

92DC42
PO Box 6066
Newark, DE 19714-6066

302.429.3105 - Telephone
302.429.3801 - Facsimile
philip.passanante@pepcoholdings.com

500 N. Wakefield Drive
Newark, DE 19702

atlanticcityelectric.com

March 30, 2017

VIA HAND DELIVERY

Irene Kim Asbury, Esquire
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to *N.J.S.A. 48:2-21* and *N.J.S.A. 48:2-21.1*, and for Other Appropriate Relief (2017)
BPU Docket No. _____

Dear Secretary Asbury:

Enclosed for filing are three conformed copies of the Verified Petition (the Petition) of Atlantic City Electric Company (ACE or the Company) in the above-entitled matter.¹ Also attached and filed herewith are three conformed copies of the Direct Testimony of the following witnesses in support of the Company's Petition and the areas on which each witness is expected to testify:

Kevin M. McGowanPolicy and Case Overview, Capital Structure,
Proposed Rate of Return, System Renewal
Recovery Charge, and the Exelon Merger

Michael J. Sullivan.....Capital Investments, Reliability Improvement Plan,
and System Renewal Recovery Charge

Robert B. Hevert.Capital Structure and Cost of Equity

¹ This filing has been made consistent with the Board's Order Waiving Provisions of *N.J.A.C. 14:4-2*, *N.J.A.C. 14:17-4.2(a)*, *N.J.A.C. 14:1-1.6(c)*, and *N.J.A.C. 14:17-1.6(d)*, issued on July 29, 2016 in connection with *In the Matter of the Board's E-Filing Program*, BPU Docket No. AX16020100.

Jay C. Ziminsky	Revenue Requirement, Test Year Selection, Consolidated Tax Adjustment Calculation, and Proposed Ratemaking Adjustments
Kristin M. McEvoy	Proposed Ratemaking Adjustments
Joshua L. Masters.....	Accounting and Service Company Matters
Elliott P. Tanos.....	Cost of Service, Rate Design, Economic Development Riders, and Tariff Adjustments

Approximately one year ago, ACE began a transformative process when its parent company, Pepco Holdings, Inc., merged with Exelon Corporation (Exelon).² Completion of the merger created opportunities for the Company to enhance its overall operations and strengthen its ability to provide safe and reliable utility service. As a member of the Exelon family of utilities, the Company is actively engaged in sharing best practices, improving service reliability, and enhancing its storm response capabilities. ACE's progress in these activities is on-going, and customers are already receiving benefits. The Company would note that these benefits are in addition to the \$126 million in total financial commitments stemming directly from the Exelon merger.

This filing is required because the Company's current base rates do not recover the Company's significant capital investments and other costs required to maintain the utility infrastructure so as to provide safe, adequate, and reliable electric distribution service to our customers over the long-term. The Company's Petition requests an annual increase in current retail base rates for electric service of approximately \$70.2 million (approximately \$74.8 million, including Sales and Use Tax) to cover its cost of service. The net monthly bill impact of this filing on a typical ACE residential customer taking Basic Generation Service and using approximately 716 kWh per month is estimated to be \$9.00 or approximately 6.57 percent over rates currently in effect.

ACE requests that the rate relief sought herein be approved for service rendered on and after April 30, 2017, but in no event later than December 30, 2017 (the end of the anticipated Board-ordered suspension period[s]). If the rate change is not implemented in a timely manner, the Company's earnings will suffer further erosion. This will impact ACE's ability to continue to provide high quality, reliable service to our customers and attract capital at competitive rates. Therefore, the Company intends to implement proposed rates for service rendered on and after December 30, 2017, on an interim basis subject to refund, if the Board has not yet rendered a final decision in this matter prior to that date.

² Pepco Holdings, Inc. is now known as Pepco Holdings LLC.

The Company is confident that the Board's review of this filing will support the fact that ACE's request for rate relief is essential to maintaining the necessary electric distribution infrastructure and services required to continue to serve customers in a safe, adequate, and reliable manner.

