

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
Future Period - 12 Months Ended December 31 , 2010

Exhibit **RLO-1**
Schedule **A-1**
Witness: **R. O'Brien**
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(\$ in Thousands)
Summary of Measures of Value and Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Function	Reference Section	Present Rates	Increase	Proposed Rates
MEASURE OF VALUE						
1	Utility Plant		C-2	\$ 4,622,936		\$ 4,622,936
2	Accumulated Depreciation		C-3	(1,340,024)		(1,340,024)
3	Net Plant in service	L 1 + L 2		3,282,912	-	3,282,912
4	Working Capital	\$ 350,401	C-4	350,401		350,401
5			C-5			-
6	Accum Deferred Income Taxes		C-6	(573,778)		(573,778)
7	Customer Deposits		C-7	(54,977)		(54,977)
8	Common Plant - Net of Accum Depre		C-8	225,534		225,534
9	Customer Advances for Construction		C-9	(2,768)		(2,768)
10	Materials & Supplies		C-10	9,113		9,113
11	TOTAL MEASURE OF VALUE	Sum L 3 to L 10		\$ 3,236,437	\$ -	\$ 3,236,437
OPERATING REVENUES AND EXPENSES						
<u>Operating Revenues</u>						
12	Base Customer Charges	\$ 4,539,224	D-2	\$ 1,092,062	\$ 316,360	\$ 1,408,422
13	Electric Cost Revenue		D-2	3,447,162		3,447,162
14	Other Operating Revenues		D-2	16,431		16,431
15	Total Revenues	Sum L 12 to L 14		4,555,655	316,360	4,872,015
16	Operating Expenses		D - 6 to 19	(4,420,752)	(22,704)	(4,443,457)
17	OIBIT	L 15 + L 16		134,902	293,656	428,558
18	Income Taxes At Present Rates		D-20	(17,049)		
19	Income Taxes on Rate Increase		D-20		(121,848)	(138,897)
20	NET OPERATING INCOME	Sum L 17 to L 19		\$ 117,853	\$ 171,808	\$ 289,661
21	RATE OF RETURN	L 20 / L 11		3.6415%		8.950%
REVENUE INCREASE REQUIRED						
22	Rate of Return at Present Rates	L 21, Col 3		3.6415%		
23	Rate of Return Required		B-8	8.9500%		
24	Change in ROR	L 23 - L 22		5.3086%		
25	Change in Operating Income	L 24 * L 11		\$ 171,808		
26	Gross Revenue Conversion Factor		D-20	1.841360		
27	Change in Revenues	L 25 * L 26		\$ 316,360		
28	Percent Increase -- Total Revenues	L 27 / L 15 [3]			6.94%	

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Balance Sheet

[1]

Line No	Description/(Account No)	Budget TY 2010
	UTILITY PLANT (101 - 106, 108)	
1	Electric Utility Plant	\$ 5,733,722
2	Other Utility Plant	2,280,645
3	Total Plant In Service	<u>8,014,367</u>
4	Construction Work In Progress (107)	173,386
5	Total Utility Plant	<u>8,187,753</u>
6	Accumulated Provision for Depreciation - Electric (108)	(1,799,537)
7	Accumulated Provision for Depreciation - Other (119)	(778,807)
8	Net Utility Plant	<u>5,609,409</u>
	OTHER PROPERTY INVESTMENTS	
9	Non-utility Property (121)	-
10	Accumulated Depreciation on NUP (122)	-
11	Investment in Associated & Subsidiary Companies (123.1)	8,560
12	Other Investments (124)	18,370
13	Total Other Property and Investments	<u>26,930</u>
	CURRENT AND ACCRUED ASSETS	
14	Cash and Other Temporary Investments (131-136)	303,249
15	Notes Receivable (141)	-
16	Customer Accounts Receivable (142)	250,929
17	Other Accounts Receivable (143)	186,432
18	Accum Provision for Uncollectible (144)	(140,098)
19	Accounts Receivable Assoc. Comp. (146)	-
20	Fuel Stock (151)	-
21	Plant Materials & Supplies (154)	19,282
22	Gas Stored - Current (164.1)	-
23	Liquefied Natural Gas Stored (164.2)	-
24	Prepayments (165)	15,000
25	Accrued Utility Revenues (173)	299,820
26	Miscellaneous Current & Accrued Assets (171, 174)	130,417
27	Total Current and Accrued Assets	<u>1,065,031</u>
	DEFERRED DEBITS	
28	Unamortized Debt Expense (181)	12,161
29	Other Regulatory Assets (182.3)	944,842
30	Miscellaneous Deferred Debits (186)	761,733
31	Unamortized Loss on Reacquired Debt (189)	17,845
32	Accumulated Deferred Income Taxes (190)	150,267
33	Total Deferred Debits	<u>1,886,848</u>
34	TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 8,588,218</u></u>

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Balance Sheet

[1]

Line No	Description/(Account No)	Budget TY 2010
	PROPRIETARY CAPITAL	
	Common Stock Issued (201)	1,423,004
1	Preferred Stock Issued (204)	87,472
2	Miscellaneous Paid-in-Capital (211)	895,662
3	Capital Stock Expense (214)	(87)
4	Retained Earnings (215, 215.2, 216)	3,085,501
5	Unappropriated Retained Earnings (216, 216.1)	(2,593,789)
6	Accum Other Comprehensive Income (219)	810
7	Total Proprietary Capital	2,898,573
	LONG TERM DEBT	
8	Bonds (221)	2,225,000
9	Advances from Associated Companies (223)	184,419
10	Other Long-Term Debt (224)	-
11	Unamortized Premium on LTD (225)	-
12	Unamortized Discount on LTD (226)	(3,327)
13	Total Long-term Debt	2,406,092
	OTHER NON-CURRENT LIABILITIES	
14	Obligations under Capital Leases (227)	-
15	Accum. Prov for Injuries & Damages (228.2)	43,380
16	Accum. Prov for Pensions & Benefits (228.3)	331,755
17	Asset Retirement Obligation	24,215
18	Total Long-term Debt	399,350
	CURRENT & ACCRUED LIABILITIES	
19	Notes Payable (231)	-
20	Accounts Payable (232)	169,296
21	Notes Payable to Assoc. Companies (233)	-
22	Accounts Payable to Assoc. Cos (234)	241,247
23	Customer Deposits (235)	64,677
24	Taxes Accrued (236)	-
25	Interest Accrued (237)	30,000
26	Dividends Declared (238)	-
27	Tax Collections Payable (241)	-
28	Misc Current & Accrued Liabilities (242)	187,295
29	Total Current & Accrued Liabilities	692,515
	OTHER DEFERRED CREDITS	
30	Customer Advances for Construction (252)	-
31	Other Deferred Credits (253)	-
32	Other Regulatory Liabilities (254)	310,580
33	Deferred ITC (255)	6,903
34	Unamortized Gain on Reacquired Debt (257)	-
35	Accumulated Deferred Income Taxes (281-283)	1,874,205
36	Total Other Deferred Credits	2,191,688
37	TOTAL LIABILITIES & OTHER CREDITS	\$ 8,588,218

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Statement of Net Utility Operating Income

[1] [2] [3]

Line No	Description	Acct No	TY 2010 Per Budget	Reference
Total Operating Revenues				
1	Base Customer Charges		\$ 1,126,613	B-3
2	Electric Cost Revenue		2,081,949	B-3
3	CTC and Transmission		1,394,015	
4	Other Operating Revenues		17,704	B-3
5	Total Revenues	400	<u>4,620,281</u>	
Total Operating Expenses				
6	Operation & Maintenance Expenses	401,402	2,802,282	B-4
7	Depreciation & Amortization Expense	404	119,855	
8	SM & SG Depreciation Expense	405	18,411	
9	Amortization of Regulatory Expense	405	885,646	
10	Taxes other than income taxes	408.1	287,371	B-5
11	Total Operating Expenses		<u>4,113,565</u>	
12	Operating Income Before Income Taxes (OIBIT)		506,716	
Income Taxes:				
13	State	409.1	38,985	B-5
14	Federal	409.1	132,342	B-5
15	Total Income Taxes		<u>171,327</u>	
16	Net Utility Operating Income		<u>\$ 335,389</u>	

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Statement of Operating Revenues

[1]

Line No	Description	TY 2010 Budget
Electric Service Revenues		
1	Residential	\$ 739,288
2	Small Commercial & Industrial	187,316
3	Large Commercial & Industrial	164,857
4	Other Customer Classes	35,152
5	Sub-Total Electric Service Revenues	<u>1,126,613</u>
Purchased Electricity		
6	Residential	\$ 784,083
7	Small Commercial & Industrial	507,029
8	Large Commercial & Industrial	747,074
9	Other Customer Classes	43,763
10	Sub-Total Purchased Electricity	<u>2,081,949</u>
11		
12	Electric Revenue	3,208,562
13	CTC Revenue - All Classes	1,029,203
14	Transmission - All Classes	177,000
15		
16	Total Sales to Customers	<u>4,414,765</u>
Other Operating Revenues		
17	Forfeited Discounts	18,924
18	SM & SG Stimulas	8,259
19	Miscellaneous Service Revenues	5,293
20	Rent For Electric Property	24,173
21	Decommissioning Payment To PT	(29,400)
22	Other Electric Revenues	(9,545)
23	Transmission of Electricity for Others	187,812
24	Total Other Operating Revenues	<u>205,516</u>
25	Total Operating Revenues	<u>\$ 4,620,281</u>

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Operation and Maintenance Expenses

Line No	Description	Account No	TY 2010 Per Budget
POWER SUPPLY EXPENSES			
1	Purchased Power	555	\$ 1,875,592
2	Other	0	-
3	Total Purchases	L 1 + L 2	1,875,592
TRANSMISSION EXPENSE			
Operation			
4	Operation & Supervision	560	5,715
5	Load Dispatching	561	632
6	Scheduling, System Control & Dispatch	561	7,137
7	Transmission Service Studies	562	-
8	Generation Service Studies	562	850
9	Reliability, Planning & Standard Development	562	233
10	Station Expense	562	781
11	Overhead Lines	563	202
12	Underground Lines Expense	564	2
13	Miscellaneous Expense	566	237,310
14	Rents	567	4,702
15	Total Transmission Operation Expense	L 4 to L 14	257,564
Maintenance			
16	Maintenance of Structures	569	72
17	Maintenance of Computer Hardware	569	212
18	Maintenance of Computer Software	569	691
19	Maintenance of Communicaiton Equipment	569	317
20	Maintenance of Station Equipment	570	8,776
21	Maintenance Overhead Lines	571	9,452
22	Maintenance of Underground Lines	572	808
23	Maintenance of Misc Transmission Plant	573	4,703
24	Total Transmission Maintenance	L 16 to L 23	25,031
25	Total Transmission Expense	L 15 + L 24	282,595
REGIONAL MARKET EXPENSES			
26	Market Facilitation, Monitoring & Compliance	576	1,263
27	Other	-	-
28	Total Regional Market	L 26 + L 27	1,263
DISTRIBUTION EXPENSE			
<u>Operations</u>			
29	Load Dispatching	581	1
30	Station Expense	582	1,466
31	Overhead Lines Expenss	583	6,539
32	Underground Lines Expense	584	5,712
33	Meter Expenses	586	3,606
34	Customer Installations Expense	587	3,723
35	Miscellaneous Expense	588	22,586
36	Rents	589	9,541
37	Total Distribution Operations	L 29 to L 36	53,173

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Operation and Maintenance Expenses

Line No	Description	Account No	TY 2010 Per Budget
DISTRIBUTION EXPENSE			
	<u>Maintenance</u>		
38	Maintenance -- Energy Efficiency Program		80,429
39	Maintenance of Structures	591	3,384
40	Maintenance of Station Equipment	592	8,654
41	Maintenance of Overhead Lines	593	65,484
42	Maintenance of Underground Lines	594	20,177
43	Maintenance of Line Transformers	595	2,169
44	Maintenance of Street Lighting & Signal Systems	596	976
45	Maintenance of Misc. Distribution	598	14,731
46	Total Distribution Maintenance	L 38 to L 45	196,003
47	Total Distribution Expense	L 37 + L 46	249,176
CUSTOMER ACCOUNTS EXPENSES			
48	Supervision	901	-
49	Meter Reading	902	16,125
50	Customer Records and Collection	903	68,034
51	Uncollectible Accounts	904	74,476
52	Miscellaneous Customer Accounts	905	33,878
53	Total Customer Accounts	L 48 to L 52	192,513
CUSTOMER SERVICE & INFORMATION			
54	Customer Assistance	908	9,501
55	Informational & Instructional	909	2,015
56	Miscellaneous Customer & Informational	910	2,281
57	Total Customer Service & Information	L 54 to L 56	13,797
SALES			
58	Demonstrating & Selling	912	623
59	Miscellaneous Sales	916	504
60	Total Sales	L 58 + L 59	1,127
ADMINISTRATION & GENERAL			
	<u>Operation</u>		
61	Administrative and General Salaries	920	42,182
62	Office Supplies and Expenses	921	4,866
63	Administrative Expenses Transferred-Credit	922	-
64	Outside Service Employed	923	63,013
65	Property Insurance	924	517
66	Injuries and Damages	925	10,155
67	Employee Pensions and Benefits	926	52,018
68	Franchise Requirements	927	-
69	Regulatory Commission Expenses	928	12,818
70	Duplicate Charges-Credit	929	(12,816)
71	General Advertising Expenses	930.1	1,861
72	Miscellaneous General Expenses	930.2	7,183
73	Rents	931	-
74	A & G Operation Expenses	L 61 to L 73	181,796
	<u>Maintenance</u>		
75	Maintenance of General Plant	932	4,423
76	Total Administrative & General	L 74 + L 75	186,219
77	TOTAL O&M EXPENSES		\$ 2,802,282

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Detail of Taxes

[1]

Line No	Description	Reference	TY 2010 Budget
Taxes Other Than Income Taxes			
Non-revenue related:			
1	PA Real Estate Tax		\$ 3,449
2	Pennsylvania - PURTA		6,686
3	Capital Stock		7,580
4	PA and Local Use taxes		2,143
5	Miscellaneous Taxes		78
6	Subtotal	Sum L 1 to L 5	<u>19,936</u>
Payroll Taxes			
7	FICA		8,731
8	SUTA		304
9	FUTA		708
10	Other		-
11	Subtotal	Sum L 7 to L 10	<u>9,743</u>
Revenue Related:			
12	State Gross Receipts: Pennsylvania		257,692
13	Total Taxes Other Than Income Taxes	L 6 + L 11 + L 12	<u>\$ 287,371</u>
Income Taxes			
14	State		\$ 38,985
15	Federal		132,342
16	Total Income Taxes	L 14 + L 15	<u>\$ 171,327</u>

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Composite Cost of Long-Term Debt

Line No	Description	[1]	[2]	[3]	[4]	[5]
		Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate [2] * [3]	Annualized Cost
<u>First & Refunding Mortgage Bonds - Fixed Rate</u>						
1	5.900% Rate Due 5/1/34	\$ 75,000	3.11%	5.97%	0.19%	
2	4.75% Rate Due 10/1/12	225,000	9.34%	4.94%	0.46%	
3	5.95% Rate Due 11/1/11	250,000	10.38%	6.06%	0.63%	
4	5.950% Rate Due 10/1/36	300,000	12.45%	6.04%	0.75%	
5	5.70% Rate Due 3/15/37	175,000	7.26%	5.81%	0.42%	
6	5.35% Rate Due 3/1/18	500,000	20.75%	5.47%	1.14%	
7	4.00% Rate Due 12/1/12	150,000	6.23%	4.15%	0.26%	
8	5.60% Rate Due 10/15/13	300,000	12.45%	5.97%	0.74%	
9	5.00% Rate Due 10/01/14	250,000	10.38%	5.18%	0.54%	
10	Sub-Total Fixed Rate	<u>2,225,000</u>	<u>92.35%</u>			
<u>Trust Preferred Capital Securities</u>						
11	7.38% Rate Due 4/6/28	80,521	3.34%	7.46%	0.25%	
12	5.90% Rate Due 4/6/28	805	0.03%	5.90%	0.00%	
13	5.75% Rate Due 6/15/33	103,093	4.28%	5.84%	0.25%	
14	Sub-Total Capital Securities	<u>184,419</u>	<u>7.65%</u>			
15	Total Long-Term Debt	2,409,419	<u>100.00%</u>		<u>5.63%</u>	
16	Adjustment for Tenders & Calls	<u>(24,475)</u>				
17	Net Long-Term Debt	<u>\$ 2,384,944</u>				
18	Annualized Cost	\$ 135,650				
19	Adjustment for Tenders & Calls Reacquired	<u>2,910</u>				
20	Total	<u>\$ 138,560</u>			<u>5.81%</u>	

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Composite Cost of Preferred Stock

		[1]	[2]	[3]	[4]
Line No	Description	Principal Amount Outstanding	Percent To Total	Effective Cost Rate	Weighted Cost Rate
1	4.40% Series, Issued 12-1-41	\$ 22,650	25.89%	4.40%	1.14%
2	4.40% Series, Issued 3-1-42	4,822	5.51%	4.03%	0.22%
3	3.80% Series, Issued 12-5-46	30,000	34.30%	3.80%	1.30%
4	4.30% Series, Issued 2-5-46	15,000	17.15%	4.44%	0.76%
5	4.68% Series, Issued 5-14-53	15,000	17.15%	4.76%	0.82%
6	Total Preferred Stock (Sum Line 1 to Line 5)	<u>87,472</u>	<u>100.00%</u>		<u>4.24%</u>
7	Adjustment for Tenders & Calls	(1,402)			
8	Net Preferred Stock (Sum Line 6 + Line 7)	<u>\$ 86,070</u>			
9	Annualized Cost	\$ 3,709			
10	Adjustment for Tenders and Calls On Redeemed Stock	62			
11	Total Cost	<u>\$ 3,771</u>			
12	Total Weighted Cost Rate (Line 11 / Line 8)				<u>4.38%</u>

