Pensions if not included in Prepayments	\$ 52,356,364	10.720%	5,612,710
		53,237,148		5,707,132
Prepayment is recorded in FERC account 165 (see FERC Form 1 page 111) Prepaid Pension is recorded in FERC account 186 (see FERC Form 1 page 233).				
Add more lines if necessary				

Atlantic City Electric Company

Attachment 5 - Cost Support

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	
Add more lines if necessary					

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
Net Revenue Requirement			
171 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
Network Zonal Service Rate				
173 1 CP Peak (Note L) PJM Data		2,737.3		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			
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			
	Form 1 Amount	Merger Costs	Non Merger & Dist RA Related
6 Electric Plant in Service p207.104g	4,207,834,817	969,311	4,206,865,506
9 Accumulated Depreciation (Total Electric Plant) p219.29c	852,666,367	31,058	852,635,309
10 Accumulated Intangible Amortization p200.21c	22,872,299	348,268	22,524,031
23 General & Intangible p205.5.g & p207.99.g	221,679,056	969,311	220,709,745
60 Transmission O&M p321.112.b	26,866,774	-	26,866,774
68 Total A&G p323.197.b	96,793,991	38,296	96,755,695
87 General Depreciation p336.10b&c	7,579,413	23,718	7,555,695
88 Intangible Amortization p336.1d&e	5,813,108	170,337	5,642,771

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	4,207,834,817	2,165,288	4,205,669,529		Distribution ARO-\$2,055,065 General ARO-\$110,223		
9 Accumulated Depreciation (Total Electric Plant) p219.29c	852,666,367	306,591	852,359,776		Distribution ARO-\$192,072 and General ARO-\$101,674		
23 General & Intangible p205.5.g & p207.99.g	221,679,056	110,223	221,568,833		General ARO-\$110,223		
31 Accumulated General Depreciation p219.28.c	44,534,504	128,787	44,405,717		General ARO-\$128,787		

Atlantic City Electric Company

Attachment 5 - Cost Support

Plant Related Exclusions - Cost Support			Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions					Form 1 Amount	ARO's	Merger Costs	Capital Leases	Non-ARO's & Non Merger Related & Non-Leases
6	Electric Plant in Service	p207.104g	4,207,834,817	2,165,288	969,311	8,479,911	4,196,220,307	Distribution ARO-\$2,055,065 General ARO-\$110,223, Merger Cost \$969,311, and General Capital Lease \$8,479,911				
9	Accumulated Depreciation (Total Electric Plant)	p219.29c	852,666,367	306,591	31,058	-	852,328,717	Distribution ARO-\$177,804 and General ARO-\$128,787, Merger Cost \$31,058				
10	Accumulated Intangible Amortization	p200.21c	22,872,299	-	348,268	601,604	21,922,426	Intangible Merger Cost \$348,268 and General Capital Lease \$601,604				
19	Transmission Plant In Service	p207.58.g	1,524,090,059	-	-	-	1,524,090,059					
23	General & Intangible	p205.5.g & p207.99.g	221,679,056	110,223	969,311	8,479,911	212,119,611	General ARO-\$110,223, General and Intangible Merger Cost \$969,311 and General Capital Lease \$8,479,911				
31	Accumulated General Depreciation	p219.28.c	44,534,504	128,787	31,058	-	44,374,658	General ARO-\$128,787, General Merger Cost \$31,058				

Expense Related Exclusions - Cost Support			Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions						Total A&G Form 1 Amount	Merger Costs	State Approved Distribution Reg Asset Amortization	Below the line Membership Dues in 923 current rate year	Below the line Pro Bono Climate Change Expenses in 923 current rate year	Non Merger & Non Dist RA Amot & Membership Dues Below the Line
68	Total A&G	Total: p.323.197.b)	96,793,991	38,296	135,404	2,063	379	96,617,849	Merger costs in 923 \$38,296, Distribution Reg Asset amortization \$135,404, Below the Line Membership Dues \$2,063 and Below the Line Pro Bono Climate Change expenses \$379.					

