

APPENDIX B

Supporting Schedules

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****REVENUE REQUIREMENT SUMMARY**

	Company Claim (A)	Recommended Adjustment	Recommended Position	
1. Pro Forma Rate Base	\$238,750,769	(\$36,199,134)	\$202,551,635	(B)
2. Required Cost of Capital	8.04%	-1.85%	6.19%	(C)
3. Required Return	\$19,195,562	(\$6,649,390)	\$12,546,172	
4. Operating Income @ Present Rates	13,158,260	2,177,695	15,335,955	(D)
5. Operating Income Deficiency	\$6,037,302	(\$8,827,085)	(\$2,789,783)	
6. Revenue Multiplier	1.6901	0.0000	1.6901	(E)
7. Revenue Requirement Increase	<u>\$10,203,825</u>	<u>(\$14,918,928)</u>	<u>(\$4,715,102)</u>	

Sources:

(A) Company Filing, Schedule WMV-2, AMI Supplemental, page 2.

(B) Schedule ACC-9.

(C) Schedule ACC-2.

(D) Schedule ACC-18.

(E) Schedule ACC-37.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****OVERALL COST OF CAPITAL**Proposed Rate Structure:

	Percentage	Cost		Weighted Cost
	(A)			
1. Long Term Debt	51.72%	5.28%	(A)	2.73%
2. Common Equity	48.28%	7.17%	(B)	3.46%
3. Total	100.00%			<u>6.19%</u>

Current Rate Structure:

	Percentage	Cost		Weighted Cost
	(A)			
4. Long Term Debt	51.72%	5.28%	(A)	2.73%
5. Common Equity	48.28%	9.07%	(C)	4.38%
6. Total	100.00%			<u>7.11%</u>

Sources:

(A) Company Filing, Schedule FJH-21.

(B) Reflects 50% of the difference between Long-Term Cost of Debt of 5.28% and Cost of Common Equity of 9.07% per Schedule ACC-3.

(C) Schedule ACC-3.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

RECOMMENDED COST OF EQUITY

1. Discounted Cash Flow Result (A)	9.61%	
2. Discounted Cash Flow Weighting (B)	<u>75.00%</u>	7.21%
3. CAPM Result (C)	7.44%	
4. CAPM Weighting (B)	<u>25.00%</u>	1.86%
5. Recommended Return on Equity		<u>9.07%</u>

Sources:

(A) Schedule ACC-4.

(B) Based on Commission's reliance primarily upon the DCF method.

(C) Schedule ACC-7.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

DISCOUNTED CASH FLOW RESULT

1. Dividend Yield	4.00%	(A)
2. Half Year Growth	0.11%	(B)
3. Growth Rate	<u>5.50%</u>	(C)
4. Total Cost of Equity	<u>9.61%</u>	

Sources:

(A) Derived from Schedule ACC-5.

(B) 50% of Line 3 X Line 1.

(C) Derived from Schedule ACC-6.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

DIVIDEND YIELDS**7 GAS COMPANIES - DIVIDEND YIELDS**

COMPANY	Dividend	Closing Price 9/21/10	Dividend Yield	2-Month High 7/22/10- 9/21/10	2-Month Low 7/22/10- 9/21/10	Average Price	Average Yield
1. Laclede Gas Company (NYSE-LG)	1.58	33.89	4.66%	35.92	32.55	34.24	4.62%
2. New Jersey Resources (NYSE-NJR)	1.36	38.26	3.55%	38.84	36.03	37.44	3.63%
3. Northwest Natural Gas Co. (NYSE-NWN)	1.66	46.44	3.57%	49.00	43.68	46.34	3.58%
4. Piedmont Natural Gas Co., Inc. (NYSE-PNY)	1.12	28.20	3.97%	28.55	25.75	27.15	4.13%
5. South Jersey Industries, Inc. (NYSE-SJI)	1.32	47.69	2.77%	49.05	44.55	46.80	2.82%
6. Southwest Gas Corp. (NYSE-SWX)	1.00	32.88	3.04%	33.96	30.11	32.04	3.12%
7. WGL Holdings, Inc. (NYSE-WGL)	1.51	36.65	4.12%	37.28	34.85	36.07	4.19%
8. AVERAGE			3.67%				3.73%