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Line No	Description	Capitalization	Capitalization Ratio	Embedded Cost	Statement Reference	Return-%
		[1]	[2]	[3]	[4]	[5]
	Rate of Return					
1	Long-Term Debt	\$ 2,384,944	45.19%	5.81%	B-6	2.63%
2	Preferred Stock	86,070	1.63%	4.38%	B-7	0.07%
3	Common Equity	<u>2,806,508</u>	<u>53.18%</u>	<u>11.75%</u>		<u>6.25%</u>
4	Total	<u>\$ 5,277,522</u>	<u>100.00%</u>			<u>8.95%</u>

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Line #	Description	Function	Reference			PRO FORMA TEST YEAR 2010 AT		
			Schedule	# of Pages		Present Rates	Adjustments	Proposed Rates
			[1]	[2]	[3]	[4]	[5]	[6]
Measures of Value								
MEASURE OF VALUE								
1	Utility Plant		C-2	1	\$ 4,622,936	\$ 4,622,936		
2	Accumulated Depreciation		C-3	1	(1,340,024)	(1,340,024)		
3	Net Plant in service	L 1 + L 2			3,282,912	-		3,282,912
4	Working Capital		C-4	10	350,401			350,401
5	OPEN		C-5	1	-			-
6	Accum Deferred Income Taxes		C-6	1	(573,778)	(573,778)		(573,778)
7	Customer Deposits		C-7	1	(54,977)	(54,977)		(54,977)
8	Common Plant		C-8	1	225,534			225,534
9	Customer Advances for Construction		C-9	1	(2,768)	(2,768)		(2,768)
10	Materials & Supplies		C-10	1	9,113			9,113
11	TOTAL MEASURE OF VALUE	Sum L 3 to L 10			\$ 3,236,437	\$ -		\$ 3,236,437

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Pro Forma Electric Plant in Service

Line No	Description	[1] Account No	[2] Pro Forma Future TY 2010
INTANGIBLE PLANT			
1	Franchise & Consent	302	\$ 163
2	Miscellaneous Intangible Plant	303	1,888
3	TOTAL INTANGIBLE	L 1 + L 2	<u>2,051</u>
TRANSMISSION PLANT			
4	Land & Land Rights	350	-
5	Structures & Improvements	352	-
6	Station Equipment	353	-
7	Towers & Fixtures	354	-
8	Poles & Fixtures	355	-
9	Overhead Conductors & Devices	356	-
10	Underground Conduit	357	-
11	Underground Conductors & Divices	358	-
12	Roads & Trails	359	-
13	Asset Retirement Costs for Transmission Plant	359.1	-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	<u>-</u>
DISTRIBUTION PLANT			
15	Land & Land Rights	360	40,034
16	Structures & Improvements	361	75,199
17	Station Equipment	362	819,740
18	Poles, Towers & Fixtures	364	530,120
19	Overhead Conductors & Devices	365	840,680
20	Underground Conduit	366	317,952
21	Underground Conductors & Divices	367	867,277
22	Line Transformers	368	458,241
23	Services	369	367,869
24	Meters	370	183,739
25	Installations on Customer Premisis	371	1,030
26	Street Lighting & Signal Systems	373	51,051
27	Asset Retirement Costs for Distrbuition Plant	374	2,548
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	<u>4,555,480</u>
GENERAL PLANT			
29	Land & Land Rights	389	1,366
30	Structures & Improvements	390	20,888
31	Office Furniture & Equipment	391	2,119
32	Transportation Equipment	392	-
33	Stores Equipment	393	748
34	Tools & Garage Equipment	394	14,084
35	Laboratory Equipment	395	870
36	Power Operated Equipment	396	-
37	Communications Equipment	397	23,256
38	Miscellaneous Equipment	398	1,954
39	Other Tangible Property	399	120
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	<u>65,405</u>
41	Total Electric Plant in Service - Accounts 101 & 106		<u>\$ 4,622,936</u>
	L 3 + L 14 + L 28 + L 40		

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Pro Forma Plant Adjustment Summary

Line #	Description	[1] Schedule	[2] Test Year 2010 Budget	[3] Adjustments	[4] Test Year As Adjusted Budget
1	INTANGIBLE PLANT	Sec. C-2, Sch 2	\$ 31,039	\$ (28,988)	\$ 2,051
2	TRANSMISSION PLANT	Sec. C-2, Sch 2	1,067,552	(1,067,552)	-
3	DISTRIBUTION PLANT	Sec. C-2, Sch 2	4,558,196	(2,716)	4,555,480
4	GENERAL PLANT	Sec. C-2, Sch 2	76,935	(11,530)	65,405
5					-
6					-
7	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 6)	5,733,722	(1,110,786)	4,622,936
8	COMPLETED - NOT CLASSIFIED	G/L a/c # 106	-	-	-
9	OTHER		-	-	-
10	PLANT-IN-SERVICE	Sum (L 7 to L 9)	5,733,722	(1,110,786)	4,622,936
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107	-	-	-
12	OTHER		-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u>\$ 5,733,722</u>	<u>\$ (1,110,786)</u>	<u>\$ 4,622,936</u>

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Pro Forma Year End 2010 Plant Balances

Line #	Description	[1] Account Number	[2] Year End Amount	[3] 2010		[4] Pro Forma Test Year Balance [2] + [3]
				Pro Forma Adjustment		
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ 163			\$ 163
2	Miscellaneous Intangible Plant	303	30,876	(28,988)		1,888
3	TOTAL INTANGIBLE	L 1 + L 2	31,039	(28,988)		2,051
TRANSMISSION PLANT						
4	Land & Land Rights	350	60,838	(60,838)		-
5	Structures & Improvements	352	29,204	(29,204)		-
6	Station Equipment	353	495,014	(495,014)		-
7	Towers & Fixtures	354	237,745	(237,745)		-
8	Poles & Fixtures	355	9,359	(9,359)		-
9	Overhead Conductors & Devices	356	139,477	(139,477)		-
10	Underground Conduit	357	13,252	(13,252)		-
11	Underground Conductors & Divices	358	79,792	(79,792)		-
12	Roads & Trails	359	2,055	(2,055)		-
13	Asset Retirement Costs for Transmission Plant	359.1	816	(816)		-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	1,067,552	(1,067,552)		-
DISTRIBUTION PLANT						
15	Land & Land Rights	360	40,034	-		40,034
16	Structures & Improvements	361	75,199	-		75,199
17	Station Equipment	362	819,740	-		819,740
18	Poles, Towers & Fixtures	364	530,120	-		530,120
19	Overhead Conductors & Devices	365	840,680	-		840,680
20	Underground Conduit	366	317,952	-		317,952
21	Underground Conductors & Divices	367	867,277	-		867,277
22	Line Transformers	368	458,241	-		458,241
23	Services	369	367,869	-		367,869
24	Meters	370	183,739	-		183,739
25	Installations on Customer Premisis	371	3,746	(2,716)		1,030
26	Street Lighting & Signal Systems	373	51,051	-		51,051
27	Asset Retirement Costs for Distrbuiton Plant	374	2,548	-		2,548
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	4,558,196	(2,716)		4,555,480
GENERAL PLANT						
29	Land & Land Rights	389	1,607	(241)		1,366
30	Structures & Improvements	390	24,570	(3,682)		20,888
31	Office Furniture & Equipment	391	2,493	(374)		2,119
32	Transportation Equipment	392	-	-		-
33	Stores Equipment	393	880	(132)		748
34	Tools & Garage Equipment	394	16,567	(2,483)		14,084
35	Laboratory Equipment	395	1,023	(153)		870
36	Power Operated Equipment	396	-	-		-
37	Communications Equipment	397	27,356	(4,100)		23,256
38	Miscellaneous Equipment	398	2,298	(344)		1,954
39	Other Tangible Property	399	141	(21)		120
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	76,935	(11,530)		65,405
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40	\$ 5,733,722	\$ (1,110,786)		\$ 4,622,936

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Additions to Plant 2010

Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Additions to Plant 2010			
Pro Forma Adjustment Amount			Budget	Pro Forma Adjustments	Other	
INTANGIBLE PLANT						
1	Franchise & Consent	302		\$ -		
2	Miscellaneous Intangible Plant	303		28,655	\$ (28,655)	
3	TOTAL INTANGIBLE	L 1 + L 2		28,655	(28,655)	-
		0				
TRANSMISSION PLANT						
4	Land & Land Rights	350		260		
5	Structures & Improvements	352		1,274		
6	Station Equipment	353		31,031		
7	Towers & Fixtures	354		455		
8	Poles & Fixtures	355		561		
9	Overhead Conductors & Devices	356		2,133		
10	Underground Conduit	357		2,100		
11	Underground Conductors & Divices	358		2,113		
12	Roads & Trails	359		-		
13	Asset Retirement Costs for Transmission Plant	359.1		-		
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13		39,927	-	-
		0				
DISTRIBUTION PLANT						
15	Land & Land Rights	360		184		
16	Structures & Improvements	361		8,142		
17	Station Equipment	362		48,959		
18	Poles, Towers & Fixtures	364		23,141		
19	Overhead Conductors & Devices	365		55,967		
20	Underground Conduit	366		15,624		
21	Underground Conductors & Divices	367		65,928		
22	Line Transformers	368		23,651		
23	Services	369		11,315		
24	Meters	370		4,210		
25	Installations on Customer Premisis	371		2,716	(2,716)	
26	Street Lighting & Signal Systems	373		1,052		
27	Asset Retirement Costs for Distrbuiton Plant	374		-		
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27		260,889	(2,716)	-
		0				
GENERAL PLANT						
29	Land & Land Rights	389		-		
30	Structures & Improvements	390		570		
31	Office Furniture & Equipment	391		732		
32	Transportation Equipment	392		-		
33	Stores Equipment	393		-		
34	Tools & Garage Equipment	394		5,302		
35	Laboratory Equipment	395		316		
36	Power Operated Equipment	396		-		
37	Communications Equipment	397		18,781		
38	Miscellaneous Equipment	398		(85)		
39	Other Tangible Property	399		-		
40	TOTAL GENERAL PLANT	Sum L 29 to L 39		25,616	-	-
		0				
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 40		\$ 355,087	\$ (31,371)	\$ -

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Line #	Description	Account Number	Pro Forma Plant Adjustment			Total Pro Forma Adjustments			
			(1)	(2)	(3)		(4)	(5)	(6)
			Remove Transmission	Remove General TO Transmission	Smart Meter	Act 129	Post 2010		
Pro Forma Adjustment				14.9866%					
INTANGIBLE PLANT									
1	Franchise & Consent	302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Miscellaneous Intangible Plant	303	-	(333)	(18,000)	(2,205)	(8,450)	-	
3	TOTAL INTANGIBLE	L 1 + L 2	-	(333)	(18,000)	(2,205)	(8,450)	(28,988)	
TRANSMISSION PLANT									
4	Land & Land Rights	350	(60,838)	-	-	-	-	(60,838)	
5	Structures & Improvements	352	(29,204)	-	-	-	-	(29,204)	
6	Station Equipment	353	(495,014)	-	-	-	-	(495,014)	
7	Towers & Fixtures	354	(237,745)	-	-	-	-	(237,745)	
8	Poles & Fixtures	355	(9,359)	-	-	-	-	(9,359)	
9	Overhead Conductors & Devices	356	(139,477)	-	-	-	-	(139,477)	
10	Underground Conduit	357	(13,252)	-	-	-	-	(13,252)	
11	Underground Conductors & Devices	358	(79,792)	-	-	-	-	(79,792)	
12	Roads & Trails	359	(2,055)	-	-	-	-	(2,055)	
13	Asset Retirement Costs for Transmission Plant	359.1	(816)	-	-	-	-	(816)	
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	(1,067,552)	-	-	-	-	(1,067,552)	
DISTRIBUTION PLANT									
15	Land & Land Rights	360	-	-	-	-	-	-	
16	Structures & Improvements	361	-	-	-	-	-	-	
17	Station Equipment	362	-	-	-	-	-	-	
18	Poles, Towers & Fixtures	364	-	-	-	-	-	-	
19	Overhead Conductors & Devices	365	-	-	-	-	-	-	
20	Underground Conduit	366	-	-	-	-	-	-	
21	Underground Conductors & Devices	367	-	-	-	-	-	-	
22	Line Transformers	368	-	-	-	-	-	-	
23	Services	369	-	-	-	-	-	-	
24	Meters	370	-	-	-	-	-	-	
25	Installations on Customer Premises	371	-	-	-	(2,716)	-	(2,716)	
26	Street Lighting & Signal Systems	373	-	-	-	-	-	-	
27	Asset Retirement Costs for Distribution Plant	374	-	-	-	-	-	-	
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	-	-	-	(2,716)	-	(2,716)	
GENERAL PLANT									
29	Land & Land Rights	389	-	(241)	-	-	-	(241)	
30	Structures & Improvements	390	-	(3,682)	-	-	-	(3,682)	
31	Office Furniture & Equipment	391	-	(374)	-	-	-	(374)	
32	Transportation Equipment	392	-	-	-	-	-	-	
33	Stores Equipment	393	-	(132)	-	-	-	(132)	
34	Tools & Garage Equipment	394	-	(2,483)	-	-	-	(2,483)	
35	Laboratory Equipment	395	-	(153)	-	-	-	(153)	
36	Power Operated Equipment	396	-	-	-	-	-	-	
37	Communications Equipment	397	-	(4,100)	-	-	-	(4,100)	
38	Miscellaneous Equipment	398	-	(344)	-	-	-	(344)	
39	Other Tangible Property	399	-	(21)	-	-	-	(21)	
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	-	(11,530)	-	-	-	(11,530)	
41	TOTAL PLANT IN SERVICE	L 3 + L 14 + L 28 + L 41	\$ (1,067,552)	\$ (11,863)	\$ (18,000)	\$ (4,921)	\$ (8,450)	\$ (1,110,786)	

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Accumulated Provision for Depreciation

Line No	Description	[1]	[2]
		Account No	Pro Forma TY 2010
INTANGIBLE PLANT			
1	Franchise & Consent	302	\$ -
2	Miscellaneous Intangible Plant	303	(295)
3	TOTAL INTANGIBLE	L 1 + L 2	<u>(295)</u>
TRANSMISSION PLANT			
4	Land & Land Rights	350	-
5	Structures & Improvements	352	-
6	Station Equipment	353	-
7	Towers & Fixtures	354	-
8	Poles & Fixtures	355	-
9	Overhead Conductors & Devices	356	-
10	Underground Conduit	357	-
11	Underground Conductors & Divices	358	-
12	Roads & Trails	359	-
13	Asset Retirement Costs for Transmission Plant	359.1	-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	<u>-</u>
DISTRIBUTION PLANT			
15	Land & Land Rights	360	-
16	Structures & Improvements	361	(31,221)
17	Station Equipment	362	(335,168)
18	Poles, Towers & Fixtures	364	(112,957)
19	Overhead Conductors & Devices	365	(207,555)
20	Underground Conduit	366	(132,277)
21	Underground Conductors & Divices	367	(142,955)
22	Line Transformers	368	(152,020)
23	Services	369	(103,698)
24	Meters	370	(78,039)
25	Installations on Customer Premisis	371	(919)
26	Street Lighting & Signal Systems	373	(27,654)
27	Asset Retirement Costs for Distrbuiton Plant	374	(1,128)
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	<u>(1,325,591)</u>
GENERAL PLANT			
29	Land & Land Rights	389	-
30	Structures & Improvements	390	(8,704)
31	Office Furniture & Equipment	391	(170)
32	Transportation Equipment	392	-
33	Stores Equipment	393	(442)
34	Tools & Garage Equipment	394	(758)
35	Laboratory Equipment	395	(326)
36	Power Operated Equipment	396	-
37	Communications Equipment	397	(2,650)
38	Miscellaneous Equipment	398	(1,001)
39	Other Tangible Property	399	(87)
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	<u>(14,138)</u>
41	Total Electric Plant Accumulated Depreciation	L 3 + L 14 + L 28 + L 40	<u>\$ (1,340,024)</u>

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Summary of Accumulated Depreciation

Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Year Ended 12-31-10			
			Budget at 12/31/10	Pro Forma Adjustments	Pro Forma at 12/31/10	
1	INTANGIBLE PLANT		\$ (3,212)	\$ 2,917	\$ (295)	
2	TRANSMISSION PLANT		(439,154)	439,154	-	
3	DISTRIBUTION PLANT		(1,340,541)	14,950	(1,325,591)	
4	GENERAL PLANT		(16,630)	2,492	(14,138)	
5				-	-	
6				-	-	
7						
8	ACCUMULATED DEPRECIATION	Sum L 1 to L 7	(1,799,537)	459,513	(1,340,024)	
9						
10	OTHER UTILITY PLANT					
11	TRANSPORTATION		-	-	-	
12	TOTAL ACCUMULATED DEPRECIATION	Sum L 9 to L 11	(1,799,537)	459,513	(1,340,024)	
13	ACCUMULATED AMORTIZATION		-	-	-	
14	TOTAL ACC DEPR & AMORTIZATION	L 12 + L 13	<u>\$ (1,799,537)</u>	<u>\$ 459,513</u>	<u>\$ (1,340,024)</u>	