In addition to the items summarized above, there are several other components of this filing, namely:

- a requested return on equity of 10.10 percent to reflect current financial market conditions, utilizing a capital structure consisting of 50.14 percent common equity and 49.86 percent long-term debt;
- certain modifications to ACE's Tariff for Electric Service, including a \$2.00 increase in the monthly customer charge;
- a request to implement a System Renewal Recovery Charge;
- a request to continue the Company's economic development pilot program, which provides incentives for qualifying businesses to locate and/or expand in ACE's service territory; and
- Cost of Service and Rate Design related thereto.

Copies of the Petition will be served upon all entities legally required to be noticed. Notice of this filing will be duly provided in the manner prescribed by applicable law.

The Company is aware that, during the course of this proceeding, the parties may request access to certain information that is proprietary, confidential, and/or competitively sensitive. Any such information to be provided that is not otherwise privileged will only be furnished pursuant to a confidentiality agreement among the Company, Staff of the Board (Staff), and the Division of Rate Counsel (Rate Counsel) and its consultants, and any permitted intervenors. An Agreement of Non-Disclosure that is consistent with those utilized by Staff and Rate Counsel in other proceedings is included for your consideration and execution.

ACE is prepared to work diligently with all parties to bring this proceeding to closure in as timely a manner as possible. The Company has prepared a proposed procedural schedule, included it in the Petition, and respectfully requests that the Board transfer this filing to the Office of Administrative Law at its earliest convenience so that a final decision can be approved and implemented no later than December 30, 2017, the end of the anticipated Board ordered suspension period(s).

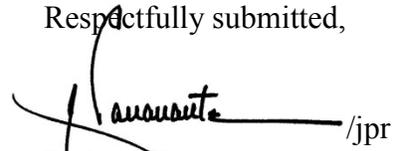
Irene Kim Asbury, Esquire

March 30, 2017

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We thank the Board and all parties hereto for all courtesies extended.

Respectfully submitted,

/jpr
Philip J. Rasanante
An Attorney at Law of the
State of New Jersey

Enclosures

cc: Hon. Richard S. Mroz, President (letter only)
Hon. Joseph L. Fiordaliso, Commissioner (letter only)
Hon. Mary-Anna Holden, Commissioner (letter only)
Hon. Dianne Solomon, Commissioner (letter only)
Hon. Upendra J. Chivukula, Commissioner (letter only)
Paul Flanagan, Esquire, Executive Director (letter only)
Andrew McNally, Esquire, Chief Counsel (letter only)
Cynthia E. Covie, Esquire, Chief of Staff (letter only)
Service List

**IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF AMENDMENTS TO
ITS TARIFF TO PROVIDE FOR AN
INCREASE IN RATES AND CHARGES
FOR ELECTRIC SERVICE PURSUANT
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-
21.1, AND FOR OTHER APPROPRIATE
RELIEF (2017)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
BPU DOCKET NO. _____
VERIFIED PETITION**

ATLANTIC CITY ELECTRIC COMPANY (hereinafter referred to as ACE, Petitioner or the Company), a corporation organized and existing under the laws of the State of New Jersey, which is subject to the jurisdiction of the Board of Public Utilities (hereinafter referred to as the Board or BPU) and which maintains a regional office at 5100 Harding Highway, Mays Landing, New Jersey 08330, respectfully petitions the Board for an increase in its current retail rates for electric service in the amount of approximately \$70.2 million¹ and other related relief. In support of this request, ACE provides the information set forth below.

Case Overview

On March 23, 2016, ACE began a transformative process when its parent company, Pepco Holdings, Inc. (PHI), merged with Exelon Corporation (Exelon).² Throughout the merger proceeding, Exelon and PHI executives consistently focused on the opportunity the merger presented to enhance overall operations and strengthen ACE's ability to provide cost-effective,

¹ \$74.8 million, including Sales and Use Tax.