11 COMBINATION ELECTRIC AND GAS COMPANIES - DIVIDEND YIELDS

COMPANY	Dividend	Closing Price 9/21/10	Dividend Yield	2-Month High 7/22/10- 9/21/10	2-Month Low 7/22/10- 9/21/10	Average Price	Average Yield
1. ALLETE Inc. (NYSE-ALE)	1.76	35.75	4.92%	37.75	34.62	36.19	4.86%
2. Alliant Energy Co. (NYSE-LNT)	1.58	35.78	4.42%	36.60	33.62	35.11	4.50%
3. Black Hills Corporation (NYSE-BKH)	1.44	30.45	4.73%	33.31	29.18	31.25	4.61%
4. Consolidated Edison (NYSE-ED)	2.38	48.45	4.91%	48.74	45.44	47.09	5.05%
5. DTE Energy Co. (NYSE-DTE)	2.24	45.99	4.87%	49.06	45.17	47.12	4.75%
6. Empire District Electric Co. (NYSE-EDE)	1.28	19.83	6.45%	20.41	19.30	19.86	6.45%
7. NSTAR (NYSE-NST)	1.60	38.44	4.16%	39.03	36.82	37.93	4.22%
8. PG&E Corp. (NYSE-PCG)	1.82	45.00	4.04%	48.34	43.18	45.76	3.98%
9. SCANA Corp. (NYSE-SCG)	1.90	40.16	4.73%	40.82	38.05	39.44	4.82%
10. Wisconsin Energy (NYSE-WEC)	1.60	57.73	2.77%	58.24	53.78	56.01	2.86%
11. Xcel Energy Inc. (NYSE-XEL)	1.01	22.84	4.42%	23.17	21.41	22.29	4.53%
12. AVERAGE			4.59%				4.60%

Source: Yahoo Finance - September 21, 2010.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

HISTORIC AND PROJECTED GROWTH RATES**GOWTH IN EARNINGS, DIVIDENDS, BOOK VALUE
7 NATURAL GAS COMPANIES**

COMPANY	Past 5	Past 5	Past 5	Past 10	Past 10	Past 10	Projected	Projected	Projected
	Years	Years	Years	Years	Years	Years	5 Years	5 Years	5 Years
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
1. Laclede Gas Company (NYSE-LG)	10.5%	2.0%	6.5%	5.0%	1.0%	4.0%	2.5%	2.5%	4.0%
2. New Jersey Resources (NYSE-NJR)	7.5%	6.0%	10.5%	8.0%	4.5%	8.5%	6.5%	5.5%	4.5%
3. Northwest Natural Gas Co. (NYSE-NWN)	9.5%	3.5%	4.0%	6.0%	2.0%	3.5%	4.5%	5.5%	4.0%
4. Piedmont Natural Gas Co., Inc. (NYSE-PNY)	6.5%	4.5%	4.5%	5.0%	5.0%	5.0%	3.5%	3.5%	3.0%
5. South Jersey Industries, Inc. (NYSE-SJI)	13.0%	6.0%	11.0%	11.5%	3.5%	9.0%	7.0%	6.0%	5.5%
6. Southwest Gas Corp. (NYSE-SWX)	9.0%	1.0%	5.0%	7.0%	0.5%	4.5%	8.0%	5.0%	5.0%
7. WGL Holdings, Inc. (NYSE-WGL)	5.5%	2.0%	5.0%	4.0%	1.5%	4.0%	2.5%	3.0%	4.0%
8. AVERAGE	8.8%	3.6%	6.6%	6.6%	2.6%	5.5%	4.9%	4.4%	4.3%

Source: *Value Line* - June 11, 2010.**GROWTH IN EARNINGS, DIVIDENDS, BOOK VALUE
11 COMBINATION ELECTRIC AND GAS COMPANIES**