PBOP Expense in FERC 926			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	96,793,991	11,448,146	381,359	15,100	The actuarially determined amount of OPEB expense in FERC 926 increased \$0.4 million from the prior year; the increase primarily represents a change in the discount rate from 3.57% in 2018 to 4.27% in 2019, a -70 basis points change. In addition, expected return on plan assets decreased due to year over year market changes.

Atlantic City Electric Company

Attachment 5 - Cost Support

Attachment 3 - Revenue Credit Workpaper

17b	Costs associated with revenues in line 17a	\$	233,533
	Revenue Subject to 50/50 sharing (Attachment 3 - line 17a)	\$	830,783
	Federal Income Tax Rate		21.00%
	Federal Tax on Revenue subject to 50/50 sharing		174,464
	Net Revenue subject to 50/50 sharing		656,318
	Composite State Income Tax Rate		9.000%
	State Tax on Revenue subject to 50/50 sharing		59,069
	Total Tax on Revenue subject to 50/50 sharing	\$	233,533

Miscellaneous Revenue Credits				
	Allocator	Allocation Factor	Description	
	Acct 456	799,633	10.72% Wages & Salary	Intercompany Facilities
	Acct 456	632,663	10.72% Wages & Salary	Intercompany Vehicles
	Acct 456	388,615	10.72% Wages & Salary	Intracompany Sales
		-	100% 100% Transmission	
		-	36.86% Gross Plant	
		<u>1,820,911</u>		
		195,205	Attachment 3 - Revenue Credit line 13	

Transmission Materials & Supplies

50 Transmission Materials & Supplies

The amount shown for 2019 does not include any amounts from FERC Form 1, page 227, line 5, Assigned to - Construction consistent with the May 5, 2020 FERC Order in Docket ER20-1187

Other Income Tax Adjustments

Line	Component Descriptions	Instruction References	Transmission Depreciation Expense Amount		Tax Rate from Attachment H-1A, Line 131		Amount to Attachment H-1A, Line 136f
136b	Tax Adjustment for AFUDC Equity Component of Transmission Depreciation Expense	Instr. 1, 2, 3 below	\$ 196,820	X	28.11%	=	\$ 55,326
	Amortization of Deficient / (Excess) Deferred Taxes - Transmission Component						
136c	Amortization Deficient / (Excess) Deferred Taxes (Federal) - Transmission Component	Instr. 4 below					(12,992,454)
136d	Amortization Deficient / (Excess) Deferred Taxes (State) - Transmission Component	Instr. 4 below					-
136e	Amortization of Other Flow-Through Items - Transmission Component	Instr. 5 below					134,274
136f	Total Other Income Tax Adjustments - Expense / (Benefit)						<u>\$ (12,802,854)</u>
Instr. #s	Instructions						
Instr. 1	Transmission Depreciation Expense is the gross cumulative amount based upon tax records of capitalized AFUDC equity embedded in the gross plant attributable to the transmission function multiplied by the Capital Recovery Rate (described in Instruction 2). Within five years of the effective date of the Settlement in Docket No ER19-5 et al, and at least every five years thereafter, ACE will file an FPA Section 205 rate proceeding to revise its depreciation rates (unless the company has otherwise submitted an FPA Section 205 rate filing that addresses its depreciation rates in the prior five years).						
Instr. 2	Capital Recovery Rate is the book depreciation rate applicable to the underlying plant assets.						
Instr. 3	"AFUDC-Equity" category reflects the nondeductible component of depreciation expense related to the capitalized equity portion of Allowance for Funds Used During Construction (AFUDC).						
Instr. 4	Upon enactment of changes in tax law, accumulated deferred income taxes are re-measured and adjusted in the Company's books of account, resulting in deficient or (excess) accumulated deferred income taxes (ADIT). Such deficient or (excess) ADIT attributed to the transmission function will be based upon tax records and calculated in the calendar year in which the deficient or (excess) amount was measured and recorded for financial reporting purposes. See Attachment 1B - ADIT Amortization, Column F, Line 31 and Line 60 for additional information and support for the current year amortization. The current year amortization of deficient and (excess) ADIT is recorded in FERC Accounts 410.1 and 411.1.						
Instr. 5	Other Flow-Through Items - In the past regulatory agencies required certain federal and state income tax savings resulting from temporary differences between the amount of Other Flow-Through Items - In the past regulatory agencies required certain federal and state income tax savings resulting from temporary differences between the amount of taxes computed for ratemaking purposes and taxes on the amount of actual current federal income tax liability to be immediately "flowed through" rates for certain assets. The "flow-through" savings were accounted for in deferred tax balances, based on the expectation and understanding that while tax savings would be immediately flowed through to ratepayers, the flow-through expense incurred when the temporary differences reverse would be recovered from ratepayers. The "Amortization of Other Flow-Through Items" represents the transmission portion of tax expense relating to the reversal of these temporary differences. The Other Flow-Through balance as of September 30, 2018 will reverse beginning October 1, 2018 based on the prescribed period.						