² See *I/M/O the Merger of Exelon Corporation and Pepco Holdings, Inc.*, BPU Docket No. EM14060581, Order Approving Stipulation of Settlement (dated March 6, 2015) [hereinafter, the Merger Order], in which the Board approved the merger of Exelon Corporation and Pepco Holdings, Inc., and also authorized ACE to become a direct subsidiary of PHI without further action by the Board. See Merger Order, approving the Stipulation of Settlement including Paragraph 57. As a result of the merger transaction, PHI became Pepco Holdings LLC, a Delaware corporation. Throughout this Petition, Pepco Holdings LLC will be referred to as PHI.

safe, and reliable service.³ The process of transforming ACE is underway, and will continue. As part of the Exelon family, ACE is striving to unlock synergies, share best practices, improve service reliability, enhance storm-response capabilities, and continue to play a leadership role in the economy of southern New Jersey. The progress made in these activities will be discussed throughout this filing, however, it is clear they are already benefitting ACE's customers in meaningful and tangible ways. For example, during the 2016 June Storm⁴ ACE was able to readily access mutual assistance crews from its affiliate, PECO, as well as Delmarva Power & Light Company and Potomac Electric Power Company, without having to participate in mutual assistance calls—thus saving time and money, and without having to wait for outside crews to arrive—a process that would have led to longer restoration times.

Even though many of these initiatives are still in the early stages of implementation, the June Storm response illustrates that operational improvements are underway and already providing benefits to customers. Moreover, ACE's progress to-date is only the beginning of this process. The Board can, and should, expect continued improvements as ACE is fully integrated into the Exelon family of utilities.

While there is much that is positive about the Company's on-going transformation, ACE is also facing challenges that must be recognized and addressed in this proceeding. Customer use has declined in recent years, with sales falling a total of -6.2% over the 2011-2016 period, with an additional sales decline of -2.0% forecasted over the 2017-2018 period. There are numerous reasons for this decrease, but chief among them is the impact of energy efficiency/demand-side management measures and solar deployment. ACE has actively worked

³ See e.g., *I/M/O the Merger of Exelon Corporation and Pepco Holdings, Inc.*, BPU Docket No. EM14060581, Direct Testimony of Joseph M. Rigby and Rebuttal Testimony of Denis P. O'Brien.

⁴ Details regarding this event are contained in the Direct Testimony of Company Witness Sullivan.

to facilitate these programs, consistent with the interests of its customers, long-standing Board-policy, and the State's Energy Master Plan. However, ACE's success in fostering these important policies must come with the Board's recognition that these efforts can have challenging consequences for the Company. For example, ACE has made a concerted effort to facilitate its customers' solar installations with improvements to its interconnection process. As a result, ACE has experienced significant saturation of the solar market in its service territory. While this market penetration is a notable success from a policy perspective and has contributed to increased customer satisfaction, it is accompanied by a decline in customer use that, because of the volumetric based nature of ACE's rates, has a direct impact on the Company that must be addressed in this proceeding.⁵

At the same time, ACE has continued to invest in the distribution system to improve customer service, and to provide the modern, reliable electric system necessary for future economic development. These investments will continue as a result of the Company's merger commitment to spend at least 90% of the aggregate Reliability Improvement Program (RIP) budget through 2019.⁶ This is in addition to ACE's increased spending on vegetation management to comply with the Board's new, more rigorous standards.

Individually, declining use and increased investments are challenging issues to address in the context of utility ratemaking. Taken together, along with the Board's long-standing regulatory approaches, these challenges have caused ACE to earn well below its authorized rate of return on equity (ROE) for several years. Indeed, as discussed in the Direct Testimony of Company Witness McGowan, as ACE considers the factors driving the need for future rate

⁵ See the Direct Testimony of Company Witness Tanos for a further discussion of this point.

⁶ See Merger Order, at 37.

increases, rate base investments and declining sales are the primary contributors, accounting for 82% of the projected need for rate increases over the next five years. Moreover, unless there are significant changes in the Board's current rate case policies, ACE will not earn its authorized ROE for the foreseeable future—even with annual requests to increase rates.