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Line #	Description	Account Number	[1]	[2]	[3]	[4]
			Year Ended 12-31-10			
			Budget at 12/31/10	Pro Forma Adjustments	Pro Forma at 12/31/10	[2] + [3]
INTANGIBLE PLANT						
1	Franchise & Consent	302	\$ -	\$ -	\$ -	
2	Miscellaneous Intangible Plant	303	(3,212)	2,917	(295)	
3	TOTAL INTANGIBLE	L 1 + L 2	<u>(3,212)</u>	<u>2,917</u>	<u>(295)</u>	
TRANSMISSION PLANT						
4	Land & Land Rights	350	-	-	-	
5	Structures & Improvements	352	(15,848)	15,848	-	
6	Station Equipment	353	(165,155)	165,155	-	
7	Towers & Fixtures	354	(137,948)	137,948	-	
8	Poles & Fixtures	355	(1,709)	1,709	-	
9	Overhead Conductors & Devices	356	(75,380)	75,380	-	
10	Underground Conduit	357	(3,739)	3,739	-	
11	Underground Conductors & Divices	358	(36,898)	36,898	-	
12	Roads & Trails	359	(1,905)	1,905	-	
13	Asset Retirement Costs for Transmission Plant	359.1	(572)	572	-	
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	<u>(439,154)</u>	<u>439,154</u>	<u>-</u>	
DISTRIBUTION PLANT						
15	Land & Land Rights	360	-	-	-	
16	Structures & Improvements	361	(31,221)	-	(31,221)	
17	Station Equipment	362	(335,168)	-	(335,168)	
18	Poles, Towers & Fixtures	364	(112,957)	-	(112,957)	
19	Overhead Conductors & Devices	365	(207,555)	-	(207,555)	
20	Underground Conduit	366	(132,277)	-	(132,277)	
21	Underground Conductors & Divices	367	(142,955)	-	(142,955)	
22	Line Transformers	368	(152,020)	-	(152,020)	
23	Services	369	(103,698)	-	(103,698)	
24	Meters	370	(92,950)	14,911	(78,039)	
25	Installations on Customer Premisis	371	(958)	39	(919)	
26	Street Lighting & Signal Systems	373	(27,654)	-	(27,654)	
27	Asset Retirement Costs for Distrbuition Plant	374	(1,128)	-	(1,128)	
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	<u>(1,340,541)</u>	<u>14,950</u>	<u>(1,325,591)</u>	
GENERAL PLANT						
29	Land & Land Rights	389	-	-	-	
30	Structures & Improvements	390	(10,238)	1,534	(8,704)	
31	Office Furniture & Equipment	391	(200)	30	(170)	
32	Transportation Equipment	392	-	-	-	
33	Stores Equipment	393	(520)	78	(442)	
34	Tools & Garage Equipment	394	(892)	134	(758)	
35	Laboratory Equipment	395	(384)	58	(326)	
36	Power Operated Equipment	396	-	-	-	
37	Communications Equipment	397	(3,117)	467	(2,650)	
38	Miscellaneous Equipment	398	(1,177)	176	(1,001)	
39	Other Tangible Property	399	(102)	15	(87)	
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	<u>(16,630)</u>	<u>2,492</u>	<u>(14,138)</u>	
41	TOTAL ACCUMULATED DEPRECIATION	L 3 + L 14 + L 28 + L 40	<u>\$ (1,799,537)</u>	<u>\$ 459,513</u>	<u>\$ (1,340,024)</u>	

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Cost of Removal Net of Salvage 2010

Line #	Description	[1] Account Number	[2]	[3] Budgeted For 2010
<u>INTANGIBLE PLANT</u>				
1	Franchise & Consent	302		\$ -
2	Miscellaneous Intangible Plant	303		-
3	TOTAL INTANGIBLE	L 1 + L 2		-
		0		
<u>TRANSMISSION PLANT</u>				
4	Land & Land Rights	350		-
5	Structures & Improvements	352		84
6	Station Equipment	353		460
7	Towers & Fixtures	354		3
8	Poles & Fixtures	355		-
9	Overhead Conductors & Devices	356		25
10	Underground Conduit	357		-
11	Underground Conductors & Divices	358		26
12	Roads & Trails	359		-
13	Asset Retirement Costs for Transmission Plant	359.1		-
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13		598
<u>DISTRIBUTION PLANT</u>				
		0		
15	Land & Land Rights	360		-
16	Structures & Improvements	361		70
17	Station Equipment	362		1,024
18	Poles, Towers & Fixtures	364		3,391
19	Overhead Conductors & Devices	365		3,232
20	Underground Conduit	366		332
21	Underground Conductors & Divices	367		3,814
22	Line Transformers	368		520
23	Services	369		740
24	Meters	370		50
25	Installations on Customer Premisis	371		-
26	Street Lighting & Signal Systems	373		45
27	Asset Retirement Costs for Distrbuiton Plant	374		-
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27		13,218
<u>GENERAL PLANT</u>				
29	Land & Land Rights	389		-
30	Structures & Improvements	390		14
31	Office Furniture & Equipment	391		10
32	Transportation Equipment	392		-
33	Stores Equipment	393		-
34	Tools & Garage Equipment	394		-
35	Laboratory Equipment	395		-
36	Power Operated Equipment	396		-
37	Communications Equipment	397		-
38	Miscellaneous Equipment	398		-
39	Other Tangible Property	399		-
40	TOTAL GENERAL PLANT	Sum L 29 to L 39		24
41	TOTAL	L 3 + L 14 + L 28 + L 40		\$ 13,840

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Working Capital

Line No	Description	[1]	[2]
		Future TY 2010	Reference
1	Operation & Maintenance Expenses	\$ 227,108	C-4, Page 2
2	Accrued Taxes	123,954	C-4, Page 6
3	Interest Payments	(8,553)	C-4, Page 7
4	Preferred Dividend Payments	56	C-4, Page 8
5	Average Prepayments	7,836	C-4, Page 10
6	Total Cash Working Capital Requirements	<u>\$ 350,401</u>	

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Summary of Working Capital

Line #	Description	[1] Reference	[2] Test Year Expenses	[3] Factor P 4, C 5	[4] Number of (Lead) / Lag Days [2] * [3]	[5] Totals
<u>WORKING CAPITAL REQUIREMENT</u>						
1	REVENUE LAG DAYS	P 3				54.51
EXPENSE LAG DAYS						
2	Payroll (Dist only)	D-7, P 2, L 24 + L 21	\$ 109,401	16.00	\$ 1,750,410	
3	Pension Expense	D-9, L 13	30,827	36.47	1,124,404	
4	Commodity Purchased - [A]	D-2, L 20, C 3 - L 5	3,183,221	35.63	113,418,164	
5	Commodity Purchased - [B]	D-6B, L 17	60,175	6.50	391,138	
6	PJM Transmission Purchased	D-16, L 5 + L 6	188,734	6.50	1,226,771	
7	Other Expenses	L 24 - Ls 2 to 6	362,414	37.74	13,677,494	
8	Total	Sum (L 2 to L 7)	<u>\$ 3,934,772</u>		<u>\$ 131,588,381</u>	
9	O & M Expense Lag Days	L 8, C 4 / C 2				33.44
10	Net (Lead) Lag Days	L 1 - L 9				21.07
11	Operating Expenses Per Day	L 8, C 2 / 365				<u>\$ 10,780</u>
12	Working Capital for O & M Expense	L 10 * L 11				\$ 227,108
13	Average Prepayments	P 10				7,836
14	Tax Expense	P 6				123,954
15	Interest Payments	P 7				(8,553)
16	Preferred Dividend Payments	P 8				56
17	Total Working Capital Requirement	Sum (L 12 to L 16)				<u>\$ 350,401</u>
18	Pro Forma O & M Expense		\$ 4,002,565			
Less:						
19	Commodity Supplied by Others		-			
20	Uncollectible Expense		(67,793)			
21	Transmission S&W to A&G		(19,770)			
22	A&G Offset for Trans S&W		19,770			
23	Sub-Total	Sum (L 19 to L 22)	<u>(67,793)</u>			
24	Pro Forma Cash O&M Expense	L 18 - L 23	<u>\$ 3,934,772</u>			

[A] Contract Purchases of Electricity - All Except [B]

[B] Spot Market Purchases of Electricity - 5% of Total Pro Forma Residential Requirement

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Revenue Lag

Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales	[4] A/R Turnover [3] / [2]	[5] Days Lag L 1 / L 17 [4]	
1	Annual Number of Days					<u>365</u>	
2	December, 2008		\$ 446,843				
3	January, 2009		507,353	417,815			
4	February		518,112	360,266			
5	March		490,693	342,518			
6	April		436,596	298,302			
7	May		437,017	325,282			
8	June		439,197	340,558			
9	July		464,811	387,206			
10	August		502,461	429,402			
11	September		465,948	409,353			
12	October		398,180	313,003			
13	November		361,427	308,167			
14	December, 2009		372,736	348,607			
15	Total	Sum L 2 to L 14	<u>\$5,841,374</u>				
16	Average A/R Balance	<u>13</u>					
17	Factor		<u>\$449,336</u>	<u>\$ 4,280,479</u>	<u>9.53</u>	<u>38.30</u>	
18	Collection Days Lag (L 17 [5])					38.30	
19	Billing and Revenue Recording days lag					1.000	
20	Billing Lag (Average Period)		365	/	12	* =	15.21
21	Total Revenue Lag Days	Sum L 18 to L 20				<u>54.51</u>	

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Summary of Expense Lag Calculations

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union & Non-Union Payroll		\$ 125,038			
2	Paid Bi-Weekly with nine-day lag (14 days / 2 + 9 days)			16.00		
3	Weighted Payroll Dollar Value				\$ 2,000,609	
4						
5	Payroll Lag	Sum L 1 to L 4	<u>\$ 125,038</u>		<u>\$ 2,000,609</u>	<u>16.00</u>
<u>PENSION EXPENSE</u>						
6	First Payment	14-Jan	\$ 2,730	(168.0)	\$ (458,640)	
7	Second Payment	14-Apr	2,489	(78.0)	(194,142)	
8	Third Payment	14-Jul	2,746	13.0	35,698	
9	Fourth Payment	14-Sep	18,674	75.0	1,400,550	
10	Final Payment	14-Oct	2,746	105.0	288,330	
11	Sub-Total		<u>\$ 29,385</u>		<u>\$ 1,071,796</u>	
12	Mid-point of Service Period	1-Jul				
13	Lag Days for Pension Payment	L 11 col 4 / col 2				<u>36.47</u>
<u>PURCHASED ENERGY EXPENSES</u>						
14	Payment Lag - Contract Purchases			Sch C-4, P 11		<u>35.63</u>
15	Payment Lag - Spot Market Purchases			Sch C-4, P 11		<u>6.50</u>
<u>OTHER O & M EXPENSES</u>						
16	OCTOBER 2008	Page 5	\$ 30,598		\$ 1,161,731	
17	JANUARY 2009	Page 5	29,351		1,088,357	
18	APRIL 2009	Page 5	26,974		1,069,216	
19	JULY 2009	Page 5	23,035		830,153	
20	TOTAL	Sum L 16 to L 19	<u>109,957</u>		<u>4,149,457</u>	<u>37.74</u>

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General Disbursements Lag

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3]/[2]
<u>OCTOBER 2008</u>					
1	Total Disbursements for Month	<u>17,056</u>	<u>\$ 134,585</u>		
2	Total Disbursements for Expenses	<u>1,694</u>	<u>\$ 30,598</u>	<u>\$ 1,161,731</u>	<u>37.97</u>
<u>JANUARY 2009</u>					
3	Total Disbursements for Month	<u>12,185</u>	<u>\$ 143,289</u>		
4	Total Disbursements for Expenses	<u>1,358</u>	<u>\$ 29,351</u>	<u>\$ 1,088,357</u>	<u>37.08</u>
<u>APRIL 2009</u>					
5	Total Disbursements for Month	<u>12,493</u>	<u>\$ 70,954</u>		
6	Total Disbursements for Expenses	<u>1,536</u>	<u>\$ 26,974</u>	<u>\$ 1,069,216</u>	<u>39.64</u>
<u>JULY 2009</u>					
7	Total Disbursements for Month	<u>13,259</u>	<u>\$ 66,175</u>		
8	Total Disbursements for Expenses	<u>1,595</u>	<u>\$ 23,035</u>	<u>\$ 830,153</u>	<u>36.04</u>
<u>TOTAL FOUR TEST MONTHS</u>					
9	Total Test Month Expense Disbursement	<u>6,183</u>	<u>\$ 109,957</u>	<u>\$ 4,149,457</u>	<u>37.74</u>

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Tax Expense Working Capital

Line No.	Description	[1] Reference Or Factor	[2]	[3] Pro Forma Distribution Proposed Rate Amount	[4] Net Revenue Lag-Days	[5] Accrued Taxes [2]*[3]
1	FEDERAL INCOME TAX			\$ 107,719	17.01	\$ 1,832,309
2	STATE INCOME TAX			31,177	24.76	771,945
3	PURTA Taxes			5,684	115.51	656,563
4	Capital Stock			6,444	24.76	159,555
5	PA & Local Use taxes			1,822	18.51	33,722
6	PA Property Taxes			2,932	55.01	161,297
7	PA Corp Loan Tax			65	131.51	8,609
8	Philadelphia BPT			-	54.51	-
9	Local Privilege Tax			1	162.51	138
10	Gross Receipts Tax			264,931	157.09	41,619,135
11	Total		Sum L 1 to L 10			<u>\$ 45,243,273</u>
12	Days in Year					<u>365</u>
13	Average Daily Amount for Working Capital					<u>\$ 123,954</u>

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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at	December 31, 2010			\$ 3,236,437
2	Long-term Debt Ratio				45.19%
3	Embedded Cost of Long-term Debt				5.81%
4	Pro forma Interest Expense	Sum L 1 to L 3			<u>\$ 84,971</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 233
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days			54.51	
8	Interest Payment lag days	L 7 - L 6			(36.74)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (8,553)</u>

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Preferred Stock Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at	December 31, 2010			\$ 3,236,437
2	Preferred Stock Ratio				1.63%
3	Embedded Cost of Preferred				4.38%
4	Pro forma Dividend Expense	Sum L 1 to L 3			<u>\$ 2,311</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 6
6	Days to mid-point of Dividend payments			45.63	
7	Less: Revenue Lag Days			54.51	
8	Dividend Payment lag days	L 7 - L 6			<u>8.89</u>
9	Total Dividend for Working Capital	L 5 * L 8			<u>\$ 56</u>

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TAX EXPENSE - LAG DAYS

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days C-4, Pg3	[8] Net Payment Lead (Lag) Days [6] - [7]
1	FEDERAL INCOME TAX	<u>25%</u>			<u>\$ 107,719</u>				
2	First Payment	04/15/10	07/01/10	77.00	\$ 26,930	2,073,600			
3	Second Payment	06/15/10	07/01/10	16.00	26,930	430,878			
4	Third Payment	09/15/10	07/01/10	(76.00)	26,930	(2,046,670)			
5	Fourth Payment	12/15/10	07/01/10	(167.00)	26,930	(4,497,289)			
6	Total				<u>\$ 107,719</u>	<u>\$ (4,039,481)</u>	<u>(37.50)</u>	<u>54.51</u>	<u>17.01</u>
7	STATE INCOME TAX	<u>25%</u>			<u>\$ 31,177</u>				
8	First Payment	03/15/10	07/01/10	108.00	\$ 7,794	841,782			
9	Second Payment	06/15/10	07/01/10	16.00	7,794	124,708			
10	Third Payment	09/15/10	07/01/10	(76.00)	7,794	(592,365)			
11	Fourth Payment	12/15/10	07/01/10	(167.00)	7,794	(1,301,644)			
12	Total				<u>\$ 31,177</u>	<u>(927,519)</u>	<u>(29.75)</u>	<u>54.51</u>	<u>24.76</u>
13	PURTA				<u>\$ 5,684</u>				
14	Payment	05/01/10	07/01/10	61.00	\$ 5,684	346,726	61.00	54.51	115.51
15	PA CAPITAL STOCK TAX	<u>25%</u>			<u>\$ 6,444</u>				
16	First Payment	03/15/10	07/01/10	108.00	\$ 1,611	173,990			
17	Second Payment	06/15/10	07/01/10	16.00	1,611	25,776			
18	Third Payment	09/15/10	07/01/10	(76.00)	1,611	(122,437)			
19	Fourth Payment	12/15/10	07/01/10	(167.00)	1,611	(269,040)			
20	Total				<u>\$ 6,444</u>	<u>(191,711)</u>	<u>(29.75)</u>	<u>54.51</u>	<u>24.76</u>
21	PA LOCAL & USE TAX				<u>\$ 1,822</u>				
22	Payment (Monthly)	02/20/10	01/15/10	(36.00)	\$ 1,822	(65,587)	(36.00)	54.51	18.51
23	PA PROPERTY TAX	<u>50%</u>			<u>\$ 2,932</u>				
24	First Payment	03/31/10	07/01/10	92.00	\$ 1,466	134,878			
25	Second Payment	09/30/10	07/01/10	(91.00)	1,466	(133,412)			
26	Total				<u>\$ 2,932</u>	<u>1,466</u>	<u>0.50</u>	<u>54.51</u>	<u>55.01</u>
27	PA Corp Loan Tax				<u>\$ 65</u>				
28	Payment	04/15/10	07/01/10	77.00	\$ 65	5,040	77.00	54.51	131.51
29	Philadelphia BPT				<u>\$ -</u>				
30	Payment	04/15/10	07/01/10	77.00	\$ -	-	0.00	54.51	54.51
31	Local Privilege Tax				<u>\$ 1</u>				
32	Payment	03/15/10	07/01/10	108.00	\$ 1	92	108.00	54.51	162.51
33	Gross Receipts Tax				<u>\$ 264,931</u>				
34	"Safe Harbor" Payment	03/15/10	07/01/10	108.00	\$ 261,000	28,188,000			
35									
36	Balance Based on Estimate	03/15/11	07/01/10	(257.00)	3,931	(1,010,250)			
37									
38	Total				<u>\$ 264,931</u>	<u>27,177,750</u>	<u>102.58</u>	<u>54.51</u>	<u>157.09</u>