Company	Past 5	Past 5	Past 5	Past 10	Past 10	Past 10	Projected	Projected	Projected
	Years	Years	Years	Years	Years	Years	5 Years	5 Years	5 Years
	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value	Earnings	Dividends	Book Value
1. ALLETE Inc. (NYSE-ALE)	14.0%	NMF	3.5%	-	-	-	(0.5%)	1.0%	2.5%
2. Alliant Energy Co. (NYSE-LNT)	9.0%	0.5%	3.5%	3.0%	(3.5%)	1.0%	7.0%	5.5%	3.5%
3. Black Hills Corporation (NYSE-BKH)	(2.5%)	3.0%	5.0%	1.0%	3.5%	10.5%	6.5%	2.5%	2.5%
4. Consolidated Edison (NYSE-ED)	1.5%	1.0%	3.5%	1.0%	1.0%	3.0%	2.5%	1.0%	3.0%
5. DTE Energy Co. (NYSE-DTE)	(1.5%)	0.5%	4.0%	(0.5%)	0.5%	3.5%	6.5%	3.5%	4.0%
6. Empire District Electric Co. (NYSE-EDE)	0.5%	-	1.0%	(1.5%)	-	1.5%	7.0%	1.0%	1.5%
7. NSTAR (NYSE-NST)	5.0%	5.5%	5.5%	5.0%	4.0%	3.5%	7.0%	6.0%	5.0%
8. PG&E Corp. (NYSE-PCG)	38.0%	-	14.0%	4.5%	2.5%	2.5%	7.0%	7.5%	6.5%
9. SCANA Corp. (NYSE-SCG)	2.5%	6.0%	5.0%	4.5%	2.5%	4.0%	3.5%	1.5%	5.0%
10. Wisconsin Energy (NYSE-WEC)	7.0%	7.0%	7.5%	8.5%	(3.0%)	5.5%	9.0%	13.0%	6.0%
11. Xcel Energy Inc. (NYSE-XEL)	8.0%	1.0%	4.0%	(1.0%)	(4.0%)	(0.5%)	5.5%	3.5%	4.5%
12. AVERAGE	7.4%	3.1%	5.1%	2.5%	0.4%	3.5%	5.5%	4.2%	4.0%

NMF = no meaningful figure

Source: *Value Line* - June 25, August 6 and August 27, 2010.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

CAPITAL ASSET PRICING MODEL RESULT

Risk Free Rate + (Beta X Market Premium)

$$\begin{array}{rcl} 3.73\% + (.68 \times 5.45\%) = & & \underline{7.44\%} \\ \text{(A)} & \text{(B)} & \text{(C)} \end{array}$$

Sources:

(A) Risk Free Rate = 30 Year Constant Maturity Treasury at September 23, 2010 per Federal Reserve Statistical Release.

(B) Beta per Schedule ACC-7.

(C) Market Results for Stocks, Bonds, Bills, and Inflation 1926-2009, Ibbotson SBBI, 2010 Classic Yearbook, Table 2-1. Reflects average of large company stocks and small company stocks.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****COMPANY BETAS**

7 NATURAL GAS COMPANIES	Beta
1. Laclede Gas Company (NYSE-LG)	0.55
2. New Jersey Resources (NYSE-NJR)	0.65
3. Northwest Natural Gas Co. (NYSE-NWN)	0.60
4. Piedmont Natural Gas Co., Inc. (NYSE-PNY)	0.65
5. South Jersey Industries, Inc. (NYSE-SJI)	0.60
6. Southwest Gas Corp. (NYSE-SWX)	0.75
7. WGL Holdings, Inc. (NYSE-WGL)	0.65
8. <u>AVERAGE</u>	<u>0.64</u>

Source: *Value Line* - June 11, 2010.**GROWTH IN EARNINGS, DIVIDENDS, BOOK VALUE
11 COMBINATION ELECTRIC AND GAS COMPANIES**