Throughout this filing ACE will discuss the transformative process it has begun to improve service and demonstrate the value it provides to the customers and communities it serves. The requests in this proceeding are a necessary component of that process, and will enable the Company to continue the progress it has made.

Requested Rate Relief

1. ACE is engaged in the transmission and distribution of electric energy for light, heat, and power to approximately 550,000 residential, commercial, and industrial customers located in southern New Jersey. In this Petition, the Company is requesting an annual increase in its current retail base rates for electric service of \$70,160,580 (\$74,808,719, including Sales and Use Tax). This increase is based upon a test year ending July 31, 2017, as adjusted for known and measurable changes. The Company's test year includes five months of actual data, and seven months of estimated data, and will be updated throughout this proceeding.⁷ The net monthly bill impact of this filing on a residential customer taking Basic Generation Service and using 716 kWhs⁸ per month is approximately \$9.00 or approximately 6.57%.

2. For several years, ACE has made significant and sustained investments in its system to benefit its customers. As noted above, ACE also agreed to maintain minimum RIP

⁷ The Company's filing is consistent with the minimum filing requirements set out in the Board's decision in *In re Elizabethtown Water Company Rate Case*, BPU Docket No. WR8504330, Decision on Motion for Determination of Test Year and Appropriate Time Period for Adjustments (dated May 23, 1985), at 2 (holding that utilities should file a test year "at a minimum, including five months actual and seven months estimated data.").

⁸ 716 kWhs represents the average consumption of all residential customers.

spending levels as a result of commitments made during the merger proceedings, which the Board ultimately found to be a positive benefit to customers.⁹ Such sustained investment must be subject to timely recovery in rates if the Company is to remain a healthy utility. ACE's present rates, however, are unjust and unreasonable in that they do not and will not: (i) provide sufficient operating revenues to reflect increased investment in the Company's rate base, meet operating expenses, taxes, and fixed charges, and maintain its financial viability; and (ii) provide a fair opportunity to earn a reasonable rate of return on the fair value of the Company's property used in the provision of utility service.

3. ACE's last base rate change was implemented for service rendered on and after August 24, 2016, based on a test year ending December 31, 2015.¹⁰ Thus, at the time current rates were first implemented, they were already months out-of-date because they did not reflect all of the rate base additions made after December 31, 2015. Moreover, current rates do not reflect any of the investments made since July 2016, when the post test year period concluded. By the time the present proceeding concludes in January 2018, the Petitioner will not have recovered the costs associated with some of those investments for periods ranging from 18 to 24 months. Failure to fully and accurately reflect a return of and on investments made to serve

⁹ See Merger Order, at 37 (finding “the merger Settlement provides positive benefits with respect to ACE’s ability to provide safe, adequate, proper and reliable customer service by continuing the commitments of the RIP.”).

¹⁰ See Order Adopting Stipulation of Settlement for the Base Rate Case and Establishing a Phase II to Review the PowerAhead Program at the BPU, *In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff to Provide for an Increase in Rates and Charges for Electric Service Pursuant to N.J.S.A. 48:2-21 and N.J.S.A. 48:2-21.1, for Approval of a Grid Resiliency Initiative and Cost Recovery Related Thereto, and for Other Appropriate Relief (2016)*, BPU Docket No. ER16030252 (August 24, 2016)[the 2016 Base Rate Case Order].

customers has resulted in ACE failing to earn its authorized rate of return for several years.¹¹ Long-term, this result will undermine the financial health of the Company.

4. The Company has invested considerable sums of money in its electric distribution system to provide safe, adequate, and reliable electric service to its customers, with \$159.4 million spent in 2016 alone. Significant investment is planned to continue over the next several years as discussed in the Direct Testimony of Company Witness Sullivan. This level of investment was funded on the front end by Petitioner's debt and equity investors with an expectation of receiving a reasonable rate of return on that substantial investment. As discussed in the Direct Testimony of Company Witness McGowan, however, ACE has consistently under-earned its authorized rate of return, and so has proposed ratemaking adjustments and a surcharge mechanism in this proceeding to help address this continuing challenge.