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Prepaid Expenses

Line #	Description	DISTRIBUTION ELECTRIC												ELECTRIC & GAS					ELECTRIC DIST & GAS							
		TOTAL	Energy Assoc Dues	EEL Dues	PUC Assess Electric	Pole Attachment Fees	Prepaid Barrel Locks	SEPTA Duct Rental	Phila Work Permits	CSX Lease Agreement	VEBA Adjust	Maintenance Contracts	IT License Agree	Vehicle Registration	Billing Paper	Postage										
1	December, 2008	8,348	\$	-	\$	3,734	\$	1,318	\$	844	\$	228	\$	26	\$	1,959	\$	15	\$	224	\$	181	\$	528	\$	485
2	January, 2009	8,192	191	396	3,111	1,098	1,294	209	26	1,015	209	26	26	1,560	41	1,364	41	177	229	266	187	187	428	428	403	
3	February	6,901	173	360	2,489	878	1,015	190	26	826	180	26	26	1,145	177	1,145	177	186	229	186	195	195	479	479	339	
4	March	5,811	156	324	1,867	659	259	180	26	666	152	26	26	1,104	183	1,104	183	166	191	166	208	208	411	411	448	
5	April	4,662	139	288	1,245	439	246	152	26	669	133	26	26	1,187	134	1,187	134	285	285	212	212	618	618	514		
6	May	3,783	121	252	622	220	134	133	26	489	114	26	26	1,035	132	1,035	132	228	228	199	199	522	522	658		
7	June	10,154	104	216	6,400	1,318	92	114	26	489	114	26	26	1,140	101	1,140	101	271	271	187	187	425	425	299		
8	July	9,717	87	180	5,714	878	-	95	26	1,225	95	26	26	1,162	99	1,162	99	288	288	175	175	467	467	438		
9	August	8,486	69	144	5,028	659	-	76	26	935	76	26	26	1,119	82	1,119	82	239	239	174	174	372	372	565		
10	September	8,336	52	108	4,341	659	-	57	26	1,653	57	26	26	1,101	67	1,101	67	382	382	180	180	297	297	422		
11	October	6,155	35	72	4,476	114	131	38	26	1,713	38	26	26	1,153	51	1,153	51	386	386	198	198	514	514	394		
12	November	7,111	17	36	3,917	220	-	19	26	1,286	19	26	26	1,214	19	1,214	19	415	415	203	203	419	419	337		
13	December, 2009	6,165	-	-	3,357	-	-	228	26	906	228	26	26	1,214	19	1,214	19	415	415	203	203	419	419	337		
14	TOTAL	\$ 95,821	\$ 1,144	\$ 2,376	\$ 46,301	\$ 8,460	\$ 862	\$ 13,521	\$ 1,719	\$ 338	\$ 1,719	\$ 338	\$ 338	\$ 16,243	\$ 1,267	\$ 3,590	\$ 2,498	\$ 5,864	\$ 5,864	\$ 2,498	\$ 5,864	\$ 5,864	\$ 5,864	\$ 5,864	\$ 5,639	
15	Distribution Pct	Exp Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	74.873%	74.873%	74.873%	74.873%	74.873%	74.873%	74.873%	74.873%	74.873%	82.367%	82.367%	82.367%	
16	Distribution Amt	L 14 * L 15	\$ 1,144	\$ 2,376	\$ 46,301	\$ 8,460	\$ 862	\$ 13,521	\$ 1,719	\$ 338	\$ 1,719	\$ 338	\$ 338	\$ 12,162	\$ 949	\$ 2,688	\$ 1,870	\$ 4,830	\$ 4,830	\$ 1,870	\$ 4,830	\$ 4,830	\$ 4,830	\$ 4,830	\$ 4,645	
17	Number of Months		13																							
18	Monthly Average	L 16 / L 17	\$ 88	\$ 183	\$ 3,562	\$ 651	\$ 66	\$ 1,040	\$ 132	\$ 26	\$ 132	\$ 26	\$ 26	\$ 936	\$ 73	\$ 207	\$ 144	\$ 372	\$ 372	\$ 144	\$ 372	\$ 372	\$ 372	\$ 372	\$ 357	
19	Rate Case Amount																									
	Sum Line 18																									

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ELECTRIC ENERGY PURCHASE LAG

Line No.	Description	[1] Midpoint of Prior Month Service Period To End of Month	[2] Payment Date Month After Service Period	[3] Additional Weekend or Holidays Extending Payment Date	[4] Total Working Capital Lag Days	[5] Average
Contract Purchases in 2011						
1	January	15.50	19.00	1.00	35.50	
2	February	15.50	19.00	2.00	36.50	
3	March	14.00	19.00	2.00	35.00	
4	April	15.50	19.00	1.00	35.50	
5	May	15.00	19.00	1.00	35.00	
6	June	15.50	19.00	1.00	35.50	
7	July	15.00	19.00	1.00	35.00	
8	August	15.50	19.00	3.00	37.50	
9	September	15.50	19.00	1.00	35.50	
10	October	15.00	19.00	1.00	35.00	
11	November	15.50	19.00	2.00	36.50	
12	December	15.00	19.00	1.00	35.00	
13	Average Payment Lag Days					<u>35.63</u>

	Service Period	Units	Service Period # of Days	Lag Days
Spot Market Purchases in 2011				
14	Service Period Weekly	Wed to Tues	Days	<u>7.00</u>
15	Days from Midpoint to End of Month			# 3.50
16	Payment Due on Friday of each Week			3.00
17	Total Payment Lag Days			<u>6.50</u>

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OPEN

		[1]	[2]	[3]	[4]
Line #	Description				
1	December, 2006	\$ -	\$ -	\$ -	\$ -
2	January, 2007	-	-	-	-
3	February	-	-	-	-
4	March	-	-	-	-
5	April	-	-	-	-
6	May	-	-	-	-
7	June	-	-	-	-
8	July	-	-	-	-
9	August	-	-	-	-
10	September	-	-	-	-
11	October	-	-	-	-
12	November	-	-	-	-
13	December, 2007	-	-	-	-
14	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
15	Average Monthly Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Accumulated Deferred Income Taxes

Line #	Description	[1] Factor Or Reference	[2] Percent To Distribution	[3] Amount	[4] Total
1	<u>Accumulated Deferred Income Tax - A/C # 282</u>				
2	Electric Utility Plant - a/c # 282	\$ 653,716	85.014%	\$ 555,750	
3	Common Plant	\$ 35,224	67.365%	23,729	
4	Software - Common	\$ 18,185	67.365%	12,250	
5	Sub-total				591,729
6	ADIT on CIAC	\$ (30,929)	85.014%	\$ (26,294)	
7	ADIT on CIAC Common Plant	\$ -	67.365%	-	
8	Sub-total				(26,294)
9	Federal ADIT				565,435
	<u>STATE</u>				
10	Cost Method Basis	\$ 8,373	85.014%	\$ 7,118	
11	ML Non Conforming	7,214	85.014%	6,133	
12	PA Prepaid Tax on CIAC	(5,773)	85.014%	(4,908)	
13	Sub-total				\$ 8,343
14	Balance at December 31, 2010				<u>\$ 573,778</u>

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Customer Deposits

[1]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	December, 2008		\$ 59,830
2	January, 2009		54,748
3	February		53,682
4	March		53,940
5	April		54,603
6	May		54,633
7	June		54,984
8	July		55,372
9	August		54,570
10	September		54,830
11	October		55,025
12	November		55,372
13	December, 2009		53,115
14	Total		<u>\$ 714,704</u>
15	Average Monthly Balance		<u>\$ 54,977</u>

Electric Deposits By Customer Classification

16	HY 2009 - Residential		\$ 15,918
17	- Small C&I		33,459
18	- Large C&I		5,594
19	- Street Lighting		6
20			-
21	Total		<u>\$ 54,977</u>

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Common Plant

Line #	Description	Factor Or Reference	Total Company	Percent Allocated To Distribution	Distribution Total
			[1]	[2]	[3]
					[1] * [2]
<u>Common Gross Plant at 12-31-09</u>					
1	---Land		6,778		
2	---Organization		677		
3	---Software		125,079		
4	--- General Plant		384,531		
5	---Other		_____		
6	Total	L 1 to L 5	517,065	67.365%	\$ 348,321
7	Additions for 2010		58,499	67.365%	39,408
8	Pro Forma Fleet Depreciation Capitalized		436	67.365%	294
9	Retirements		(28,478)	67.365%	(19,184)
			_____		_____
10	Common Plant at 12-31-10	L 6 to L 9	<u>\$ 547,522</u>		<u>\$ 368,838</u>
<u>Common Plant Accum Depre at 12-31-09</u>					
11	---Software		(73,266)		
12	--- General Plant		(128,710)		
13	---Other		-		

14	Accumulated Depreciation at 12-31-09	L 11 to L 13	(201,976)	67.365%	(136,061)
15	2010 Common Plant Depreciation		(37,305)	67.365%	(25,131)
16	Retirements		28,478	67.365%	19,184
17	Transfers From BSC		(2,203)	67.365%	(1,484)
18	Cost of Removal / Salvage		278	67.365%	187
			_____		_____
19	Total Accumulated Depreciation at 12-31-10	L 14 to L 18	<u>\$ (212,728)</u>		<u>\$ (143,304)</u>
<u>Net Common Plant</u>					
20	Net Common Plant	L 10 + L 19	<u>\$ 334,794</u>		
21	2010 Allocation Factor			<u>67.365%</u>	
22	Total Net Common Plant for Electric	L 20 * L 21			<u>\$ 225,534</u>

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Customer Advances

[1]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	December, 2008		\$ 2,343
2	January, 2009		2,298
3	February		3,230
4	March		3,040
5	April		3,252
6	May		3,096
7	June		2,913
8	July		2,615
9	August		2,696
10	September		2,074
11	October		3,031
12	November		2,903
13	December, 2009		2,487
14	Total		<u>\$ 35,978</u>
15	Average Monthly Balance		<u>\$ 2,768</u>

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Materials & Supplies

Line #	Description	Factor Or Reference	[1]	[2]	[3]
			Materials & Supplies	Undistributed Stores Expense	Total
1	December, 2008		\$ 8,984	\$ -	
2	January, 2009		9,318	(317)	
3	February		9,343	(387)	
4	March		9,110	(375)	
5	April		9,146	(67)	
6	May		8,920	12	
7	June		8,863	57	
8	July		9,119	160	
9	August		9,483	91	
10	September		9,122	(67)	
11	October		9,507	(256)	
12	November		9,788	(462)	
13	December, 2009		8,849	-	
14	Total		<u>\$ 119,552</u>	<u>\$ (1,611)</u>	
15	Distribution Expense Allocation Factor		<u>100.00%</u>	<u>67.365%</u>	
16	Average Monthly Balance		<u>\$ 119,552</u>	<u>\$ (1,085)</u>	
17	Average Monthly Balance		<u>\$ 9,196</u>	<u>\$ (83)</u>	<u>\$ 9,113</u>

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Net Operating Income and Revenue Increase At Proposed Rates

Line #	Description	Factor Or Reference	[1] Pro Forma Test Year At Present Rates	[2] Rate Increase	[3] Pro Forma Test Year At Proposed Rates
OPERATING REVENUES					
1					
2	Customer & Distribution Revenue		\$ 915,062	\$ -	\$ 915,062
3	Electric Supply & Cost Adjustment Revenue		3,447,162	-	3,447,162
4					
5	Other Revenues		193,431	-	193,431
6	Revenue Increase			<u>316,360</u>	<u>316,360</u>
7	Total operating revenues	Sum L 1 to L 6	<u>4,555,655</u>	<u>316,360</u>	<u>4,872,015</u>
OPERATING EXPENSES					
8	Power Supply		3,243,396	-	3,243,396
9	Transmission Expense		188,734	-	188,734
10	Regional Market		-	-	-
11	Distribution Expense		181,851	-	181,851
12	Customer Accounts		108,683	-	108,683
13	Uncollectible Accounts	1.1153%	67,793	3,528	71,321
14	Customer Service & Information		13,839	-	13,839
15	Sales		1,137	-	1,137
16	Administrative & General	0.1614%	197,131	511	197,642
17	Depreciation & Amortization Expense		124,735	-	124,735
18	SM & SG Depreciation Expense		371	-	371
19	Amortization of Regulatory Expense		2,646	-	2,646
20	Taxes other than income taxes	5.9000%	290,436	18,665	309,101
21	Other		-	-	-
22	Total operating expenses	Sum L 8 to L 21	<u>4,420,752</u>	<u>22,704</u>	<u>4,443,457</u>
23	Net operating income Before Income Tax	L 7 - L 22	134,902	293,656	428,558
Income Taxes					
24	Pro Forma Income Tax At Present Rates		17,049	-	17,049
25	Pro Forma Income Tax on Revenue Increase		-	121,848	121,848
26	Net Operating Income	L 23 - L 24 - L 25	117,853	171,808	289,661
27	Other income		-	-	-
28	Other deductions		-	-	-
29	Net Income (loss)	Sum L 26 to L 28	<u>\$ 117,853</u>	<u>\$ 171,808</u>	<u>\$ 289,661</u>

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Adjusted Net Operating Income At Present Rates

Line #	Description		[1] Budget For FTY 12/31/10	[2] Adjustments Pgs 1 & 2 Increase (Decrease)	[3] Pro Forma At Present Rates
OPERATING REVENUES					
1	Residential	440	\$ 1,523,371	\$ 349,551	\$ 1,872,922
2	C & I Small	442	694,345	261,297	955,642
3	C & I Large	442	911,931	506,959	1,418,890
4	Railroads & Railways	444	43,810	28,963	72,773
5	Street Lighting	446	29,920	3,856	33,776
6	Interdepartmental	0	5,185	3,037	8,222
7	CTC Revenue - All Classes	0	1,029,203	(1,029,203)	-
8	Transmission - All Classes	0	177,000	-	177,000
9					
10	SM & SG Stimulas	447	8,259	(5,525)	2,734
11	Forfeited Discounts	450	18,924	-	18,924
12	Miscellaneous Service Revenues	451	5,293	(5,293)	-
13	Rent For Electric Property	454	24,173	-	24,173
14	Decommissioning Payment To PT	0	(29,400)	-	(29,400)
15	Other Electric Revenues	456	(9,545)	9,545	-
16	Transmission of Electricity for Others	456	187,812	(187,812)	-
17			-	-	-
18	Rate Increase				
19	Total operating revenues	Sum L 1 to L 18	<u>4,620,281</u>	<u>(64,626)</u>	<u>4,555,655</u>
OPERATING EXPENSES					
20	Power Supply		1,875,592	1,367,804	3,243,396
21	Transmission Expense		282,595	(93,861)	188,734
22	Regional Market		1,263	(1,263)	-
23	Distribution Expense		249,176	(67,325)	181,851
24	Customer Accounts		118,037	(9,353)	108,683
25	Uncollectible Accounts	1.1153%	74,476	(6,684)	67,793
26	Customer Service & Information		13,797	42	13,839
27	Sales		1,127	10	1,137
28	Administrative & General	0.1614%	186,219	10,912	197,131
29	Depreciation & Amortization Expense		119,855	4,880	124,735
30	SM & SG Depreciation Expense		18,411	(18,040)	371
31	Amortization of Regulatory Expense		885,646	(883,000)	2,646
32	Taxes other than income taxes		287,371	3,065	290,436
33	Other		-	-	-
34			-	-	-
35	Total operating expenses	Sum L 20 to L 34	<u>4,113,565</u>	<u>307,187</u>	<u>4,420,752</u>
36	Net Operating Income - BIT	L 19 - L 35	<u>\$ 506,716</u>	<u>\$ (371,813)</u>	<u>\$ 134,902</u>