1. ALLETE Inc. (NYSE-ALE)	0.70
2. Alliant Energy Co. (NYSE-LNT)	0.70
3. Black Hills Corporation (NYSE-BKH)	0.80
4. Consolidated Edison (NYSE-ED)	0.65
5. DTE Energy Co. (NYSE-DTE)	0.75
6. Empire District Electric Co. (NYSE-EDE)	0.70
7. NSTAR (NYSE-NST)	0.65
8. PG&E Corp. (NYSE-PCG)	0.55
9. SCANA Corp. (NYSE-SCG)	0.70
10. Wisconsin Energy (NYSE-WEC)	0.65
11. Xcel Energy Inc. (NYSE-XEL)	0.65
12. <u>AVERAGE</u>	<u>0.68</u>

Source: *Value Line* - June 25, August 6 and August 27, 2010.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****RATE BASE SUMMARY**

	Company Claim	Recommended Adjustment		Recommended Position
	(A)			
1. Total Utility Plant in Service	\$415,651,076	\$0		\$415,651,076
2. Reliability Plant Closings	9,578,157	(9,578,157)	(B)	0
3. AMI Plant Additions	0	0		0
Less:				
4. Accumulated Depreciation	(173,648,574)	0		(173,648,574)
5. Net Utility Plant	\$251,580,659	(\$9,578,157)		\$242,002,502
Plus:				
6. Construction Work in Progress	\$4,697,990	(\$4,697,990)	(C)	\$0
7. Cash Working Capital	12,554,204	(8,989,230)	(D)	3,564,974
8. Materials and Supplies	17,894,347	0		17,894,347
9. Miscellaneous Rate Base Items	9,755,376	(9,751,435)	(E)	3,941
10. Unamortized Regulatory Costs	333,321	(333,321)	(F)	0
11. Deferred AMI Costs	606,671	(606,671)	(G)	0
12. Unamortized Refinancing Costs	1,487,329	0		1,487,329
13. Unamortized Credit Facility Costs	57,989	(57,989)	(H)	0
14. Unrecovered 2009 Pension Costs	2,184,341	(2,184,341)	(I)	0
Less:				
15. Deferred Tax Reserve	(\$57,438,415)	\$0		(\$57,438,415)
16. Deferred ITC	(658,966)	0		(658,966)
17. Customer Deposits	(4,085,044)	0		(4,085,044)
18. Customer Advances	(219,033)	0		(219,033)
19. AMI Stranded Costs	0	0		0
20. Total Rate Base	<u>\$238,750,769</u>	<u>(\$36,199,134)</u>		<u>\$202,551,635</u>

Sources:

- (A) Company Filing, Schedule WMV-1, Update for 12+0, page 1; Schedule WMV-2, Update for 12+0, page 1; and Schedule WMV-2, AMI Supplemental, page 1.
- (B) Schedule ACC-10.
- (C) Schedule ACC-11.
- (D) Schedule ACC-12.
- (E) Schedule ACC-13.
- (F) Schedule ACC-14.
- (G) Schedule ACC-15.
- (H) Schedule ACC-16.
- (I) Schedule ACC-17.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

RELIABILITY PLANT CLOSINGS

1. Company Claim	\$9,578,157	(A)
2. Recommended Adjustment	<u>(\$9,578,157)</u>	

Sources:

(A) Company Filing, Schedule WMV-2, Update for 12+0, page 1.
Includes Net Impact of Adjustments Nos. 16, 17A, and 17B.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

CONSTRUCTION WORK IN PROGRESS

1. Company Claim	\$4,697,990	(A)
2. Recommended Adjustment	<u>(\$4,697,990)</u>	

Sources:

(A) Company Filing, Schedule WMV-1, Update for 12+0, page 1.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

CASH WORKING CAPITAL

1. Company Claim - CWC - Fuel	\$8,989,230	(A)
2. Recommended Adjustment	<u>(\$8,989,230)</u>	

Sources:

(A) Company Filing, Test Period Workpaper, 12+0 Update, WP #9.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

MISCELLANEOUS RATE BASE ITEMS

1. Prepaid Pension (Net of Tax)	\$11,570,304	(A)
2. Accrued OPEB Liability	<u>(1,818,869)</u>	(A)
3. Recommended Adjustment	<u>(\$9,751,435)</u>	