Other Requested Relief

5. The Company seeks authority to: (i) create a regulatory asset to record the costs to achieve merger synergy savings and to amortize those costs over a five year period as discussed in further detail in the Direct Testimony of Company Witnesses McGowan and Ziminsky; (ii) incorporate the results of ACE's Cost of Service Study contained in the Direct Testimony of Company Witness Tanos and consider the unitized rate of return for each customer rate class in the allocation of overall revenue requirements among rate classes; and (iii) modify certain charges, including monthly customer charges, and provide format changes to tariff sheets delineating the pricing for certain Rate Schedules. Additionally, the Company has complied

¹¹ In the 2016 Base Rate Case Order, the Board adopted an ROE of 9.75%. See 2016 Base Rate Case Order, at 3. As demonstrated on Company Witness Ziminsky's Schedule (JCZ)-3, ACE's unadjusted per-books rate of return for the 12 months ending July 2017 is projected to be 5.17%, which translates into an ROE of only 4.79%. This result follows several prior years of under-earning as demonstrated in Figure 1 of the Direct Testimony of Company Witness McGowan. For example, in the period 2013 to 2015 the Company's earned ROEs were 4.93%, 4.83%, and 3.43%, respectively.

with the Board's May 26, 2005 Final Order in BPU Docket No. ER03020110, which requires the Company to provide a distribution rate design based on a Cost of Service Study using a Peak and Average Coincident Peak method (P&A method) proposed by Board Staff. As discussed by Company Witness Tanos, the P&A method does not reflect the way in which the Company actually designs and constructs its distribution facilities. As a result, the Company believes it would be inappropriate to use the P&A method to set ACE's rates. Consequently, ACE has not used the P&A method to develop its proposed rates in this proceeding. Moreover, the P&A method has not been adopted in prior proceedings to set the Company's base rates, and the Company asserts that it should not be adopted in this or any other ACE rate case.

6. As is fully developed in the Direct Testimony of Company Witness Tanos, the Company proposes to increase the current \$4.44 monthly customer charge for Rate Schedule RS (residential service) by \$2.00 (including Sales and Use Tax) so that it recovers a greater portion of residential customer-related fixed charges consistent with the Company's Cost of Service Study. As Mr. Tanos explains, the costs of the distribution system serving residential customers are largely fixed in nature. Yet, for residential customers, only about 11% of the costs are recovered through the monthly fixed customer charge. Even though some customers are able to reduce their use through solar installations or energy efficiency/demand-side management measures, the fixed system costs essentially remain, but are then shifted to be recovered from other customers. ACE's proposal to modestly increase the residential customer charge is intended to address this cost-shifting in a gradual manner, and to recover fixed costs equitably from all residential customers who are using and benefitting from the system. Additionally, Mr. Tanos has analyzed the impact of the Company's fixed charge proposal and found that the \$2.00 increase will not adversely impact low-income or low-usage customers relative to the other

residential customers, and is consistent with – or, in many cases, substantially lower than – monthly customer charges in neighboring jurisdictions. Mr. Tanos has also examined the customer charges of New Jersey’s largest investor-owned water companies, a similarly capital-intensive industry with largely fixed costs, and found that the Board-approved monthly customer charges range from \$11.50 to \$15.10 – further demonstrating the reasonableness of the Company’s proposal.

7. In this Petition, the Direct Testimony of Company Witness Tanos also provides an update regarding the status of the Company’s pilot program of economic development riders, Rider SCD and Rider RP, that were developed to provide incentives for businesses to locate and/or expand in ACE’s service territory.¹²

8. As discussed in the Direct Testimony of Company Witness Ziminsky, Petitioner has included a Consolidated Tax Adjustment calculation in this filing that is consistent with the methodology developed by the Board in BPU Docket No. EO12121772.¹³ The calculation has resulted in no adjustment to the Company’s requested revenue requirement in this case.