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Line #	Description	As Budgeted And Allocated	Adjustments											Sub-Total Proforma Sum (1) to (11)
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	
			Revenues D-5	Electric Costs D-6	Salaries & Wages D-7	Rate Case Normalization D-8	Employee Benefits D-9	Pension D-9	Uncollectibles D-10	Utility Costs D-11	Other Operating Expenses D-12	Navy Yard Cost to Serve D-17		
OPERATING REVENUES														
2	Customer & Distribution Revenue	\$ 739,288	\$ (145,325)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 593,963	
3	Residential	187,316	(26,853)	-	-	-	-	-	-	-	-	-	160,463	
4	C & I Small	164,857	(31,947)	-	-	-	-	-	-	-	-	-	132,910	
5	C & I Large	10,831	(1,429)	-	-	-	-	-	-	-	-	-	9,402	
6	Railroads & Railways	23,434	(5,996)	-	-	-	-	-	-	-	-	-	17,438	
7	Street Lighting	887	(1,029,203)	-	-	-	-	-	-	-	-	-	887	
8	Interdepartmental	1,029,203	-	-	-	-	-	-	-	-	-	-	-	
9	CTC Revenue - All Classes	177,000	-	-	-	-	-	-	-	-	-	-	177,000	
10	Transmission - All Classes													
11	Transmission - All Classes													
Revenue for Cost of Electric														
12	Residential	784,083	494,876	-	-	-	-	-	-	-	-	-	1,278,959	
13	C & I Small	507,029	288,150	-	-	-	-	-	-	-	-	-	795,179	
14	C & I Large	747,074	538,906	-	-	-	-	-	-	-	-	-	1,285,980	
15	Railroads & Railways	32,979	30,392	-	-	-	-	-	-	-	-	-	63,371	
16	Street Lighting	6,486	9,852	-	-	-	-	-	-	-	-	-	16,338	
17	Interdepartmental	4,298	3,037	-	-	-	-	-	-	-	-	-	7,335	
18	SM & SG Stimulus	8,259	(5,525)	-	-	-	-	-	-	-	-	-	2,734	
19	Forfeited Discounts	18,924	-	-	-	-	-	-	-	-	-	-	18,924	
20	Miscellaneous Service Revenues	5,293	(5,293)	-	-	-	-	-	-	-	-	-	-	
21	Rent For Electric Property	24,173	-	-	-	-	-	-	-	-	-	-	24,173	
22	Decommissioning Payment To PT	(29,400)	-	-	-	-	-	-	-	-	-	-	(29,400)	
23	Other Electric Revenues	(9,545)	9,545	-	-	-	-	-	-	-	-	-	-	
24	Transmission of Electricity for Others	187,812	(187,812)	-	-	-	-	-	-	-	-	-	-	
25														
26	Total operating revenues	4,620,281	(64,626)	-	-	-	-	-	-	-	-	-	4,555,655	
OPERATING EXPENSES														
27	Power Supply	1,875,592	-	1,367,804	-	-	-	-	-	-	-	-	3,243,396	
28	Transmission Expense	282,595	-	425	-	-	-	-	-	-	-	-	283,020	
29	Regional Market	1,263	-	-	-	-	-	-	-	-	-	-	1,263	
30	Distribution Expense	249,176	-	1,631	-	-	-	-	-	-	(2,144)	-	253,410	
31	Customer Accounts	118,037	-	762	-	-	-	-	-	-	-	-	118,799	
32	Uncollectible Accounts	74,476	-	-	-	-	-	-	(6,684)	-	-	-	67,793	
33	Customer Service & Information	13,797	-	42	-	-	-	-	-	-	-	-	13,839	
34	Sales	1,127	-	10	-	-	-	-	-	-	-	-	1,137	
35	Administrative & General	186,219	-	1,263	1,750	138	20,500	-	-	3,033	-	-	212,903	
36	Depreciation & Amortization Expense	119,855	-	-	-	-	-	-	-	-	-	-	119,855	
37	SM & SG Depreciation Expense	18,411	-	-	-	-	-	-	-	-	-	-	18,411	
38	Amortization of Regulatory Expense	885,646	-	-	-	-	-	-	-	-	-	-	885,646	
39	Taxes other than income taxes	287,371	-	-	-	-	-	-	-	-	-	-	287,371	
40	Other													
41	Total operating expenses	4,113,565	-	1,367,804	4,133	1,750	20,500	(138)	(6,684)	3,033	(2,144)	4,747	5,506,843	
42	Net operating income Before Income Tax	\$ 506,716	\$ (64,626)	\$ (1,367,804)	\$ (4,133)	\$ (1,750)	\$ (20,500)	\$ (138)	\$ 6,684	\$ (3,033)	\$ 2,144	\$ (4,747)	\$ (951,188)	

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Line #	Description	Adjustments to Net Operating Income												TOTAL Adjusted	TOTAL Sum [12] to [22]
		[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]		
	From Page 1 Sub-total	Incentive Compensation D-13	Customer Pre Pay Program D-17a	Interest on Cust Deposits Normalization D-14	Storm Recovery Normalization D-15	Energy Efficiency Program D-5f	Smart Meter Program D-5g	Other Than Income D-18	Depreciation D-19	CTC Amortization	Transmission D-16				
OPERATING REVENUES															
42	Customer & Distribution Revenue														
43	Residential	\$ 593,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 593,963
44	C & I Small	160,463	-	-	-	-	-	-	-	-	-	-	-	-	160,463
45	C & I Large	132,910	-	-	-	-	-	-	-	-	-	-	-	-	132,910
46	Railroads & Railways	9,402	-	-	-	-	-	-	-	-	-	-	-	-	9,402
47	Street Lighting	17,438	-	-	-	-	-	-	-	-	-	-	-	-	17,438
48	Interdepartmental	887	-	-	-	-	-	-	-	-	-	-	-	-	887
49															
50	CTC Revenue - All Classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Transmission - All Classes	177,000	-	-	-	-	-	-	-	-	-	-	-	-	177,000
Revenue for Cost of Electric															
52	Residential	1,278,959	-	-	-	-	-	-	-	-	-	-	-	-	1,278,959
53	C & I Small	795,179	-	-	-	-	-	-	-	-	-	-	-	-	795,179
54	C & I Large	1,285,980	-	-	-	-	-	-	-	-	-	-	-	-	1,285,980
55	Railroads & Railways	63,371	-	-	-	-	-	-	-	-	-	-	-	-	63,371
56	Street Lighting	16,338	-	-	-	-	-	-	-	-	-	-	-	-	16,338
57	Interdepartmental	7,335	-	-	-	-	-	-	-	-	-	-	-	-	7,335
58	SM & SG Stimulus	2,734	-	-	-	-	-	-	-	-	-	-	-	-	2,734
59	Forfeited Discounts	18,924	-	-	-	-	-	-	-	-	-	-	-	-	18,924
60	Miscellaneous Service Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Rent For Electric Property	24,173	-	-	-	-	-	-	-	-	-	-	-	-	24,173
62	Decommissioning Payment To PT	(29,400)	-	-	-	-	-	-	-	-	-	-	-	-	(29,400)
63	Other Electric Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Transmission of Electricity for Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65															
66	Total operating revenues	4,555,655	-	-	-	-	-	-	-	-	-	-	-	-	4,555,655
OPERATING EXPENSES															
67	Power Supply	3,243,396	-	-	-	-	-	-	-	-	-	-	-	-	3,243,396
68	Transmission Expense	283,020	-	-	-	-	-	-	-	-	-	-	-	-	283,020
69	Regional Market	1,263	-	-	-	-	-	-	-	-	-	-	-	-	1,263
70	Distribution Expense	253,410	-	-	-	-	-	-	-	-	-	-	-	-	253,410
71	Customer Accounts	118,798	-	-	-	-	-	-	-	-	-	-	-	-	118,798
72	Uncollectible Accounts	67,793	-	-	-	-	-	-	-	-	-	-	-	-	67,793
73	Customer Service & Information	13,839	-	-	-	-	-	-	-	-	-	-	-	-	13,839
74	Sales	1,137	-	-	-	-	-	-	-	-	-	-	-	-	1,137
75	Administrative & General	212,903	-	-	-	-	-	-	-	-	-	-	-	-	212,903
76	Depreciation & Amortization Expense	119,855	-	-	-	-	-	-	-	-	-	-	-	-	119,855
77	SM & SG Depreciation Expense	18,411	-	-	-	-	-	-	-	-	-	-	-	-	18,411
78	Amortization of Regulatory Expense	885,646	-	-	-	-	-	-	-	-	-	-	-	-	885,646
79	Taxes other than income taxes	287,371	-	-	-	-	-	-	-	-	-	-	-	-	287,371
80	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	Total operating expenses	5,506,843	6,930	425	1,060	8,870	(81,146)	(29,320)	7,561	21,920	(139,390)	(883,000)	4,420,782		
82	Net operating income Before Income Tax	\$ (951,188)	\$ (6,930)	\$ (425)	\$ (1,060)	\$ (8,870)	\$ 81,146	\$ 29,320	\$ (7,561)	\$ (21,920)	\$ 139,390	\$ 883,000	\$ 134,902		

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Summary of Adjustments by FERC Account

Line No	Description	Account No	[1]	[2]	[3]
			TEST YEAR 2010		
			Budget	Pro Forma Adjustment	Pro Forma Test Year
Revenues -- At Present Rates					
1	Customer & Distribution Revenue				
2	Residential		\$ 739,288	\$ (145,325)	\$ 593,963
3	C & I Small		187,316	(26,853)	160,463
4	C & I Large		164,857	(31,947)	132,910
5	Railroads & Railways		10,831	(1,429)	9,402
6	Street Lighting		23,434	(5,996)	17,438
7	Interdepartmental		887	-	887
8	CTC Revenue - All Classes		1,029,203	(1,029,203)	-
9	Transmission - All Classes		177,000	-	177,000
10					
11	Sub-Total		<u>2,332,816</u>	<u>(1,240,754)</u>	<u>1,092,062</u>
12					
	Revenue for Cost of Electric				
13	Residential		784,083	783,026	1,567,109
14	C & I Small		507,029	538,906	1,045,935
15	C & I Large		747,074	30,392	777,466
16	Railroads & Railways		32,979	9,852	42,831
17	Street Lighting		6,486	3,037	9,523
18	Interdepartmental		4,298	-	4,298
19	Sub-Total		<u>2,081,949</u>	<u>1,365,213</u>	<u>3,447,162</u>
	Other Revenue				
20	SM & SG Stimulas		8,259	(5,525)	2,734
21	Forfeited Discounts		18,924	-	18,924
22	Miscellaneous Service Revenues		5,293	(5,293)	-
23	Rent For Electric Property		24,173	-	24,173
24	Decommissioning Payment To PT		(29,400)	-	(29,400)
25	Other Electric Revenues		(9,545)	9,545	-
26	Transmission of Electricity for Others		187,812	(187,812)	-
27	Sub-Total		<u>205,516</u>	<u>(189,085)</u>	<u>16,431</u>
28	Total operating revenues		<u>4,620,281</u>	<u>(64,626)</u>	<u>4,555,655</u>
POWER SUPPLY EXPENSES					
29	Purchased Power	555	\$ 1,875,592	\$ 1,367,804	3,243,396
30	Other		-	-	-
31	Total Purchases		<u>1,875,592</u>	<u>1,367,804</u>	<u>3,243,396</u>
TRANSMISSION EXPENSE					
Operation					
32	Operation & Supervision	560	5,715	(5,715)	-
33	Load Dispatching	561	632	(632)	-
34	Scheduling, System Control & Dispatch	561	7,137	(7,137)	-
35	Transmission Service Studies	562	-	-	-
36	Generation Service Studies	562	850	(850)	-
37	Reliability, Planning & Standard Development	562	233	(233)	-
38	Station Expnese	562	781	(781)	-
39	Overhead Lines	563	202	(202)	-
40	Underground Lines Expense	564	2	(2)	-
41	Miscellaneous Expense	566	237,310	(48,576)	188,734
42	Rents	567	4,702	(4,702)	-
43	Total Transmission Operation Expense		<u>257,564</u>	<u>(68,830)</u>	<u>188,734</u>

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Exhibit **RLO-1**
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Summary of Adjustments by FERC Account

[1] [2] [3]

TEST YEAR 2010

Line No	Description	Account No	Budget	Pro Forma	Pro Forma Test Year
TRANSMISSION EXPENSE					
Maintenance					
44	Maintenance of Structures	569.0	72	(72)	-
45	Maintenance of Computer Hardware	569.1	212	(212)	-
46	Maintenance of Computer Software	569.2	691	(691)	-
47	Maintenance of Communicaiton Equipment	569.3	317	(317)	-
48	Maintenance of Station Equipment	570.0	8,776	(8,776)	-
49	Maintenance Overhead Lines	571.0	9,452	(9,452)	-
50	Maintenance of Underground Lines	572.0	808	(808)	-
51	Maintenance of Misc Transmission Plant	573.0	4,703	(4,703)	-
52	Total Transmission Maintenance		<u>25,031</u>	<u>(25,031)</u>	<u>-</u>
53	Total Transmission Expense		<u>282,595</u>	<u>(93,861)</u>	<u>188,734</u>
REGIONAL MARKET EXPENSES					
54	Market Facilitation, Monitoring & Compliance	576	1,263	(1,263)	-
55	Other		-	-	-
56	Total Regional Market		<u>1,263</u>	<u>(1,263)</u>	<u>-</u>
DISTRIBUTION EXPENSE					
<u>Operations</u>					
57	Load Dispatching	581	1	-	1
58	Station Expense	582	1,466	-	1,466
59	Overhead Lines Expenss	583	6,539	68	6,606
60	Underground Lines Expense	584	5,712	44	5,755
61	Meter Expenses	586	3,606	58	3,664
62	Customer Installations Expense	587	3,723	82	3,805
63	Miscellaneous Expense	588	22,586	2,667	25,253
64	Rents	589	9,541	-	9,541
65	Total Distribution Operations		<u>53,173</u>	<u>2,919</u>	<u>56,092</u>
Maintenance					
66	Maintenance -- Energy Efficiency Program		80,429	(80,429)	(0)
67	Maintenance of Structures	591	3,384	38	3,422
68	Maintenance of Station Equipment	592	8,654	123	8,777
69	Maintenance of Overhead Lines	593	65,484	9,610	75,094
70	Maintenance of Underground Lines	594	20,177	317	20,494
71	Maintenance of Line Transformers	595	2,169	13	2,182
72	Maintenance of Street Lighting & Signal Systems	596	976	2	978
73	Maintenance of Misc. Distribution	598	14,731	81	14,812
74	Total Distribution Maintenance		<u>196,003</u>	<u>(70,244)</u>	<u>125,759</u>
75	Total Distribution Expense		<u>249,176</u>	<u>(67,325)</u>	<u>181,851</u>

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Summary of Adjustments by FERC Account

[1]

[2]

[3]

TEST YEAR 2010

<u>Line No</u>	<u>Description</u>	<u>Account No</u>	<u>Budget</u>	<u>Pro Forma</u>	<u>Pro Forma Test Year</u>
CUSTOMER ACCOUNTS EXPENSES					
76	Supervision	901	-	-	-
77	Meter Reading	902	16,125	-	16,125
78	Customer Records and Collection	903	68,034	(10,872)	57,162
79	Uncollectible Accounts	904	74,476	(6,684)	67,793
80	Miscellaneous Customer Accounts	905	33,878	1,519	35,396
81	Total Customer Accounts		<u>192,513</u>	<u>(16,037)</u>	<u>176,476</u>
CUSTOMER SERVICE & INFORMATION					
82	Customer Assistance	908	9,501	39	9,541
83	Informational & Instructional	909	2,015	-	2,015
84	Miscellaneous Customer & Informational	910	2,281	2	2,283
85	Total Customer Service & Information		<u>13,797</u>	<u>42</u>	<u>13,839</u>
SALES					
86	Demonstrating & Selling	912	623	9	632
88	Miscellaneous Sales	916	504	1	504
89	Total Sales		<u>1,127</u>	<u>10</u>	<u>1,137</u>
ADMINISTRATION & GENERAL					
Operation					
90	Administrative and General Salaries	920	42,182	(5,308)	36,874
91	Office Supplies and Expenses	921	4,866	2,506	7,372
92	Administrative Expenses Transferred-Credit	922	-	-	-
93	Outside Service Employed	923	63,013	(6,827)	56,186
94	Property Insurance	924	517	(56)	461
95	Injuries and Damages	925	10,155	(1,064)	9,091
96	Employee Pensions and Benefits	926	52,018	19,752	71,770
97	Franchise Requirements	927	-	-	-
98	Regulatory Commission Expenses	928	12,818	1,750	14,568
99	Duplicate Charges-Credit	929	(12,816)	1,389	(11,427)
100	General Advertising Expenses	930.1	1,861	-	1,861
101	Miscellaneous General Expenses	930.2	7,183	(778)	6,405
102	Rents	931	-	-	-
103	A & G Operation Expenses		<u>181,796</u>	<u>11,365</u>	<u>193,161</u>
Maintenance					
104	Maintenance of General Plant	932	4,423	(453)	3,971
106	Total Administrative & General		<u>186,219</u>	<u>10,912</u>	<u>197,131</u>
107	TOTAL O&M EXPENSES		2,802,282	1,200,282	4,002,565

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Summary of Revenue Adjustments

Line #	Description	Reference Or Account Number	2010 Budget	[1]	[2]	[3]	[4]	PRO FORMA ADJUSTMENTS					[11]	[12]
								Revenue Annualization D-5B	CAP Rev Credit D-5C	Act 129 Load Reduction D-5E	Energy Efficiency Adjustment D-5F	Smart Meter Program Cost Adjustment D-5G		
Customer & Distribution Revenue														
1	Residential		\$ 739,288				\$ 853	\$ (58,953)	\$ (24,330)	\$ (43,149)	\$ (24,822)	\$ 5,076	\$	\$ 593,963
2	C & I Small		187,316		497		580	(2,449)	(22,668)	(2,814)				160,463
3	C & I Large		164,867		(188)		-	(4,760)	(26,946)	(54)				132,910
4	Railroads & Railways		10,831						(1,429)					9,402
5	Street Lighting		23,434						(2,562)			(3,434)		17,438
6	Interdepartmental		887											887
7	CTC Revenue - All Classes		1,029,203							(1,029,203)				-
8	Transmission - All Classes		177,000											177,000
9	Cust Chg & Distrib Revenue		2,332,816		309		1,433	(58,953)	(31,538)	(96,754)	(27,690)	1,641		1,092,062
10														
11														
Revenue for Cost of Electric														
12	Residential		784,083											1,278,959
13	C & I Small		507,029											795,179
14	C & I Large		747,074											1,285,980
15	Railroads & Railways		32,979											63,371
16	Street Lighting		6,486											16,338
17	Interdepartmental		4,298											7,335
18	Transmission - All Classes		-											-
19	Revenue for Cost of Electric		2,081,949		-		-	-	-	-	-	1,365,213		3,447,162
20														
21	Total Customer Revenue		4,414,765		309		1,433	(58,953)	(31,538)	(96,754)	(27,690)	1,641		4,539,224
22	Sales For Resale													
23	Forfeited Discounts		18,924											18,924
24	SM & SG Stimulas		8,259											2,734
25	Miscellaneous Service Revenues		5,293							(5,293)				-
26	Rent For Electric Property		24,173											24,173
27	Decommissioning Payment To PT		(29,400)											(29,400)
28	Other Electric Revenues		(9,545)											-
29	Transmission of Electricity for Others		187,812							(187,812)				-
30														-
31														-
32														-
33	Total Revenues		4,620,281		309		1,433	(58,953)	(31,538)	(87,209)	(33,215)	1,641		4,555,655
34	Other													
35	TOTAL REVENUES		\$ 4,620,281		\$ 309		\$ 1,433	\$ (58,953)	\$ (31,538)	\$ (87,209)	\$ (33,215)	\$ 1,641		\$ 4,555,655