Atlantic City Electric Company

Attachment 5a - Allocations of Costs to Affiliate

	Delmarva Power	Atlantic City	Pepco	Other	Total
Executive Management	1,929,537	1,773,167	3,294,875	4,189	7,001,768
Support Services	8,626,317	7,084,800	15,276,145	8,929,256	39,916,518
Financial Services	7,342,634	6,815,575	12,627,064	114,319	26,899,592
Human Resources	2,890,976	1,940,455	4,338,456		9,169,887
Legal Services	1,424,466	1,318,747	2,335,250	68,899	5,147,362
Customer Services	34,440,116	32,631,689	23,978,310		91,050,115
Information Technology	14,935,213	13,563,626	23,629,092	4,616	52,132,547
Government Affairs	4,282,118	4,938,355	5,869,562	15,960	15,105,995
Communication Services	1,932,707	1,682,506	3,099,755	3,005	6,717,973
Regulatory Services	7,414,502	6,777,269	10,700,981	603	24,893,355
Regulated Electric and Gas Operation Services	34,581,530	29,260,143	50,013,513	436,674	114,291,860
Supply Services	704,911	678,207	1,697,376	162	3,080,656
Total	\$ 120,505,027	\$ 108,464,539	\$ 156,860,379	\$ 9,577,683	\$ 395,407,628

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, 2012
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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	44,157,691	112,640,215	62,473	156,860,379
2	Delmarva Power & Light Company	34,280,920	86,187,876	36,231	120,505,027
3	Atlantic City Electric Company	26,895,792	81,534,709	34,038	108,464,539
4	Exelon Business Services Company, LLC	297,200	8,279,289		8,576,489
5	Constellation NewEnergy, Inc.		637,174		637,174
6	Pepco Holdings LLC	79,088	26,789	80	105,957
7	Commonwealth Edison Company	579	140,532		141,111
8	PECO Energy Company		56,696		56,696
9	Baltimore Gas and Electric Company		43,658		43,658
10	Exelon Generation Company, LLC	16,598			16,598
11					
12					
13					
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18					
19					
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35					
36					
37					
38					
39					
40	Total	105,727,868	289,546,938	132,822	395,407,628