9. In this Petition, the Company has requested an ROE of 10.10%, and utilized a capital structure consisting of 50.14% common equity and 49.86% long-term debt. As Company Witness McGowan states in his Direct Testimony, this capital structure is consistent with industry standard capital structures, including electric utility capital structures recently approved by the Board,¹⁴ as well as the Company’s strategies, and supports ACE’s current credit ratings.

¹² On December 21, 2016, the Company filed a letter Petition seeking to amend the eligibility criteria for the Riders. That matter remains pending at this time in BPU Docket No. ER17010007.

¹³ See Order Modifying the Board’s Current Consolidated Tax Adjustment Policy, *I/M/O the Board’s Review of the Applicability and Calculation of a Consolidated Tax Adjustment*, BPU Docket No. EO12121772 (October 22, 2014), which Order directs that a CTA calculation be included in the next-filed base rate case petitions of affected utilities.

¹⁴ See, e.g., *I/M/O The Verified Petition of Rockland Electric Company for Approval of Changes in Electric Rates, Its Tariff for electric Service, and Its Depreciation Rates; Approval of an Advance Metering Program; and for Other*

The Company has also submitted an alternative capital structure in compliance with the Board's Order in the Conectiv-PHI merger case (BPU Docket No. EM01050306).

System Renewal Recovery Charge

10. As discussed in the Direct Testimony of Company Witness McGowan, the Petitioner has consistently under-earned its authorized rate of return. As a result, ACE has examined the use of alternative ratemaking mechanisms that would provide for more current cost recovery of investments as they are placed into service, and help to provide the Company with a fair opportunity to achieve the rate of return the Board has actually allowed. Consequently, ACE has proposed the introduction of a System Renewal Recovery Charge (the tracker) to recover the cost of non-incremental reliability and emergency capital spending through 2021.

11. In this proceeding, ACE requests that the Board approve the tracker to permit contemporaneous recovery of costs associated with reliability and system renewal-related capital investments as those facilities are placed into service. As outlined in the Direct Testimony of Company Witnesses McGowan and Sullivan, the Company has provided a capital plan through 2021, including information on reliability projects. The Board and interested parties now have the opportunity to review those projects, the need for the investment, the cost of the projects, and the projected in-service dates. Upon completion of the review process and approval by the Board in this proceeding, the Company will be permitted to recover the cost of these projects through an annual charge. Within 30 days of the Board's order approving the tracker, and each January 1 thereafter for the term of the tracker, the Company will file its detailed plan for facilities to be placed into service during the upcoming annual period. The Board will have 90 days to review the plan, and the tracker will become effective on April 1 of each year.

Relief, BPU Docket No. ER16050428, Order Approving Stipulation (February 22, 2017), authorizing a capital structure consisting of 50.3% long term debt and 49.7% equity.

12. The tracker will be implemented for four successive one-year periods, and a true-up filing will be required annually. As described in the Direct Testimony of Company Witness McGowan, the rate impact of the tracker, based on the current reliability capital plan, is estimated to be less than a 1% increase on the typical residential customer's bill each year over the four year program. The annual true-up filing will ensure the Company has not over-recovered the costs of the allowed projects, and will include an earnings test as discussed in further detail in the Direct Testimony of Company Witness McGowan. Each true-up filing will also set the tracker for the next annual period. This mechanism is a balanced approach that facilitates continued reliability investments to benefit customers, fosters close review of projects and capital spending, and provides for gradual adjustments in customer rates as facilities are placed into service, while providing the Company with an opportunity to earn its authorized rate of return. Moreover, the Company anticipates that implementation of the System Renewal Recovery Charge will help to lengthen the time period between requests to increase base rates.

13. Set out in the Direct Testimony of Company Witness Sullivan is a detailed listing of the projects the Company seeks to recover through the tracker. Those projects total approximately \$376 million over the 2018 to 2021 period. The Company notes that, to the extent certain 2018 reliability-related investments are ultimately reflected in base rates in this proceeding, the Company will adjust the projects to be recovered in the 2018 tracker to ensure that there is no double-recovery of investment costs.