Sources:

(A) Company Filing, Test Period Workpaper, 12+0 Update, WP #3.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

UNAMORTIZED REGULATORY COSTS

1. Company Claim	\$333,321	(A)
2. Recommended Adjustment	<u>(\$333,321)</u>	

Sources:

(A) Company Filing, Schedule WMV-1, Update for 12+0, page 1.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

AMI DEFERRED COSTS

1. Company Claim	\$606,671	(A)
2. Recommended Adjustment	<u>(\$606,671)</u>	

Sources:

(A) Company Filing, Schedule WMV-2, AMI Supplemental, page 1.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

UNAMORTIZED CREDIT FACILITY COSTS

1. Company Claim	\$57,989	(A)
2. Recommended Adjustment	<u>(\$57,989)</u>	

Sources:

(A) Company Filing, Schedule WMV-1, Update for 12+0, page 1.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

UNRECOVERED 2009 PENSION COSTS

1. Company Claim	\$2,184,341	(A)
2. Recommended Adjustment	<u>(\$2,184,341)</u>	

Sources:

(A) Company Filing, Schedule WMV-1, Update for 12+0, page 1.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****OPERATING INCOME SUMMARY**

		Schedule No.
1. Company Claim	\$13,158,260	1
Recommended Adjustments:		
2. Salary and Wage Expense	\$338,748	19
3. Incentive Compensation Expense	554,903	20
4. Payroll Tax Expense	47,542	21
5. Energy Expert Payroll Expense	349,831	22
6. Supplemental Executive Retirement Program Expense	112,865	23
7. 2009 Pension Expense	485,409	24
8. Medical Benefits Expense	188,474	25
9. Gas Decoupling Customer Education Expense	42,135	26
10. Deferred AMI Expense	1,597	27
11. Credit Facility Expense	28,486	28
12. Regulatory Commission Expense	76,951	29
13. Directors and Officers Insurance Expense	41,189	30
14. Membership Dues Expense	16,565	31
15. Meals and Entertainment Expense	9,612	32
16. Depreciation Expense	298,679	33
17. Allowance for Funds Used During Construction	(13,522)	34
18. Interest Synchronization	(401,767)	35
19. Net Operating Income	<u>\$15,335,955</u>	

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****SALARY AND WAGE EXPENSE**

1. Annualization of Test Period Increases	\$124,389,703	(A)
2. Company Claim	<u>127,393,976</u>	(B)
3. Pro Forma Expense Adjustment	\$3,004,273	
4. Gas Expense Ratio	<u>19.00%</u>	(C)
5. Gas Adjustment	\$570,812	
6. Income Taxes @	40.66% <u>232,064</u>	
7. Operating Income Impact	<u>\$338,748</u>	

Sources:

(A) Response to DPA-96.

(B) Derived from Company Filing, Schedule WMV-5, AMI Supplemental and the response to DPA-96.

(C) Company Filing, Schedule WMV-5, AMI Supplemental.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

INCENTIVE COMPENSATION EXPENSE

1. Total Recommended Adjustment		\$935,046	(A)
2. Income Taxes @	40.66%	<u>380,143</u>	
3. Operating Income		<u>\$554,903</u>	

Sources:

(A) Company Filing, Schedule WMV-7, Update for 12+0,
Adjustments Nos. 5 and 6.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****PAYROLL TAX EXPENSE**

1. Payroll and Incentive Adjustments		\$1,505,858	(A)
2. Tax Rate		<u>5.32%</u>	(B)
3. Total Recommended Adjustment		\$80,112	
4. Income Taxes @	40.66%	<u>32,569</u>	
5. Operating Income		<u>\$47,542</u>	

Sources:

(A) Schedules ACC-19 and ACC-20.