Service Company Billing Analysis by Utility FERC Account
YTD Dec 2019
Total PHI

FERC Accounts	FERC Account Name	Delmarva Power	Atlantic City	PEPCO	Other	Total	Inclusion in ATRR
107	Constr Work In Progress	17,963,994	16,017,260	29,690,053	237,600	63,908,907	Not included
108	Accumulated Provision for Depreciation	1,426,547	1,851,771	1,561,729		4,840,047	Wage & Salary Factor
163	Stores Expense Undistributed	630,518	606,970	1,571,433		2,808,921	Wage & Salary Factor
182.3	Other Regulatory Assets	1,045,306	111,919	2,743,135		3,900,360	Not included
184	Clearing Accounts - Other *	1,900,784	1,208,585	6,098,031		9,207,400	Not included
186	Misc Deferred debits	-	-	198		198	Not included
253	Other Deferred Credits	-	-	54,698		54,698	Not included
254	Other Regulatory Liabilities	23,375	-	-		23,375	Not included
416-421.2	Other Income -Below the Line	(103,891)	(59,579)	16,774	9,336,218	9,189,522	Not included
426.1-426.5	Other Income Deductions - Below the Line	975,046	747,659	1,854,913		3,577,618	Not included
430	Interest-Debt to Associated Companies	2,109	1,935	3,598		7,642	Not included
431	Other Interest Expense	53,884	49,822	92,261		195,967	Not included
556	System cont & load dispatch	1,804,218	1,424,155	1,306,262		4,534,635	Not included
557	Other expenses	887,919	709,648	1,274,558		2,872,125	Not included
560	Operation Supervision & Engineering	1,697,750	591,552	371,504		2,660,806	100% included
561.1	Load Dispatching - Reliability	(1,530)	433	-		(1,097)	100% included
561.2	Load Dispatch - Monitor & Operate Transmission Sy:	(3,864)	1,036	72,947		70,119	100% included
561.3	Load Dispatch - Transmission Service & Scheduling	(712)	1,164	-		452	100% included
561.5	Reliability, Planning and Standards	44,359	5,206	-		49,565	100% included
566	Miscellaneous transmission expenses	1,402,646	1,455,412	2,433,579		5,291,637	100% included
568	Maintenance Supervision & Engineering	7,191	6,115	33,177		46,483	100% included
569	Maint of structures	-	302	-		302	100% included
569.2	Maintenance of Computer Software	-	(1)	8,225		8,224	100% included
570	Maintenance of station equipment	(29,861)	150,721	9,890		130,750	100% included
571	Maintenance of overhead lines	501,340	373,146	384,102		1,258,588	100% included
572	Maintenance of underground lines	111	-	-		111	100% included
573	Maintenance of miscellaneous transmission plant	(1,098)	(673)	-		(1,771)	100% included
580	Operation Supervision & Engineering	413,542	488,161	415,291		1,316,994	Not included
581	Load dispatching	167,051	101,668	89,535		358,254	Not included
582	Station expenses	4	1,885	73,231		75,120	Not included
583	Overhead line expenses	3	1,135	218		1,356	Not included
584	Underground line expenses	430	24,259	6		24,695	Not included
586	Meter expenses	841,048	197,670	5		1,038,723	Not included
587	Customer installations expenses	376,994	168,410	341,539		886,943	Not included
588	Miscellaneous distribution expenses	2,028,683	1,653,974	2,816,435		6,499,092	Not included
589	Rents	50	(2)	4		52	Not included
590	Maintenance Supervision & Engineering	357,611	6,104	140,943		504,658	Not included
591	Maintain structures	-	84	-		84	Not included
592	Maintain equipment	154,570	177,026	279,619		611,215	Not included
593	Maintain overhead lines	575,451	592,352	1,323,273	579	2,491,655	Not included
594	Maintain underground line	304	562	12		878	Not included
595	Maintain line transformers	31	74	(2,685)		(2,580)	Not included
596	Maintain street lighting & signal systems	246	128	2		376	Not included
597	Maintain meters	380,571	2	-		380,573	Not included
598	Maintain distribution plant	19,754	21,032	37,107		77,893	Not included
813	Other gas supply expenses	269,144	-	-		269,144	Not included
859	Other transmission expenses	108	-	-		108	Not included
878	Meter & house regulator expense	610,854	-	-		610,854	Not included
880	Other distribution expenses	53,757	-	-		53,757	Not included
888	Maintenance of compressor station equipment	3	-	-		3	Not included
893	Maintenance of meters & house regulators	452,515	-	-		452,515	Not included
902	Uncollectable Accounts	103,292	291,165	-		394,457	Not included
903	Customer records and collection expenses	38,177,659	38,283,600	29,193,537		105,654,796	Not included
904	Uncollectable Accounts	150	140	258		548	Not included
907	Supervision - Customer Svc & Information	-	85,509	-		85,509	Not included
908	Customer assistance expenses	1,374,758	267,258	215,364		1,857,380	Not included
909	Informational & instructional advertising	117,558	108,708	201,264		427,530	Not included
923	Outside services employed	41,918,164	39,433,285	68,207,833	3,286	149,562,568	Wage & Salary Factor
924	Property insurance	(6,581)	(5,927)	(11,140)		(23,648)	Net Plant Factor
925	Injuries & damages	326	299	557		1,182	Wage & Salary Factor
928	Regulatory commission expenses	973,766	400,118	2,274,057		3,647,941	Direct transmission Only
930.1	General ad expenses	355,219	329,987	609,435		1,294,641	Direct transmission Only
930.2	Miscellaneous general expenses	561,847	581,315	1,073,612		2,216,774	Wage & Salary Factor
935	Maintenance of general plant	4	-	-		4	Wage & Salary Factor
		120,505,027	108,464,539	156,860,379	9,577,683	395,407,628	