Procedural Schedule

14. Set out below is a proposed procedural schedule consistent with the provisions of *N.J.S.A. 48:2-21(d)* establishing a period of approximately nine months for the Board to hear a base rate request and reach a final determination on that request. As the Company has discussed

herein, delays in the recovery of investments made to serve customers have contributed to the Company's inability to earn its authorized rate of return. Thus, it is vital that this case proceed at the pace contemplated by the Legislature when it enacted *N.J.S.A. 48:2-21*.

March 30, 2017	Case filed.
April 2017	Discovery commences and will be on-going as noted below.
April 26, 2017	All first round data responses provided by ACE.
April 2017	Pre-Hearing Conference with Administrative Law Judge.
May 10, 2017	All second round discovery requests propounded on the Company.
May 25, 2017	All second round discovery responses provided by ACE.
June TBD, 2017	Two public comment hearings in the service territory (at 3:30 PM and 5:30 PM), preferably at Mays Landing.
June 1, 2017	Discovery conference/Settlement discussions.
June 19, 2017	Rate Counsel/Intervenor Direct Testimony is due.
June 23, 2017	Discovery propounded on Rate Counsel/Intervenor Direct Testimony.
July 11, 2017	Rate Counsel/Intervenor responses to discovery requests are due.
July 19, 2017	Rebuttal Testimony filed by parties as appropriate.
July 26, 2017	Discovery requests propounded on Rebuttal Testimony.
August 8, 2017	12 +0 Test year update filed.
August 9, 2017	Responses to discovery requests on Rebuttal Testimony.
August 14-24, 2017	Six days of evidentiary hearings.
September 8, 2017	Initial Briefs due.
September 28, 2017	Reply Briefs due.
November 14, 2017	Initial Decision.
November 30, 2017	ACE files notice to implement interim rates in 30 days.
December 29, 2017	45 days from date of Initial Decision.
December 30, 2017	Interim rates effective if no final decision has been issued by the Board.
January 2018	BPU final decision and order issued.

Interim Rates

15. The Petitioner hereby notifies the Board that it intends to implement the full amount of its proposed rates for service rendered on and after December 30, 2017, on an interim basis subject to refund, if the Board has suspended the effective date of new rates pursuant to *N.J.S.A. 48:2-21*, but has not finally determined a just and reasonable tariff schedule prior to that date. Consistent with the guidance set out by the New Jersey Supreme Court in *In re Revision of Rates of Toms River Water Co.*, 82 N.J. 201 (1980), ACE is entitled to implement the full

amount of its proposed rates upon the expiration of the full eight month statutory suspension period in the absence of a Board decision on the Company's proposed rates.¹⁵ Therefore, on or before November 30, 2017, ACE will provide 30 days advance written notice to the Board of its intention to implement the full amount of its proposed rates on an interim basis. ACE will also provide 20 days advance notice to customers and those individuals and entities specified in *N.J.A.C. 14:1-5.12(b)*,¹⁶ and in the same form as required in *N.J.A.C. 14:1-5.12(b)*.¹⁷

16. The Petitioner appreciates that the Board requires time and an orderly process to conduct a comprehensive review of this Petition. The Company will fully cooperate with the parties to efficiently process the case to facilitate that review, while also adhering to the Legislature's direction that a rate case conclude in a total of nine months. Indeed, ACE has identified approximately 100 data requests routinely propounded in prior cases, and will provide the information sought in those data requests within 20 days after this Petition is filed – without being asked for it. The Company's proactive approach is intended to help the parties move this matter along expeditiously. However, as noted above, should the Board not have reached a final decision in this matter by the end of the eight-month suspension period, then ACE will implement the full amount of its proposed rates on December 30, 2017, on an interim basis subject to interest and refund. ACE's right to take this step is clear and unequivocal:

¹⁵ See *In re Revision of Rates of Toms River Water Co.*, 82 N.J. 201, 211 (1980) (holding that, "at the end of the suspension period, in the absence of a stipulated extension or waiver, the utility's proposed rates may immediately become effective subject to conditions, such as refund, dependent upon the Board's final determination").