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Navy Yard Adjustment for Customer Changes

Line #	Description	Reference	MWH Sales	Rate	Pro Forma Calculated Revenue	Calculated Revenue	Revenue Change	Revenue Increase (Decrease)	Revenue Adjustment
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Variable Distribution Charges									
Current Customer									
Without Capacity Charge									
1	--SCI - GS				\$ 0.01847				
2	--LCI - HT				\$ 0.00458	545.0			
3	Sub total	L 1 + L 2		119,000		545.0			
Estimated Capacity Charge									
4	--SCI - GS					404.0			
5	--LCI - HT					404.0			
6	Sub total	L 4 + L 5							
Total Variable Distribution Charges									
7	--SCI - GS	L 1 + L 4				949.0			
8	--LCI - HT	L 2 + L 5				949.0			
9	Sub total	L 7 + L 8							
New Customers									
Without Capacity Charge									
10	--SCI - GS		22.0%	26,180	\$ 0.01847	483.5	483.5		
11	--LCI - HT		78.0%	92,820	\$ 0.00458	425.1	(119.9)		
12	Sub total	L 10 + L 11		119,000		908.7		363.6	
Estimated Capacity Charge									
13	--SCI - GS					315.0			
14	--LCI - HT					315.0	(89.0)		
15	Sub total	L 13 + L 14						(89.0)	
Total Variable Distribution Charges									
16	--SCI - GS	L 11 + L 13				483.5	483.5		
17	--LCI - HT	L 12 + L 14				740.1	(208.9)		
18	Sub total	L 16 + L 17				1,223.7			
19	Change in Variable Revenue								\$ 274.5
Fixed Distribution Charges									
Existing Customer									
20	--SCI - GS				\$ 23.94				
21	--LCI - HT				\$ 291.52	0.3		(3.5)	
22	Sub total	L 20 + L 21						(3.5)	
New Customers									
23	--SCI - GS			48	\$ 23.94	1.1	13.8		
24	--LCI - HT			7	\$ 291.52	2.0	24.5		
25	Sub total	L 123 + L 24		55			38.3		
26	Change in Fixed Revenue	L 22 + L 25							34.8
27	Increase From Customer Changes	L 19 + L 26							\$ 309

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Revenue Annualization

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Residential	Residential Heating	Small C&I	Large C&I	Total
1	Total Test Year Revenues	\$ 1,270,572	\$ 252,799	\$ 694,345	\$ 911,931	\$ 3,129,647
2	Commodity Billings in Revenues	<u>(642,318)</u>	<u>(141,765)</u>	<u>(507,029)</u>	<u>(747,074)</u>	<u>(2,038,186)</u>
3	Revenues net of Commodity - Margin (L 1 - L 2)	<u>\$ 628,254</u>	<u>\$ 111,034</u>	<u>\$ 187,316</u>	<u>\$ 164,857</u>	<u>\$ 1,091,461</u>
4	Average Monthly Customers in TY	<u>1,243,871</u>	<u>159,283</u>	<u>157,695</u>	<u>3,200</u>	<u>1,564,049</u>
5	Average Annual Margin Per Customer (L 3 / L 4)	<u>\$ 0.505</u>	<u>\$ 0.697</u>	<u>\$ 1.188</u>	<u>\$ 51.518</u>	<u>\$ 0.698</u>
6	Number of Customers at End of Year	<u>1,245,323</u>	<u>159,455</u>	<u>158,183</u>	<u>3,200</u>	<u>1,566,161</u>
7	Increase in Customers during TY (L 6 - L 4)	<u>1,452</u>	<u>172</u>	<u>488</u>	<u>-</u>	<u>2,112</u>
8	Annualization of Revenue (L 5 * L 7)	<u>\$ 733</u>	<u>\$ 120</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ 1,433</u>

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CAP Revenue Credits and Adjustments

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total	[4] Total
1	CAP Discount Included in Distribution Budget		\$ (21,993)		
<u>OTHER UNBUNDLED CAP DISCOUNTS</u>					
2	CAP Discount on Generation - Energy Component		(29,791)	\$ (29,791)	
3	CAP Discount on Generation - CTC Component		(16,718)	(16,718)	
4	Transmission CAP Discount		(2,368)	(2,368)	
5	Total CAP Discounts in Budget	Sum L 1 to L 4	<u>\$ (70,870)</u>		
6	Adjustment to Rebundle All Discounts	L 2 + L 3 + L 4			\$ (48,877)
<u>UPDATE 650 DISCOUNT LEVEL</u> [A]					
7	Total Credits at 650 kWh Level		(84,275)		
8	Total Revenue Credits in Budget	Line 5	<u>(70,870)</u>		
9	Increase from Increase in CAP Credit Level	L 7 - L 8		(13,405)	
10	Reflect decrease in write-offs and Working Cap	27.0%		<u>3,619</u>	
11	Increase in CAP Credits for FTY	L9 + L 10			(9,786)
<u>ANNUALIZATON TO YEAR END CUSTOMERS</u> [A]					
12	Total CAP Revenue Credits on Year End Cust		(84,672)		
13	Total CAP Revenue Credits on Average Cust	Line 7	<u>(84,275)</u>		
14	Increase in CAP Revenue Credits	L 12 - L 13		(397)	
15	Reflect decrease in write-offs and Working Cap	27.0%		<u>107</u>	
16	Increase in CAP Credits for FTY	L 14 + L 15			(290)
17	TOTAL CAP ADJUSTMENT	L 18 - L 19			<u>\$ (58,953)</u>

[A] REFELCTS NEW 6-TIER APPRISE AFFORDABILTIY STUDY

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Non-Distribution Revenue

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
1	Transmission Rent			\$ (2,505)	
2	PETT Service Fees			(840)	
3	IPP Reserve Release			(1,948)	
4	Other			-	
5	TOTAL ADJUSTMENT				<u>\$ (5,293)</u>

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ACT # 129 -- Load Reduction

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Line #	Description	[1] Reference	[2] 2010 Revenue Loss and Recovery	[3] 2011 & 2012 Revenue Loss	[4] 2011 & 2012 Revenue Loss Over Budget	[5] Recovery of 2011 & 2012 Revenue Loss	[6] Total Revenue Loss Adjustment
Revenue Impact in 2010 -- Included in Test Year Budget							
1	---Residential		\$ (14,359)				
2	---Residential Heating		(2,370)				
3	---Small C & I		(1,148)				
4	---Large C & I		(1,592)				
5	Total	L 1 to L 4	<u>\$ (19,469)</u>				
Target Revenue Impact in 2011							
6	---Residential			\$ (23,789)			
7	---Residential Heating			(4,272)			
8	---Small C & I			(2,652)			
9	---Large C & I			(4,434)			
10	Total	L 6 to L 9		<u>\$ (35,147)</u>			
Incremental Revenue Impact over 2010 Budget							
11	---Residential	L 6 - L 1		\$ (9,430)			
12	---Residential Heating	L 7 - L 2		(1,902)			
13	---Small C & I	L 8 - L 3		(1,504)			
14	---Large C & I	L 9 - L 4		(2,842)			
15	Total	L 11 to L 14		<u>\$ (15,678)</u>			
Target Revenue Impact in 2012							
16	---Residential			\$ (31,492)			
17	---Residential Heating			(5,835)			
18	---Small C & I			(3,393)			
19	---Large C & I			(6,677)			
20	Total	L 16 to L 19		<u>\$ (47,397)</u>			
Incremental Revenue Impact over 2010 Budget							
21	---Residential	L 16 - L 1		\$ (17,133)			
22	---Residential Heating	L 17 - L 2		(3,465)			
23	---Small C & I	L 18 - L 3		(2,245)			
24	---Large C & I	L 19 - L 4		(5,085)			
25	Total	L 21 to L 24		<u>\$ (27,928)</u>			
Recovery of 2010 Revenue Loss							
26	Target Revenue Impact in 2012						
27	---Residential	L 1/2	\$ (7,180)				
28	---Residential Heating	L 2/2	(1,185)				
29	---Small C & I	L 3/2	(574)				
30	---Large C & I	L 4/2	(796)				
31	Total	L 26 to L 29	<u>\$ (9,735)</u>				
Average Annual Incremental Revenue Not in Budget							
31	---Residential	[L 11 + L 21]/2				\$ (13,282)	
32	---Residential Heating	[L 12 + L 22]/2				(2,684)	
33	---Small C & I	[L 13 + L 23]/2				(1,875)	
34	---Large C & I	[L 14 + L 24]/2				(3,964)	
35	Total	L 31 to L 34				<u>\$ (21,803)</u>	
Average Annual Incremental Revenue Not in Budget							
36	Recovery of 2010 Revenue Loss						\$ (20,462)
37	Target Revenue Impact in 2012						(3,869)
38	---Residential	L 26 + L 31					(2,449)
39	---Residential Heating	L 27 + L 32					(4,760)
40	Total	L 29 + L 34					<u>\$ (31,538)</u>

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Energy Efficiency Adjustment

Line #	Description	[1]	[2]	[3]	[4]
#	Description	Reference		Amount	
1	Residential			\$ (34,654)	
2	Residential Heating			(8,495)	
3	Small C & I			(22,668)	
4	Large C & I			(26,946)	
5	Railroad			(1,429)	
6	Street Lighting			(2,562)	
7	Inter-Company				
8	Reduction in Retail Revenue			\$ (96,754)	
9	Accrual for Overcollection			9,545	
10	Net Adjustment to Revenue	L 8 + L 9		(87,209)	
11	O & M Expense			(80,429)	
12	Depreciation Expense			(717)	
13	Gross Receipts Taxes	[A]		(5,708)	

[A] Included in Adjustment for GRT on Section D3, Schedule 3

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Smart Meter Program Adjustment

Line #	Description	[1] Reference	[2] Budget	[3] Amount	[4] Leap-year Revenue Impact	[5] Leap-year Gas Cost Impact
1	Residential			\$ (22,113)		
2	Residential Heating			(2,709)		
3	Small C & I			(2,814)		
4	Large C & I			(54)		
5	Railroads			-		
6	Street Lighting			-		
7	Inter Company			-		
8	Reduction in Retail Revenue			\$ (27,690)		
9	Smart Meter Stimulus Funds			(5,525)		
10	Net Adjustment to Revenue	L 8 + L 9		(33,215)		
11	O & M Expense			(11,600)		
12	Depreciation Expense			(17,720)		
13	Gross Receipts Taxes	[A]		(1,634)		

[A] Included in Adjustment for GRT on Section D3, Schedule 3

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Line #	Description	Other Revenue Changes			CURRENT		MIGRATION	
		[1]	[2]	[3]	[4]	[5]	[6]	
		Bills	Rate	Revenue Amount	Rate	Revenue Total		

DECREASE IN STREET LIGHTING REVENUE AT PRESENT RATES

Revenue At Present Tariffs								
1	SL-E							
2	SL-E 33 Dist	811,392	\$7.11	\$ 5,769	\$7.11	\$ 5,769	\$ 5,769	
3	SL-P	333,192	\$9.68	3,225	\$7.11	2,369	\$7.11	2,369
4	Total	1,162,236	\$8.64	10,042	\$7.11	8,263	\$7.11	8,263
		L 1 to L 3		19,036				16,401
			<u>kWh-based Charge</u>					
			<u>kWh</u>					
5	SL-P	66,120,384	\$0.0078	516				
		All kWh						
			<u>kW-based Charge</u>					
			<u>Billed kW</u>					
6	SL-P	189,299	\$1.50	284				
7	TOTAL	L 4 to L 6		19,836				
8	Total Revenue After Migration	C 5, L 4		16,401				
9	Lost revenue	L 8 - L 7		<u>\$ (3,434)</u>				

INCREASE IN TEST YEAR RESIDENTIAL REVENUE AT PRESENT RATES

10	Number of Customer Bills in Test Year			955,860				
11	Monthly Rate			\$ 5.31				
12	Annual Revenue Increase	L 6 * L 7					<u>\$ 5,076</u>	

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Summary of Adjustment for Electric Costs in Revenue

Line #	Description	Reference Or Account Number	[1]	[2]	[3]	[4]	PRO FORMA ADJUSTMENTS			[9]	[10]
			Budgeted Electric Costs	# 6-A Electric Costs	# 6-B Ancillary Service	Electric Cost Pro Forma Adjustments	Electric Cost Pro Forma Electric Costs At Pres Rates	Sum [2] to [8]	[2] + [9]		
1	Budgeted Electric Costs		\$ 1,875,592							\$ -	\$ 1,875,592
2	Transmission Electric Costs										
3	Additional Electric Costs			1,284,665					1,284,665		1,284,665
4	Ancillary Cost				83,139				83,139		83,139
5											
6	Other										
7	Other										
8	Total Gas Costs			<u>\$ 1,875,592</u>	<u>\$ 1,284,665</u>	<u>\$ 83,139</u>			<u>\$ 1,367,804</u>		<u>\$ 3,243,396</u>

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Future Period - 12 Months Ended December 31 , 2010
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Summary of Adjustment for Electric Costs in Revenue

Line #	Description	[1] Per Budget	[2] Pro Forma Calculation of Changed Electric Costs	[3]	[4] Change in Electric Costs
ELECTRIC COSTS IN REVENUE (Including GRT Revenue)					
1	Residential	\$ 784,083	\$ 1,278,959		\$ 494,876
2	Small C & I	507,029	795,179		288,150
3	Large C & I	747,074	1,285,980		538,906
4	Roadways & Railways	32,979	63,371		30,392
5	Street Lighting	6,486	16,338		9,852
6	Interdepartmental	4,298	7,335		3,037
7	Total Electric Cost Revenue	<u>\$ 2,081,949</u>	<u>\$ 3,447,162</u>		<u>\$ 1,365,213</u>

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
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Adjustment for Salaries & Wages

Line #	Description	Account Number	Budgeted Year 12/31/10	Other	Payroll AS Distributed	Adjustment	Total Pro Forma Payroll
		[1]	[2]	[3]	[4]	[5]	[6]
OPERATIONS							
1	POWER SUPPLY EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -
2	TRANSMISSION EXPENSE		5,313	-	5,313	176	5,489
3	REGIONAL MARKET EXPENSES		-	-	-	-	-
4	DISTRIBUTION EXPENSE		9,565	-	9,565	316	9,881
5	CUSTOMER ACCOUNTS		23,053	-	23,053	762	23,815
6	CUSTOMER SERVICE & INFORMATION		1,263	-	1,263	42	1,305
7	SALES		304	-	304	10	314
8	ADMINISTRATION & GENERAL		37,329	-	37,329	1,234	38,562
9	Total Operations	Sum L 1 to L 8	76,828	-	76,828	2,539	79,367
MAINTENANCE							
10	TRANSMISSION EXPENSE		7,532	-	7,532	249	7,781
11	DISTRIBUTION EXPENSE		39,787	-	39,787	1,315	41,102
12	ADMINISTRATION & GENERAL		891	-	891	29	921
13	Total Maintenance	Sum L 10 to L 12	48,211	-	48,211	1,593	49,804
14	Total Direct Payroll Expense	L 9 + L 13	125,038	-	125,038	4,133	\$ 129,171
15	Percent Increase	L 14, C 5 / C 4					3.305%

PECO - Electric Operations
Before The Pennsylvania Public Utility Commission
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Adjustment for Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Employees With Raises on Union 1-Jan	[3] Employees With Raises on Non-Union 1-Mar	[4] Total	[5] Amount	[6] Amount	[7] Pro Forma Total Payroll
1	Number of Employees At 12-31-09		1154	729	1883			
2	Percent of Employees at 12-31-09		61.3%	38.7%	100.0%			
3	Pro Forma Percent for FTY		61.0%	39.0%	100.0%			
4	Distribution of FTY Budget S&W Expense		\$ 76,273	\$ 48,765			\$ 125,038	
Annualize March 1, 2010 Wage Increase								
5	Number of Months		0	2				
6	Rate for Increase		3.82%	3.00%				
7	Total Adjustment	L 4 * L 5 * L 6 / 12	-	244		\$ 244		
8	Sub-Total	L 4 + L 7	76,273	49,009				
Annualize January 1 and March 1, 2011 Increase								
9	Number of Months		12	12				
10	Rate for Increase		3.00%	3.00%				
11	Total Adjustment	L 8 * L 9 * L 10 / 12	\$ 2,288	\$ 1,470		3,758		
Normalize One-Time Contract Payment to Union								
12	Total Portion of Payment to Electric Expense		\$ 824	79.1%	\$ 652			
13	Normalize over Union Contract Period				5			
14	Annual Normalized Amount					130		
15	Annualized S&W Adjustment	L 7 + L 11 + L 14					\$ 4,132	
16	Annualized S&W for Budgeted Employees						\$ 129,170	
Pro Forma For New Employees								
17	Number of Employees			1916				
18	Number of Employees			1883				
19	Increase in Number of Employees	L 17 - L 18		33				
20	Average Number of Employees in Budget	L 19 / 2		1899.5				
21	Annualization for Number of Employees	L 16 [6] / L 1 [4]						
22	Annual S & W per Employee	L 21 * L 22				\$ 68.0		
23	Annualization of S & W For New Employees							
24	Pro Forma TYE S&W	L 16 + L 23					\$ 129,170	
25	Increase in S&W	L 24 - L 4					\$ 4,132	
26	Pro Forma Percent for FTY	L 25 / L 4						3.305%