* Primarily represents vehicle and facility cost that are charged to the utilities and included within the clearing account. The cost in the utility clearing accounts get distributed to various FERC accounts during the utility overhead allocation process.

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			
137,873,229	-	139,682,567	=	(1,809,338)	

Interest on Amount of Refunds or Surcharges						
Interest rate pursuant to 35.19a for March of 0.4200% updated						
Month	Yr	1/12 of Step 9	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	(150,778)	0.4200%	11.5	(7,283)	(158,061)
Jul	Year 1	(150,778)	0.4200%	10.5	(6,649)	(157,427)
Aug	Year 1	(150,778)	0.4200%	9.5	(6,016)	(156,794)
Sep	Year 1	(150,778)	0.4200%	8.5	(5,383)	(156,161)
Oct	Year 1	(150,778)	0.4200%	7.5	(4,750)	(155,528)
Nov	Year 1	(150,778)	0.4200%	6.5	(4,116)	(154,894)
Dec	Year 1	(150,778)	0.4200%	5.5	(3,483)	(154,261)
Jan	Year 2	(150,778)	0.4200%	4.5	(2,850)	(153,628)
Feb	Year 2	(150,778)	0.4200%	3.5	(2,216)	(152,995)
Mar	Year 2	(150,778)	0.4200%	2.5	(1,583)	(152,361)
Apr	Year 2	(150,778)	0.4200%	1.5	(950)	(151,728)
May	Year 2	(150,778)	0.4200%	0.5	(317)	(151,095)
Total		(1,809,338)				(1,854,933)

		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jun	Year 2	(1,854,933)	0.4200%	(158,830)	(1,703,894)
Jul	Year 2	(1,703,894)	0.4200%	(158,830)	(1,552,220)
Aug	Year 2	(1,552,220)	0.4200%	(158,830)	(1,399,909)
Sep	Year 2	(1,399,909)	0.4200%	(158,830)	(1,246,959)
Oct	Year 2	(1,246,959)	0.4200%	(158,830)	(1,093,366)
Nov	Year 2	(1,093,366)	0.4200%	(158,830)	(939,128)
Dec	Year 2	(939,128)	0.4200%	(158,830)	(784,242)
Jan	Year 3	(784,242)	0.4200%	(158,830)	(628,705)
Feb	Year 3	(628,705)	0.4200%	(158,830)	(472,516)
Mar	Year 3	(472,516)	0.4200%	(158,830)	(315,670)
Apr	Year 3	(315,670)	0.4200%	(158,830)	(158,166)
May	Year 3	(158,166)	0.4200%	(158,830)	(0)
Total with interest				(1,905,962)	