(B) Derived from Company Filing, Schedule WMV-5,
Update for 12+0, Adjustment No. 3.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****ENERGY EXPERT PAYROLL EXPENSE**

1. Annualized Actual Costs		\$782,459	(A)
2. Test Period Costs		<u>192,972</u>	(A)
3. Recommended Increase		\$589,487	
4. Payroll Gross Up Factor		<u>1.35</u>	(B)
5. Total Recommended Increase		\$795,808	
6. Company Claim		<u>1,551,466</u>	(C)
7. Recommended Adjustment		\$755,658	
8. Income Taxes @	40.66%	<u>239,656</u>	
9. Operating Income		<u>\$349,831</u>	

Sources:

(A) Derived from Response to DPA-101.

(B) Recommendation of Ms. Crane.

(C) Company Filing, Schedule WMV-9, Update for 12+0,
Adjustment No. 13.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM EXPENSE

1. Total Recommended Adjustment		\$190,184	(A)
2. Income Taxes @	40.66%	<u>77,319</u>	
3. Operating Income		<u>\$112,865</u>	

Sources:

(A) Response to DPA-23.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

2009 PENSION EXPENSE

1. Company Claimed Adjustment		\$817,944	(A)
2. Income Taxes @	40.66%	<u>332,535</u>	
3. Operating Income Impact		<u>\$485,409</u>	

Sources:

(A) Company Filing, Schedule JCZ-15.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

MEDICAL BENEFITS EXPENSE

1. Recommended Adjustment		\$317,590	(A)
2. Income Taxes @	40.66%	<u>129,116</u>	
3. Operating Income Impact		<u>\$188,474</u>	

Sources:

(A) Company Filing, Schedule WMV-8, AMI Supplemental,
Adjustment No. 10.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****GAS DECOUPLING CUSTOMER EDUCATION EXPENSES**

1. Pro Forma Expense Adjustment	\$106,500	(A)
2. Proposed Amortization Period	<u>3</u>	(B)
3. Annual Amortization	\$35,500	
4. Company Claim	<u>106,500</u>	(B)
5. Recommended Adjustment	\$71,000	
6. Income Taxes @	40.66% <u>28,865</u>	
7. Operating Income Impact	<u>\$42,135</u>	

Sources:

(A) Company Filing, Schedule WMV-10, Update for 12+0, Adjustment No. 14.

(B) Recommendation of Ms. Crane.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****DEFERRED AMI EXPENSE**

1. Actual Costs to Date		\$1,017,169	(A)
2. Amortization Period		<u>15</u>	(B)
3. Annual Amortization		\$67,811	
4. Company Claim		<u>70,502</u>	(B)
5. Recommended Adjustment		\$2,691	
6. Income Taxes @	40.66%	<u>1,094</u>	
7. Operating Income Impact		<u>\$1,597</u>	

Sources:

(A) Response to DPA-123.

(B) Company Filing, Schedule JCZ-9, AMI Supplemental,
Adjustment No. 21.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

CREDIT FACILITIES EXPENSE

1. Company Claimed Adjustment		\$48,000	(A)
2. Income Taxes @	40.66%	<u>19,514</u>	
3. Operating Income Impact		<u>\$28,486</u>	

Sources:

(A) Company Filing, Schedule JCZ-12, Update for 12+0, Adjustment No. 26.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****REGULATORY COMMISSION EXPENSE**

1. Company Rate Case Claim	\$674,000	(A)
2. Recommended Rate Case Allowance	<u>435,000</u>	(B)
3. Recommended Rate Case Cost Adjustment	\$239,000	
4. Annual Amortization (Yrs).	<u>3</u>	(A)
5. Annual Amortization Adjustment	\$79,667	
6. Proposed DPA Costs	<u>50,000</u>	(A)
7. Total Recommended Adjustment	129,667	
8. Income Taxes @	40.66%	<u>52,716</u>
9. Operating Income Impact	<u>\$76,951</u>	

Sources:

(A) Company Filing, Schedule WMV-4, Update for 12+0, Adjustment No. 2.