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Rate Case Expense Normalization

Line #	Description	Reference	[1]	[2]	[3]	[4]	[5]
#	Description	Reference	Amount	Sub-Total	Total		
<u>EXPENDITURES</u>							
To	<u>December 31, 2009</u>						
1	External Consultants		\$ 207				
2	External Legal		69				
3	Materials, IT Costs, Travel, Copies, Etc.		<u>20</u>				
4	Total Recorded at 12-31-09	L 1 to L 3		296			
<u>EXPENDITURES FOR 2010</u>							
5	External Consultants		1,358				
6	Materials, IT Costs, Travel, Copies, Etc.		1,081				
7	Materials, IT Costs, Travel, Copies, Etc.		765				
8	Sub-Total	L 5 to L 7	<u>-</u>	<u>3,204</u>			
<u>TOTAL EXPENDITURES FOR RATE FILING</u>							
9	TOTAL COSTS	L 4 + L 8				<u>\$ 3,500</u>	
10	Normalized over 2 years	2				<u>\$ 1,750</u>	

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Schedule **D-9**
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Adjustment for Employee Benefits and Pension

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4]	[5] Total
<u>EMPLOYEE BENEFITS</u>						
1	Total Benefits Expensed		\$ 16,682			
2	Number of Employees for Budget		1,883			
3	Budget Expense Per Employee	L 1 / L 2		\$ 8.859		
4	Additional Employees for Annualization	Pg 2 of 2		-		
5	Annualization of Employees	L 3 * L 4				\$ -
6	Annualization of Benefits	Pg 2 of 2				138
7	Total Pro Forma Adjustment					<u>\$ 138</u>

PENSION COSTS

8	2010 Pension Contribution (Towers Perrin)		\$ 71,746			
9	Percent to Electric Distribution		<u>67.220%</u>			
10	Total Amount to Electric Distribution	L 8 * L 9		48,228		
11	Pension Capitalization Factor		<u>36.08%</u>			
12	Pension Payment To Be Capitalized	L 10 * L 11		<u>17,401</u>		
13	Pension Payment To Be Expensed	L 10 - L 12			\$ 30,827	
14	Test Year Pension Expense			\$ 11,554		
15	Transmission Expense in Budget			<u>(1,227)</u>		
16	Distribution Test Year Budget Exp				10,327	
17	Additional Pension Expense					<u>\$ 20,500</u>

2010 Budget

		<u>Benefits</u>	
18	Charged to Construction	25,999	36.08%
19	Charged to Expense	<u>46,052</u>	<u>63.92%</u>
20	Total Payroll	<u>72,051</u>	<u>100.00%</u>

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R.O'Brien

Adjustment for Employee Benefits and Pension

Line #	Description	[1] Reference	[2] Employees Added	[3] Months Remaining In Year	[4] Number of Employee Months [2] * [3]	[5] Number of Full Time Equivalent
<u>Number of Employees</u>						
1	Employees at	12/31/09				1,883
	Employees Added in	2010				
2	---First Quarter		0.00	1.0	0.0	
3	---Second Quarter		0.00	4.5	0.0	
4	---Third Quarter		0.00	7.5	0.0	
5	---Fourth Quarter		0.00	10.5	0.0	
6	Total	Sum L 2 to L 5	<u>0.0</u>		<u>0.0</u>	
7	Additional Employees for TY	L 6 [4] / 12				<u>0.0</u>
8	Employees included in Budget	L 1 + L 7				<u>1883.0</u>
9	Employees not included in Budget	[2] L 6 - L 7				<u>0.0</u>
<u>Annualized Benefits Expense</u>						
			<u>Annual Expense</u>	<u>Annual Increase</u>	<u>Annualization Adjustment</u>	
Recorded or Budgeted Expense for Year						
10	2009		<u>\$ 16,407</u>			
11	2010		<u>\$ 16,682</u>	<u>\$ 275</u>	<u>\$ 138</u>	
12	Annualization Adjustment					<u>\$ 138</u>

**PECO - Electric Operations
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Uncollectible Accounts

Line #	Description	[1] Reference	[2] Charge Offs Amounts	[3] Tariff Revenue	[4] Percent [2]/[3]	[5] Total [2]/[3]
1	2007		\$ 40,805	\$ 4,478,502	0.91%	
2	2008		\$ 45,287	\$ 4,462,534	1.01%	
3	2009		\$ 61,362	\$ 4,280,478	1.43%	
4	Three Year Average Sum (Line 1 to Line 3) / 3	<u>3</u>	<u>\$ 49,151</u>	<u>\$ 4,407,171</u>		<u>1.1153%</u>

Net Charge Offs

Other	PPA	Electric General Charge Offs	Total Charge Offs
-------	-----	---------------------------------	----------------------

Uncollectibles and Revenues

RECORDED

5	2007	\$ -	\$ 10,191	\$ 40,805	\$ 50,996	
6	2008	\$ -	\$ 15,580	\$ 45,287	\$ 60,867	
7	2009	\$ -	\$ 21,566	\$ 61,362	\$ 82,928	
8	Three Year Average PPA		<u>\$ 15,779</u>			\$ 15,779

FTY Revenue

9	Pro Forma Adjustment Test Year Revenue Adjustment	<u>1.11530%</u>	X	<u>\$ 4,663,668</u>	=	<u>52,014</u>
10	Total Pro Forma Charge-Offs for FTY	L 8 + L 9				67,793

BUDGET

11	2010					74,476
12	Total for Test Year	L 10 - L 11				<u>\$ (6,684)</u>

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Purchased Utility Services

Line #	Description	[1]	[2]	[3]	[4]	[5]
#	Description	Reference	Amount	Sub-Total	Total	
<u>COMMODITY PURCHASED</u>						
1	Electricity Purchased at Company Facilities		\$ 2,854			
2	Gas Purchased at Company Facilities		206			
3	Total Expense for Commodity Purchased			\$ 3,060		
<u>UTILITY SERVICE PROVIDED</u>						
4	Revenue From Service to PECO Gas Operations		(104)			
5	Expense for Service from PECO Gas Operations		77			
6	Net Expense (Revenue) for Utility Service			(27)		
7	Total				\$ 3,033	

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Adjustment-Other Operating Costs

		[1]	[2]	[3]	[4]	[5]
Line #	Description	Reference		Amount	Percent	Total
REMOVE EXPENSE -- SETTLEMENT AGREEMENT PAYMENTS COMPLETE						
1	Total Included in Budget			<u>\$ 2,144</u>		
2	Percent to Distribution				<u>100.00%</u>	
3	Adjustment to Remove Payment Per Settlement Agreement - Payments complete in 2010					<u>\$ 2,144</u>

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Normalize Incentive Compensation

	[1]	[2]	[3]	[4]	[5]
Line #	Description	Reference	Total O & M	Electric Distribution O & M	Total
<u>INCENTIVE COMPENSATION EXPENSE</u>					
1	Incentive Compensation -- 2006		\$ 17,525	\$ 12,653	
2	Incentive Compensation -- 2007		\$ 22,044	\$ 14,989	
3	Incentive Compensation -- 2008		\$ 19,652	\$ 13,041	
4	Incentive Compensation -- 2009 Budget		\$ 17,414	\$ 11,722	
5	Incentive Compensation -- 2010 Budget		\$ 6,990	\$ 4,803	
6	Incentive Compensation -- 2011 LRP		\$ 16,954	11,733	
7	TOTAL PRO FORMA ADJUSTMENT	L 6 - L 5			\$ 6,930

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Interest on Customer Deposits

Line #	Description	[1]	[2]	[3]	[4]	[5]
#	Description	Reference	Amount	Sub-Total	Total	
<u>Residential Customer Deposits</u>						
1	Monthly Interest Rate		<u>0.500%</u>			
2	2009 -- January		\$ 82			
3	-- February		76			
4	-- March		77			
5	-- April		78			
6	-- May		78			
7	-- June		79			
8	-- July		80			
9	-- August		76			
10	-- September		76			
11	-- October		77			
12	-- November		78			
13	-- December		66			
14	TOTAL RESIDENTIAL			\$ 923		
<u>Commercial & Industrial Customer Deposits</u>						
15	Monthly Interest Rate		<u>0.0291%</u>			
16	2009 -- January		\$ 11			
17	-- February		11			
18	-- March		11			
19	-- April		11			
20	-- May		11			
21	-- June		11			
22	-- July		11			
23	-- August		12			
24	-- September		12			
25	-- October		12			
26	-- November		12			
27	-- December		12			
28	TOTAL C & I			\$ 137		
29	Interest on Customer Deposits	L 13 + L 26			<u>\$ 1,060</u>	

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Storm Recovery Normalization

Line #	Description	[1] Tri-State CPI Factor	[2] Inflation Factor	[3] Expense In Year	[4] Amount For Average	[5] Total
1	2005	0.03900	1.18047	\$ 11,947	\$ 14,103	
2	2006	0.04400	1.13616	\$ 47,736	54,236	
3	2007	0.02800	1.08827	\$ 10,065	10,953	
4	2008	0.03800	1.05863	\$ 15,997	16,935	
5	2009	(0.00500)	1.01988	\$ 7,966	8,124	
6	2010	0.02500	1.02500			
7						
8	Average Storm Restoration Expense at 2010 cost levels					20,870
9	Included in 2010 Budget Expense					12,000
1	Pro Forma Adjustment					<u>\$ 8,870</u>

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Transmission Expense Elimination

Line #	Description	[1] Reference	[2] Factor	[3] Pro Forma A & G Expense	[4] Distribution Only Amounts	[5] Sub-Total	[6] Amount	[7] Adjustment
REVENUE								
1	Transmission of Electricity for Others							\$ (187,812)
OPERATION & MAINTENANCE								
2	Transmission Expense - Operation-Budget	560 to 567						
3	Pro forma Adjustments							
4	Net	L 2 + L 3				(257,564)		
5	Purchase of Transmission For Customers					(176)	(257,740)	
6	PJM Expansion Recovery Cost						188,475	
7	Maintenance Expense	569 to 573					259	(25,280)
8	Total Operation & Maintenance							\$ (94,286)
9	Regional Marketing		575.7					\$ (1,263)
ADMINISTRATIVE & GENERAL								
10	Administrative and General Salaries	920	14.9860%	43,374		43,374	\$ 6,500	
11	Office Supplies and Expenses	921	10.8350%	7,899	(3,033)	4,866	527	
12	Administrative Expenses Transferred-Credit	922	10.8350%	-		-	-	
13	Outside Service Employed	923	10.8350%	63,013		63,013	6,827	
14	Property Insurance	924	10.8350%	517		517	56	
15	Injuries and Damages	925	10.8350%	10,196		10,196	1,105	
16	Employee Pensions and Benefits	926	14.9860%	79,586	(27,430)	52,156	7,816	
17	Franchise Requirements	927	10.8350%	-		-	-	
18	Regulatory Commission Expenses	928	10.8350%	14,568	(14,568)	-	-	
19	Duplicate Charges-Credit	929	10.8350%	(12,816)		(12,816)	(1,389)	
20	General Advertising Expenses	930.1	10.8350%	1,861	(1,861)	-	-	
21	Miscellaneous General Expenses	930.2	10.8350%	7,183		7,183	778	
22	Rents	931	10.8350%	-		-	-	
23	Maintenance of General Plant	932	10.8350%	4,453		4,453	482	
24	Total Administrative & General			219,833	(46,892)	172,941		\$ 22,702
25	Smart Grid Transmission Related Depreciation Expense							\$ 76

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Service to Navy Yard Customers

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Sub-Total	[5] Total
<u>INVESTMENT</u>						
1	Investment in Acquired Territory and Customers			\$ 15,000	[A]	
2	Estimated Life of Acquired Assets		In years	56	[B]	
3	Annual Depreciation Expense Recovery		L 1 / L 3		\$ 268	
4	Average Investment for Setting Recovery		L 1 - L 3	\$ 14,732	[C]	
5	Pre Tax Rate of Return on Net Investment		PM	13.43%		
6	Revenue for Return Requirement on Average Investment				1,979	
7	Operating Expenses				2,500	[D]
8	Annual Revenue Requirement reflected as Expense					<u>\$ 4,747</u>

[A] Contract Purchase Price for Assets

[B] Estimated remaining useful life of Assets acquired

[C] Assumes a two-year rate setting period and reflects the net plant at the end of the two year period

[D] Estimated payments to operate existing system

PECO ELECTRIC COMPANY
 FUTURE TEST YEAR ENDED DECEMBER 31, 2010
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Customer Pre Payment Program

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
1	Software Required to Establish and Operate Pre-Payment Program		\$ 880		
2	Estimated Life of Software Asset	In years	3		
3	Annual Depreciation Expense Recovery	L 1 / L 3		\$ 293	
4	Average Investment for Setting Recovery	L 1 / 2	\$ 440		
5	Pre Tax Rate of Return on Net Investment	PM	13.43%		
6	Revenue for Return Requirement on Average Investment			59	
7	Operating Expenses	3	220	73	
8	Annual Revenue Requirement reflected as addition to expense				\$ 425

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Taxes Other Than Income Taxes

Line #	Description	[1] Factor Or Account Number	[2] Budget Amounts 2010	[3] Pro Forma Adjustments	[4] Pro Forma Tax Expense 2010	[5] Transmission Adjustment
1	PURTA Taxes	14.99%	\$ 6,686	\$ -	\$ 6,686	\$ (1,002)
2	Capital Stock	14.99%	7,580	-	7,580	(1,136)
3	PA & Local Use taxes	14.99%	2,143	-	2,143	(321)
4	PA Property Taxes	14.99%	3,449	-	3,449	(517)
5	PA Corp Loan Tax	14.99%	77	-	77	(12)
6	Philadelphia BPT	14.99%	-	-	-	-
7	Local Privilege Tax	14.99%	1	-	1	(0)
8	Gross Receipts Tax		257,692	7,239	264,931	
9	Social Security	14.99%	8,731	288	9,019	(1,352)
10	FUTA	14.99%	708	24	732	(110)
11	SUTA	14.99%	304	10	314	(47)
12	Other					
13						
14	Total	Sum L 1 to L 13	<u>\$ 287,371</u>	<u>\$ 7,561</u>	<u>\$ 294,932</u>	<u>\$ (4,496)</u>
15	Taxes Other Than Income - Distribution				<u>\$ 290,436</u>	

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Taxes Other Than Income Taxes

Line #	Description	Account Number	[1]	[2]	[3]	[4]
Line #	Description	Account Number	2010 Budget	FTY Adjustment	Increase in Payroll Taxes	
1	Total Payroll Charged to Expense		\$ 125,038	\$ 4,133		
2	FICA Expense		\$ 8,731			
3	FICA Expense - Percent	L 2 / L 1	6.98%	6.98%		
4	Pro Forma FICA Expense on Pro Forma S&V	[4] L 1 * L 3			\$ 288	
5	FUTA Expense		\$ 708			
6	FUTA Expense - Percent	L 5 / L 1	0.57%	0.57%		
7	Pro Forma FUTA Expense on Pro Forma S&	[4] L 1 * L 6			24	
8	SUTA Expense		\$ 304			
9	SUTA Expense - Percent	L 8 / L 1	0.24%	0.24%		
10	Pro Forma SUTA Expense on Pro Forma S&V	[4] L 1 * L 9			10	
11	Other Payroll Taxes		\$ -			
12	Other Tax Expense	L 11 / L 1	0.00%	0.00%		
13	Pro Forma Other Payroll Taxes	[4] L 1 * L 12			-	
14	Pro Forma Adjustment	Sum L 4 to L 16			\$ 322	

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Taxes Other Than Income Taxes

Line #	Description	[1] Reference	[2] Pro Forma Test Year Amount	[3] Amount	[4] Amount	[5] Total
<u>GROSS RECEIPTS TAX - Pro Forma At Present Rates</u>						
1	Residential		\$ 1,872,922			
2	Commercial & Industrial		2,374,531			
3	Railroads & Railways		72,773			
4	Street Lighting & Highway		33,776			
5	Interdepartmental Sales		8,222			
6	Transmission		177,000			
7	CTC Revenue		-			
8	Energy Efficiency Revenue Adjustment		-			
9	Smart Meter Revenue Adjustment		-			
10	Sub-Total		-	\$ 4,539,224		
11	Forfeited Discounts		18,924			
12	Accrual To Cash Adjustment		-			
13	Bad Debts		(67,793)			
14	Other Revenue		-			
15	Other Adjustments		-			
16	Sub- Total		-	(48,869)		
17	TOTAL TEST YEAR @ Present Rates				\$ 4,490,355	
	Adjustment			0		
18						
19						
20	Total Adjustments			-	\$ -	
21	Pro Forma Revenue At Present Rates					\$ 4,490,355
22	Gross Receipts Tax Rate					5.900%
23	Pro Forma Gross Receipts Expense at Present Rates					264,931
24	Recorded Expense					257,692
25	Net Adjustment					\$ 7,239