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest	(1,905,962)
One Time True-Up for FAS 109 Incurred Prior to Settlement Docket No. ER19-5 et al.	(17,239,803)
Total true-up amount	(19,145,765)

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 8) \$ 144,221,403
 Revenue Requirement for Year 3 125,075,638

10 May Year 3 ills of Step 9 on PJM web site
 \$ 125,075,638

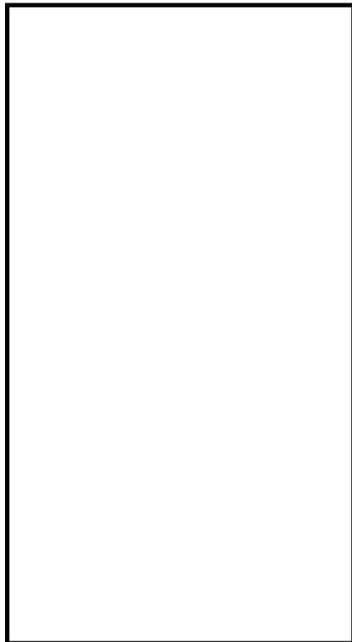
11 June Year 3 or the Rate Year 2 (e.g., June 1, 2006 - May 31, 2007)
 \$ 125,075,638

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%.

B0210 Orchard-500kV				B0210 Orchard-Below 500kV				B0277 Cumberland Sub:2nd Xfmr				B1398.5 Reconductor Mickleton - Depford - 230 Kv line				B1398.3.1 Mickleton Dep	
Yes				Yes				No				Yes				Yes	
35				35				35				35				35	
No				No				No				No				No	
150				150				150				0				0	
8.5569%				8.5569%				8.5569%				8.5569%				8.5569%	
9.3382%				9.3382%				9.3382%				8.5569%				8.5569%	
26,046,638				18,572,212				6,759,777				4,045,398				13,176,210	
744,190				530,635				193,136				115,583				376,463	
7.00				7				2				5				5	
Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation
18,294,662	744,190	17,550,473	2,459,345	13,044,768	530,635	12,514,133	1,753,603	5,053,738	193,136	4,860,602	668,148	3,711,571	115,583	3,595,988	467,008	11,451,929	376,463
18,294,662	744,190	17,550,473	2,597,617	13,044,768	530,635	12,514,133	1,852,197	5,053,738	193,136	4,860,602	706,443	3,711,571	115,583	3,595,988	467,008	11,451,929	376,463
17,550,473	744,190	16,806,283	2,182,295	12,514,133	530,635	11,983,499	1,556,057	4,860,602	193,136	4,667,465	592,529	3,595,988	115,583	3,480,405	413,399	11,075,466	376,463
17,550,473	744,190	16,806,283	2,313,589	12,514,133	530,635	11,983,499	1,649,674	4,860,602	193,136	4,667,465	628,992	3,595,988	115,583	3,480,405	413,399	11,075,466	376,463
16,806,283	744,190	16,062,093	2,118,615	11,983,499	530,635	11,452,864	1,510,650	4,667,465	193,136	4,474,329	576,003	3,480,405	115,583	3,364,823	403,509	10,699,003	376,463
16,806,283	744,190	16,062,093	2,244,095	11,983,499	530,635	11,452,864	1,600,122	4,667,465	193,136	4,474,329	610,957	3,480,405	115,583	3,364,823	403,509	10,699,003	376,463
16,062,093	744,190	15,317,904	2,054,935	11,452,864	530,635	10,922,229	1,465,244	4,474,329	193,136	4,281,192	559,476	3,364,823	115,583	3,249,240	393,619	10,322,539	376,463