(B) Recommendation of Ms. Crane.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

DIRECTORS AND OFFICERS INSURANCE EXPENSE

1. Recommended Adjustment		\$69,406	(A)
2. Income Taxes @	40.66%	<u>28,217</u>	
3. Operating Income Impact		<u>\$41,189</u>	

Sources:

(A) Response to PSC-LA-203.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****MEMBERSHIP DUES EXPENSE**

1. American Gas Association Dues	\$111,052	(A)
2. Recommended AGA Adjustment (%)	<u>25.00%</u>	(B)
3. Recommended AGA Adjustment (\$)	\$27,763	
4. Energy Association of PA Lobbying	<u>150</u>	(C)
5. Total Recommended Adjustment	\$27,913	
6. Income Taxes @	40.66% <u>11,348</u>	
7. Operating Income Impact	<u>\$16,565</u>	

Sources:

(A) Company Filing, Schedule No. 3-G.

(B) Recommendation of Ms. Crane.

(C) Response to PSC-LA-68.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

MEALS AND ENTERTAINMENT EXPENSES

1. Company Claim		\$16,196	(A)
2. Income Taxes @	40.66%	<u>6,584</u>	
3. Operating Income Impact		<u>\$9,612</u>	

Sources:

(A) Response to DPA-53.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****DEPRECIATION EXPENSE**

1. Test Year Reliability Adjustment		\$286,696	(A)
2. July-August 2010 Reliability Adjustment		54,113	(B)
3. Sept.-Oct. 2010 Reliability Adjustment		<u>73,537</u>	(C)
4. Total Company Claimed Adjustments		\$414,346	
5. Income Taxes @	40.66%	<u>168,452</u>	
6. Operating Income Impact		\$245,894	
7. Related AFUDC Adjustment		<u>52,785</u>	(A)
8. Total Operating Income Impact		<u>\$298,679</u>	

Sources:

- (A) Company Filing, Schedule WMV-12, Update for 12+0, Adjustment No. 16.
 (B) Company Filing, Schedule WMV-12, Update for 12+0, Adjustment No. 17A.
 (C) Company Filing, Schedule WMV-12, Update for 12+0, Adjustment No. 17B.

DELMARVA POWER AND LIGHT COMPANY

TEST YEAR ENDED JUNE 30, 2010

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

1. Company Claim	(\$13,522)	(A)
2. Recommended Adjustment	<u>(\$13,522)</u>	

Sources:

(A) AFUDC of \$66,307 per Schedule WMV-1, Update for 12+0, page 1, page 1, adjusted to reflect the Company's AFUDC adjustment per Schedule WMV-12, Update for 12+0, Adjustment No. 16.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****INTEREST SYNCHRONIZATION**

1. Pro Forma Rate Base	\$202,551,635	(A)
2. Weighted Cost of Debt	<u>2.73%</u>	(B)
3. Pro Forma Interest Expense	\$5,529,660	
4. Company Claim	<u>6,517,896</u>	(C)
5. Decrease in Taxable Income	(\$988,236)	
6. Income Taxes @	40.66%	<u>(\$401,767)</u>

Sources:

(A) Schedule ACC-9.

(B) Schedule ACC-2.

(C) Company Filing, Schedule WMV-16, AMI Supplemental, Adjustments Nos. 28 and 29.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****INCOME TAX FACTOR**

1. Revenue		(A) 100.00%	
2. State Income Taxes @	8.70%	<u>8.70%</u>	(A)
3. Federal Taxable Income		91.30%	
4. Income Taxes @	35.00%	<u>31.96%</u>	(A)
5. Operating Income		59.35%	
6. Total Tax Rate		<u>40.66%</u>	(B)

Sources:

(A) Rates per Company Filing, Schedule No. 5.

(B) Line 2 + Line 4.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****REVENUE MULTIPLIER**

1. Revenue		100.00%	
2. Regulatory Tax		<u>0.30%</u>	(A)
3. State Taxable Income		99.70%	
4. State Income Taxes @	8.70%	<u>8.67%</u>	(A)
5. Federal Taxable Income		91.03%	
6. Income Taxes @	35.00%	<u>31.86%</u>	(A)
7. Operating Income		59.17%	
8. Revenue Multiplier		<u>1.69013</u>	(B)

Sources:

(A) Rates per Company Filing, Schedule No. 5.