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Depreciation Expense Adjustment

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]	[6]	[7]
			2010 Test Year Expense				Annualize 2010 Depreciation	Pro Forma Depre Rate Increase	Pro Forma Test Year Depreciation
			On 2009 Balance of Net Plant	On 2010 Additions	Total				
INTANGIBLE PLANT									
1	Franchise & Consent	302	\$ -	\$ -	-	\$ -	\$ -	-	-
2	Miscellaneous Intangible Plant	303	207	2,865	3,072	-	-	-	3,072
3	TOTAL INTANGIBLE	L 1 + L 2	207	2,865	3,072	-	-	-	3,072
TRANSMISSION PLANT									
4	Land & Land Rights	350	-	-	-	-	-	-	-
5	Structures & Improvements	352	475	14	489	14	(28)	475	
6	Station Equipment	353	7,862	286	8,148	286	335	8,769	
7	Towers & Fixtures	354	2,996	4	3,000	4	(67)	2,937	
8	Poles & Fixtures	355	129	6	135	6	19	160	
9	Overhead Conductors & Devices	356	2,151	20	2,171	20	71	2,262	
10	Underground Conduit	357	160	17	177	17	12	206	
11	Underground Conductors & Divices	358	1,082	18	1,100	18	32	1,150	
12	Roads & Trails	359	11	-	11	-	(1)	10	
13	Asset Retirement Costs -- Transmission	359.1	15	-	15	-	-	15	
14	TOTAL TRANSMISSION PLANT	Sum L 4 to L 13	14,881	365	15,246	365	373	15,984	
DISTRIBUTION PLANT									
15	Land & Land Rights	360	-	-	-	-	-	-	
16	Structures & Improvements	361	1,270	91	1,361	91	(42)	1,410	
17	Station Equipment	362	16,057	556	16,613	556	(84)	17,085	
18	Poles, Towers & Fixtures	364	10,067	250	10,317	250	(117)	10,450	
19	Overhead Conductors & Devices	365	15,618	569	16,187	569	(312)	16,444	
20	Underground Conduit	366	4,317	123	4,440	123	56	4,619	
21	Underground Conductors & Divices	367	15,401	623	16,024	623	1,208	17,855	
22	Line Transformers	368	7,523	224	7,747	224	2,034	10,005	
23	Services	369	7,125	117	7,242	117	637	7,996	
24	Meters	370	24,747	106	24,853	106	-	24,959	
25	Installations on Customer Premis	371	5	39	44	39	-	83	
26	Street Lighting & Signal Systems	373	2,140	29	2,169	29	(320)	1,878	
27	Asset Retirement Costs -- Distribuiton	374	127	-	127	-	-	127	
28	TOTAL DISTRIBUTION PLANT	Sum L 15 to L 27	104,397	2,727	107,124	2,727	3,060	112,911	
GENERAL PLANT									
29	Land & Land Rights	389	-	-	-	-	-	-	
30	Structures & Improvements	390	418	6	424	6	20	450	
31	Office Furniture & Equipment	391	928	60	988	60	(161)	887	
32	Transportation Equipment	392	-	-	-	-	-	-	
33	Stores Equipment	393	48	-	48	-	42	90	
34	Tools & Garage Equipment	394	859	133	992	133	213	1,338	
35	Laboratory Equipment	395	49	11	60	11	(9)	62	
36	Power Operated Equipment	396	-	-	-	-	-	-	
37	Communications Equipment	397	250	335	585	335	(82)	838	
38	Miscellaneous Equipment	398	268	(3)	265	(3)	(34)	228	
39	Other Tangible Property	399	4	-	4	-	-	4	
40	TOTAL GENERAL PLANT	Sum L 29 to L 39	2,824	542	3,366	542	(11)	3,897	
41	TOTAL DEPRECIATION		122,309	6,499	128,808	3,634	3,422	135,864	
	L 3 + L 14 + L 28 + L 40								
42	Transmission Accounts		(14,881)	(365)	(15,246)	(365)	(373)	(15,984)	
43	Intangible Account	0.14986	(31)	-	(31)	-	-	(31)	
44	General Plant to Transmission	0.14986	(423)	(81)	(504)	(81)	2	(583)	
45	Asset Retirement - Distribution		(127)	-	(127)	-	-	(127)	
46		0	-	-	-	-	-	-	
47	Smart Meter		(14,911)	(1,800)	(16,711)	-	-	(16,711)	
48	Act 129		-	(259)	(259)	(39)	-	(298)	
49	Post 2010		-	(845)	(845)	-	-	(845)	
50	SUB-TOTAL		91,936	3,149	95,085	3,149	3,051	101,285	
51	Common Plant to Electric Distribution	D-19, P 2, L 40			21,122	2,900	(201)	23,821	
52	Total Distribution Depreciation Expense				\$ 116,207	\$ 6,049	\$ 2,850	\$ 125,106	
53	Smart Grid				\$ 447	\$ -	\$ -	\$ 447	
54	SG To Transmission				(76)	-	-	(76)	
55	Net Smart Grid				371	-	-	371	
56	Other Distribution				115,836	6,049	2,850	124,735	
57	Total Distribution Depreciation Expense				\$ 116,207	\$ 6,049	\$ 2,850	\$ 125,106	

DEPRECIATION & AMORTIZATION OF COMMON PLANT
 COMMON PLANT

Line #	Description	[1] Account Number	[2] [3] [4] Test Year Expense			[5] Annualize 2010 Depreciation	[6] Pro Forma Depreciation Rate Change	[7] Pro Forma Test Year Depreciation
			On 2009 Balance of Net Plant	2010 Additions	Total			
INTANGIBLE PLANT								
1	PECO Common - 3030 49 Mos EOL		\$ 72	\$ -	\$ 72		\$ -	\$ 72
2	PECO Common - 3030 60 Mos EOL		89	-	89	-	-	89
3	PECO Common - 3030 80 Mos EOL		178	-	178	-	-	178
4	PECO Common - 3030 90 Mos EOL		278	-	278	-	-	278
5	PECO Common - 3030 AMR System		283	-	283	-	-	283
6	PECO Common - 3030 Customer Data		315	-	315	-	-	315
7	PECO Common - 3030 Misc 5-Year FR		1,046	-	1,046	-	-	1,046
8	PECO Common - 3030 Passport		488	-	488	-	-	488
9	PECO Common - 3030 CIMS EOL		7,923	-	7,923	-	-	7,923
10	PECO Common - 3030 Misc 5-Year FR		61	1,085	1,146	1,085	-	2,231
11	PECO Common - 3030 Mobile Dispatch		2,774	-	2,774	-	-	2,774
12	PECO Common - 3030 Misc 5-Year FR		-	2,318	2,318	2,318	-	4,636
13	TOTAL COMMON - INTANGIBLE	Sum L 1 to L 12	13,507	3,403	16,910	3,403	-	20,313
COMMON PLANT - OTHER								
14	PECO Common - 3901		4,011	50	4,061	50	(228)	3,883
15	PECO Common - 3902		619	39	658	39	(35)	662
16	PECO Common - 3903		11	-	11	-	(1)	10
17	PECO Common - 3911		25	2	27	2	14	43
18	PECO Common - 3912		631	14	645	14	18	677
19	PECO Common - 3913		6,634	580	7,214	580	(1,191)	6,603
20	PECO Common - 3930		110	3	113	3	32	148
21	PECO Common - 3941		281	-	281	-	109	390
22	PECO Common - 3942		1	-	1	-	-	1
23	PECO Common - 3970		1,283	47	1,330	47	595	1,972
24	PECO Common - 3980		76	3	79	3	11	93
25	TOTAL COMMON - OTHER	Sum L 14 to L 24	13,682	738	14,420	738	(676)	14,482
26	TOTAL COMMON --- NON FLEET	L 14 + L 27	27,189	4,141	31,330	4,141	(676)	34,795
COMMON FLEET								
27	PECO Common - 3921		22	-	22	-	(4)	18
28	PECO Common - 3922		1,627	44	1,671	44	145	1,860
29	PECO Common - 3923		3,330	233	3,563	233	572	4,368
30	PECO Common - 3924		40	1	41	1	(2)	40
31	PECO Common - 3925		131	5	136	5	(5)	136
32	PECO Common - 3926		151	6	157	6	(13)	150
33	PECO Common - 3943		375	1	376	1	(25)	352
34	PECO Common - 3961		10	-	10	-	(1)	9
35	TOTAL FLEET	Sum L 29 to L 37	5,686	290	5,976	290	667	6,933
36	Sub-Total	L 28 + L 38	32,875	4,431	37,306	4,431	(9)	41,728
37	Fleet Depreciation Included in Clearing Accounts		(5,643)	(288)	(5,931)	0	0	(5,931)
38	Pro Forma Fleet Depre Capitalized At	43.44%	(19)	(1)	(20)	(126)	(290)	(436)
39	TOTAL ALL		\$ 27,213	\$ 4,142	\$ 31,355	\$ 4,305	\$ (299)	\$ 35,361
COMMON PLANT CHARGED TO								
40	Electric - Distribution	67.365%			\$ 21,122	\$ 2,900	\$ (201)	\$ 23,821
41	Electric - Transmission	11.875%			3,723	511	(36)	4,199
42	GAS	20.760%			6,509	894	(62)	7,341
43	TOTAL	100.00%			\$ 31,355	\$ 4,305	\$ (299)	\$ 35,361

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Income Tax at Present and Proposed Revenue Levels

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Factor Or Reference	Element Or Amount	Pro Forma 2010 At Present Rates	Revenue Increase	Pro Forma 2010 At Proposed Rates
						[3] + [4]
1	Revenue			\$ 4,555,655	\$ 316,360	\$ 4,872,015
2	Operating Expenses			(4,420,752)	(22,704)	(4,443,457)
3	OIBIT	L 1 + L 2		134,902	293,656	428,558
	<u>Interest Expense</u>					
4	Rate Base		\$ 3,236,437			
5	Weighted Cost of Debt		0.02630			
6	Synchronized Interest Expense	L 4 * L 5		(85,118)	-	(85,118)
7	Base Taxable Income	L 3 + L 6		49,784	293,656	343,440
8	State Accelerated Tax Depreciation		\$ 131,047			
9	Pro Forma Book Depreciation		125,106			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(5,941)		(5,941)
11	Medicare "D" Pro Forma			(3,156)		(3,156)
12	Repair Allowance Deduction			(22,260)	-	(22,260)
13	State Taxable Income	L 7 + L 10		\$ 18,427	\$ 293,656	\$ 312,083
14	State Income Tax	-L 11 * Rate [2]	9.99%	\$ (1,841)	\$ (29,336)	\$ (31,177)
15	Federal Accelerated Tax Depreciation		\$ 122,835			
16	Pro Forma Book Depreciation		125,106			
17	Federal Tax Deducts (Over) Under Book	L 14 - L 13		2,271	-	2,271
18	Medicare "D" Pro Forma			(3,156)	-	(3,156)
19	Repair Allowance Deduction			(22,260)	-	(22,260)
20	Federal Taxable Income	L 7 + L 12 + L 15		24,799	264,320	289,118
21	Federal Income Tax Expense	-L 16 * Rate [2]	35.00%	(8,680)	(92,512)	(101,191)
22	Total Tax Expense before Deferred Income Tax	L 12 + L 17		(10,521)	(121,848)	(132,368)
	<u>Deferred Federal Income Taxes</u>					
23	Federal Accelerated Depreciation		\$ 122,835			
24	Pro Forma Normalized Straight Line Tax		99,227			
25	Federal Accelerated (over) Under	L 20 - L 19		23,608	-	23,608
26	Deferred Federal Taxable Income	L 21 - L 15		\$ 23,608	\$ -	\$ 23,608
27	Federal Income Tax Expense	-L 12 * Rate [2]	35.00%	(8,263)	-	(8,263)
28	Net Income Tax Expense			(18,784)	(121,848)	(140,631)
	<u>Other Tax Adjustments</u>					
29	Amortization of Investment Tax Credit --Electric Plant			1,165		1,165
30	--Common Plant Allocated			33		33
31	Consolidated Income Tax Adjustment			537		537
32	Combined Income Tax Expense	Sum L 13 to L 16		\$ (17,049)	\$ (121,848)	\$ (138,897)
33	Federal Income Tax Expense			\$ 15,208	\$ 92,512	\$ 107,719
34	State Income Tax Expense			1,841	29,336	31,177
35	Total Income Tax Expense			\$ 17,049	\$ 121,848	\$ 138,897

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Gross Revenue Conversion Factor

Line #	Description	Reference Or Factor	[1] Tax Rate	[2] Tax Rate	[3] Factor	
<u>GROSS REVENUE CONVERSION FACTOR</u>						
1	GROSS REVENUE FACTOR				1.000000	
2	GROSS RECEIPTS TAX				(0.059000)	
3	UNCOLLECTIBLE EXPENSES				(0.011153)	
	PUC / OCA & SBA ASSESSMENT AS A % OF REVENUE				<u>(0.001614)</u>	
4	NET REVENUES	Sum L 1 to L 3			0.928233	1.077316
5	STATE INCOME TAXES	[3] L 4 * Rate [2]		0.099900	<u>(0.092730)</u>	
6	FACTOR AFTER STATE TAXES	L 4 + L 5			0.835503	
7	FEDERAL INCOME TAXES	[3] L 6 * Rate [2]		0.350000	<u>(0.292426)</u>	
8	NET OPERATING INCOME FACTOR	L 6 + L 7			<u>0.543077</u>	
9	GROSS REVENUE CONVERSION FACTOR	1 / L 8			<u>1.84136</u>	
10	Combined Income Tax Factor On Gross Revenues	- L 5 - L 7			<u>38.516%</u>	
<u>INCOME TAX FACTOR</u>						
11	GROSS REVENUE FACTOR				1.000000	
12	STATE INCOME TAXES	[3] L 11 * Rate [2]		9.9900%	<u>(0.099900)</u>	
13	FACTOR AFTER STATE TAXES	L 11 + L 12			0.900100	
14	FEDERAL INCOME TAXES	[3] L 13 * Rate [2]		35.00%	<u>(0.315035)</u>	
15	NET OPERATING INCOME FACTOR	L 13 + L 14			0.585065	
16	GROSS REVENUE CONVERSION FACTOR	1 / L 15			<u>1.709212</u>	
17	Combined Income Tax Factor On Taxable Income	- L 12 - L 14			<u>41.494%</u>	

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Depreciation for Income Tax Calculation

Line #	Description	[1] Reference	[2] Amount	[3] Amount	[4] Total
<u>State Accelerated Tax Depreciation</u>					
1	Electric Plant		\$ 137,980		
2	Percent to Distribution		<u>85.014%</u>		
3	Amount To Distribution			\$ 117,302	
4					
5	Common Plant (no Software)		\$ 16,988		
6	Allocation Factor		<u>67.365%</u>		
7	Common Plant Allocated to Elec Dist			11,444	
8					
9	Software Amortization for Tax		3,415		
10	Common Plant Allocated to Elec Dist		<u>67.365%</u>	<u>2,301</u>	
11	Total Accelerated Tax Depreciation				<u><u>\$ 131,047</u></u>
<u>Federal Accelerated Tax Depreciation</u>					
12	Electric Plant		\$ 129,180		
13	Percent to Distribution		<u>85.014%</u>		
14	Amount To Distribution			\$ 109,821	
15					
16	Common Plant (no Software)		\$ 16,023		
17	Allocation Factor		<u>67.365%</u>		
18	Common Plant Allocated to Elec Dist			10,794	
19					
20	Software Amortization for Tax		\$ 3,295		
21	Common Plant Allocated to Elec Dist		<u>67.365%</u>	<u>2,220</u>	
22	Total Accelerated Tax Depreciation				<u><u>\$ 122,835</u></u>
<u>Federal Reversal of Prior Flow Through</u>					
23	Electric Plant		\$ 30,160		
24	Percent to Distribution		<u>85.014%</u>		
25	Amount To Distribution			\$ 25,640	
26					
27	Common Plant (no Software)		\$ 355		
28	Allocation Factor		<u>67.365%</u>		
29	Common Plant Allocated to Elec Dist			239	
30					
31	Software Amortization for Tax		\$ -		
32	Common Plant Allocated to Elec Dist		<u>67.365%</u>	<u>-</u>	
33	Total Accelerated Tax Depreciation				\$ 25,879
34	Pro Forma Book Depreciation				<u>125,106</u>
35	Pro Forma Normalized Straight Line Tax	L 34 - L 33			<u><u>\$ 99,227</u></u>

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Investment Tax Credit Amortization

Line #	Description	[1] Reference Or Factor	[2] Amount	[3] Factor
 <u>INVESTMENT TAX CREDIT - ELECTRIC DISTRIBUTION</u>				
1	<u>Unamortized Investment Tax Credit at 12-31-10</u>			<u>\$ 4,322</u>
2	Total Electric Distribution		\$ 3,674	
3	Electric Distribution Portion of Common		<u>253</u>	
4	Total Electric Distribution		<u>\$ 3,928</u>	
 <u>Amortization of Investment Tax Credit - 2008</u>				
6	Total Electric Distribution		\$ 1,165	
7	Electric Distribution Portion of Common		<u>33</u>	
8	Total Electric Distribution			<u>\$ 1,198</u>