16,062,093	744,190	15,317,904	2,174,601	11,452,864	530,635	10,922,229	1,550,571	4,474,329	193,136	4,281,192	592,921	3,364,823	115,583	3,249,240	393,619	10,322,539	376,463
15,317,904	744,190	14,573,714	1,991,255	10,922,229	530,635	10,391,595	1,419,838	4,281,192	193,136	4,088,056	542,949	3,249,240	115,583	3,133,657	383,728	9,946,076	376,463
15,317,904	744,190	14,573,714	2,105,108	10,922,229	530,635	10,391,595	1,501,019	4,281,192	193,136	4,088,056	574,886	3,249,240	115,583	3,133,657	383,728	9,946,076	376,463
14,573,714	744,190	13,829,524	1,927,575	10,391,595	530,635	9,860,960	1,374,432	4,088,056	193,136	3,894,919	526,423	3,133,657	115,583	3,018,074	373,838	9,569,613	376,463
14,573,714	744,190	13,829,524	2,035,614	10,391,595	530,635	9,860,960	1,451,468	4,088,056	193,136	3,894,919	556,851	3,133,657	115,583	3,018,074	373,838	9,569,613	376,463
13,829,524	744,190	13,085,335	1,863,895	9,860,960	530,635	9,330,326	1,329,026	3,894,919	193,136	3,701,783	509,896	3,018,074	115,583	2,902,491	363,948	9,193,150	376,463
13,829,524	744,190	13,085,335	1,966,120	9,860,960	530,635	9,330,326	1,401,916	3,894,919	193,136	3,701,783	538,815	3,018,074	115,583	2,902,491	363,948	9,193,150	376,463
13,085,335	744,190	12,341,145	1,800,215	9,330,326	530,635	8,799,691	1,283,620	3,701,783	193,136	3,508,646	493,370	2,902,491	115,583	2,786,909	354,057	8,816,687	376,463
13,085,335	744,190	12,341,145	1,896,627	9,330,326	530,635	8,799,691	1,352,365	3,701,783	193,136	3,508,646	520,780	2,902,491	115,583	2,786,909	354,057	8,816,687	376,463
12,341,145	744,190	11,596,955	1,736,535	8,799,691	530,635	8,269,056	1,238,214	3,508,646	193,136	3,315,510	476,843	2,786,909	115,583	2,671,326	344,167	8,440,224	376,463
12,341,145	744,190	11,596,955	1,827,133	8,799,691	530,635	8,269,056	1,302,813	3,508,646	193,136	3,315,510	502,744	2,786,909	115,583	2,671,326	344,167	8,440,224	376,463
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tford 230kv terminal	B1600 Upgrade Mill T2 138/69 kV Transformer	b0210.1 Orchard-Cumberland - Install second 230kV line	b0212 Corson upgrade 138kV line trap
	Yes 35	Yes 35	Yes 35
	No 0	No 0	No 0
	8.5569%	8.5569%	8.5569%
	8.5569%	8.5569%	8.5569%
	14,841,978	13,000,000	70,000
	424,057	371,429	2,000
	6	1	3

Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total
11,075,466	1,458,835	13,799,277	424,057	13,375,221	1,731,177	11,885,714	371,429	11,514,286	1,356,700	48,500	2,000	46,500	5,979	\$ 11,074,980
11,075,466	1,458,835	13,799,277	424,057	13,375,221	1,731,177	11,885,714	371,429	11,514,286	1,356,700	48,500	2,000	46,500	5,979	\$ 11,376,914
10,699,003	1,291,971	13,375,221	424,057	12,951,164	1,532,281	11,514,286	371,429	11,142,857	1,324,917	46,500	2,000	44,500	5,808	\$ 11,149,881
10,699,003	1,291,971	13,375,221	424,057	12,951,164	1,532,281	11,514,286	371,429	11,142,857	1,324,917	46,500	2,000	44,500	5,808	\$ 11,436,720
10,322,539	1,259,758	12,951,164	424,057	12,527,107	1,495,995	11,142,857	371,429	10,771,429	1,293,134	44,500	2,000	42,500	5,637	\$ 10,849,246
10,322,539	1,259,758	12,951,164	424,057	12,527,107	1,495,995	11,142,857	371,429	10,771,429	1,293,134	44,500	2,000	42,500	5,637	\$ 11,123,533
9,946,076	1,227,544	12,527,107	424,057	12,103,051	1,459,709	10,771,429	371,429	10,400,000	1,261,351	42,500	2,000	40,500	5,466	\$ 10,548,611
9,946,076	1,227,544	12,527,107	424,057	12,103,051	1,459,709	10,771,429	371,429	10,400,000	1,261,351	42,500	2,000	40,500	5,466	\$ 10,810,346
9,569,613	1,195,330	12,103,051	424,057	11,678,994	1,423,422	10,400,000	371,429	10,028,571	1,229,568	40,500	2,000	38,500	5,294	\$ 10,247,976
9,569,613	1,195,330	12,103,051	424,057	11,678,994	1,423,422	10,400,000	371,429	10,028,571	1,229,568	40,500	2,000	38,500	5,294	\$ 10,497,160
9,193,150	1,163,116	11,678,994	424,057	11,254,938	1,387,136	10,028,571	371,429	9,657,143	1,197,785	38,500	2,000	36,500	5,123	\$ 9,947,341
9,193,150	1,163,116	11,678,994	424,057	11,254,938	1,387,136	10,028,571	371,429	9,657,143	1,197,785	38,500	2,000	36,500	5,123	\$ 10,183,973
8,816,687	1,130,903	11,254,938	424,057	10,830,881	1,350,850	9,657,143	371,429	9,285,714	1,166,002	36,500	2,000	34,500	4,952	\$ 9,646,705
8,816,687	1,130,903	11,254,938	424,057	10,830,881	1,350,850	9,657,143	371,429	9,285,714	1,166,002	36,500	2,000	34,500	4,952	\$ 9,870,786
8,440,224	1,098,689	10,830,881	424,057	10,406,825	1,314,563	9,285,714	371,429	8,914,286	1,134,220	34,500	2,000	32,500	4,781	\$ 9,346,070
8,440,224	1,098,689	10,830,881	424,057	10,406,825	1,314,563	9,285,714	371,429	8,914,286	1,134,220	34,500	2,000	32,500	4,781	\$ 9,557,599
8,063,761	1,066,475	10,406,825	424,057	9,982,768	1,278,277	8,914,286	371,429	8,542,857	1,102,437	32,500	2,000	30,500	4,610	\$ 9,045,435
8,063,761	1,066,475	10,406,825	424,057	9,982,768	1,278,277	8,914,286	371,429	8,542,857	1,102,437	32,500	2,000	30,500	4,610	\$ 9,017,745
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										\$	212,323,652	\$	205,723,471	



Incentive Charged	Revenue Credit	
	\$ 11,074,980	
\$ 11,376,914	\$ 11,149,881	\$ 301,934
\$ 11,436,720	\$ 10,849,246	\$ 286,839
\$ 11,123,533	\$ 10,548,611	\$ 274,287
\$ 10,810,346	\$ 10,247,976	\$ 261,735
\$ 10,497,160	\$ 9,947,341	\$ 249,184
\$ 10,183,973	\$ 9,646,705	\$ 236,632
\$ 9,870,786	\$ 9,346,070	\$ 224,081
\$ 9,557,599	\$ 9,045,435	\$ 211,529
\$ 9,017,745	\$ -	
\$ -		

Atlantic City Electric Company

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest	
101	Less LTD Interest on Securitization Bonds	2,579,701
	Capitalization	
112	Less LTD on Securitization Bonds	26,383,829

Calculation of the above Securitization Adjustments

Inputs from Atlantic City Electric Company 2017 FERC Form 1
Pages 256-257 "Long Term Debt (Account 221, 222, 223, and 224)"
Line 17 "Note Payable to ACE Transition Funding - variable"
LTD Interest on Securitization Bonds in column (i)
LTD on Securitization Bonds in column (h)