(B) Line 1 / Line 7.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****PRO FORMA INCOME STATEMENT**

	Test Period Per Company	Company Adjustments	Company Claim	DPA Recommended Adjustments	Pro Forma Present Rates	Recommended Rate Adjustment	Pro Forma Proposed Rates
1. Operating Revenues	\$67,625,833	\$0	\$67,625,833	\$0	\$67,625,833	(\$4,715,102)	\$62,910,731
2. Operating Expenses*	32,427,409	2,806,465	35,233,874	(4,369,339)	30,864,535	(14,145)	30,850,389
3. Depreciation and Amortization	10,647,777	0	10,647,777	0	10,647,777	0	10,647,777
4. Taxes Other Than Income	4,074,515	0	4,074,515	0	4,074,515	0	4,074,515
5. Taxable Income							
Before Interest Expenses	\$20,476,132	(\$2,806,465)	\$17,669,667	\$4,369,339	\$22,039,006	(\$4,700,957)	\$17,338,049
6. Interest Expense	6,745,595	(189,023)	6,556,572	(988,236)	5,568,336		5,568,336
7. Taxable Income	\$13,730,537	(\$2,617,442)	\$11,113,095	\$5,357,576	\$16,470,671	(\$4,700,957)	\$11,769,714
8. Income Taxes @	5,499,901	(1,013,647)	\$4,486,254	2,178,122	6,664,376	(1,911,174)	4,753,202
9. Operating Income	\$14,976,231	(\$1,792,818)	\$13,183,413	\$2,191,217	\$15,374,630	(\$2,789,783)	\$12,584,847
10. AFUDC	66,307	(52,785)	\$13,522	(13,522)	0	0	0
11. Miscellaneous Earnings	(38,676)	0	(38,676)	0	(38,676)	0	(38,676)
12. Total Operating Income	\$15,003,862	(\$1,845,603)	\$13,158,259	\$2,177,695	\$15,335,954	(\$2,789,783)	\$12,546,171
13. Rate Base	\$224,513,446	\$14,237,323	\$238,750,769	\$599,557	\$202,551,635	\$0	\$202,551,635
14. Rate of Return	<u>6.67%</u>		<u>5.52%</u>		<u>7.59%</u>		<u>6.19%</u>

* Company and DPA Adjustments include related depreciation expense adjustments per Company Filing.

DELMARVA POWER AND LIGHT COMPANY**TEST YEAR ENDED JUNE 30, 2010****REVENUE REQUIREMENT IMPACT OF ADJUSTMENTS**

1. Rate of Return	(\$7,448,730)
Rate Base Adjustments:	
2. Reliability Plant Closings	(1,002,716)
3. Construction Work in Progress	(491,822)
4. Cash Working Capital	(941,063)
5. Miscellaneous Rate Base Items	(1,020,857)
6. Unamortized Regulatory Costs	(34,895)
7. Deferred AMI Costs	(63,511)
8. Unamortized Credit Facility Costs	(6,071)
9. Unrecovered 2009 Pension Costs	(228,674)
Operating Income Adjustments	
10. Salary and Wage Expense	(572,529)
11. Incentive Compensation Expense	(937,858)
12. Payroll Tax Expense	(80,353)
13. Energy Expert Payroll Expense	(591,260)
14. Supplemental Executive Retirement Program Expense	(190,756)
15. 2009 Pension Expense	(820,404)
16. Medical Benefits Expense	(318,545)
17. Gas Decoupling Customer Education Expense	(71,214)
18. Deferred AMI Expense	(2,699)
19. Credit Facility Expense	(48,144)
20. Regulatory Commission Expense	(130,057)
21. Directors and Officers Insurance Expense	(69,615)
22. Membership Dues Expense	(27,997)
23. Meals and Entertainment Expense	(16,245)
24. Depreciation Expense	(504,806)
25. Allowance for Funds Used During Construction	22,854
26. Interest Synchronization	679,039
27. Total Recommended Adjustments	(\$14,918,926)
28. Company Claim	10,203,825
29. Recommended Revenue Requirement Deficiency	<u>(\$4,715,101)</u>