¹⁶ Consistent with *N.J.A.C. 14:1-5.12(b)*, in addition to customers, notice will be provided to the clerk of each municipality in ACE's service territory, the clerk of the Board of Chosen Freeholders of each affected county within the service territory, the executive director of each affected county (where such a position exists), the Department of Law and Public Safety, and the Division of Rate Counsel.

¹⁷ While this Petition is pending, should the Board wish to negotiate with the Company pursuant to *N.J.S.A. 48:2-21.1* to establish alternative interim rates that are lower than the full amount of the Company's proposed rates, ACE would welcome such discussions.

This practice of allowing automatic implementation of proposed rate increases upon advance notice protects the interests of both the utility and the public. The utility is guaranteed that its request for more income, to the extent it is fair and reasonable, will be effectively granted at the end of the eight-month suspension period. Its customers will only be charged with an increase that is just and reasonable; any excess must ultimately be refunded by the utility after a final Board order. . . . The orderly processes of rate-making are necessarily present and prospective if rate-making is to be effective.¹⁸

While this remedy is not a new mechanism, it is rarely invoked by New Jersey utilities. Nonetheless, it is an available tool that will help ACE to recover its costs in a timely manner, and the Company will utilize it to the fullest extent possible.

Supporting Testimony and Filing Requirements

17. The proposed increased revenue requirement and proposed rates described in this Petition are supported by the Direct Testimony and supporting schedules of the following witnesses for the Company, each of which is attached hereto and made a part hereof:

- Kevin M. McGowan....Policy and Case Overview, Capital Structure,
Proposed Rate of Return, System Renewal
Recovery Charge, and the Exelon Merger
- Michael J. Sullivan.....Capital Investments, Reliability Improvement Plan,
and System Renewal Recovery Charge
- Robert B. Hevert.Capital Structure and Cost of Equity
- Jay C. ZiminskyRevenue Requirement, Test Year Selection,
Consolidated Tax Adjustment Calculation, and
Proposed Ratemaking Adjustments
- Kristin M. McEvoyProposed Ratemaking Adjustments
- Joshua L. Masters.....Accounting and Service Company Matters

¹⁸ See *In re Revision of Rates of Toms River Water Company*, 82 N.J. 201, 213 (1980) (internal citations omitted).

Development Riders, and Tariff Adjustments

18. As required by *N.J.A.C. 14:1-5.12(a)*, the following Exhibits are attached to this Petition:

Exhibit A: a revised Tariff;

Exhibit B: a proposed Public Notice;

Exhibit C: Comparative Balance Sheets for the most recent three year period and Balance Sheet for December 31, 2016;

Exhibit D: Comparative Income Statements for the most recent three year period;

Exhibit E: Statement of Revenue derived for the 12 months ending December 31, 2016, from the rates that are the subject matter of this Petition;

Exhibit F: Pro Forma Rate Base/Income Statement for the partially projected 12 month period ending December 31, 2016. **Exhibit F** also provides a listing of all adjustments thereon, as well as a calculation showing the indicated rate of return on average net investment under present and proposed rates; and

Exhibit G: a Schedule of Payments or Accruals to Affiliated Companies.

19. Notice of this filing, including a statement of the overall impact thereof on customers of the Company, and Petitioner's intention to implement proposed rates on an interim basis subject to refund at the conclusion of any Board-ordered suspension period(s), will be combined with notice of the date(s), times, and place(s) of the public hearings to be scheduled thereon, and will appear in newspapers published and/or in general circulation in Petitioner's service area, after the date(s), times, and place(s) of such public hearings have been scheduled by the Board or the Office of Administrative Law. Said notice will also be served by mail upon the municipal clerks, the clerks of the Boards of Chosen Freeholders and, where appropriate, upon

the Executive Officers of all counties located within the Company's service territory.¹⁹ Such notice will be duly mailed following the scheduling of the date(s), times, and place(s) of the hearings and will be substantially in the form of the notice attached hereto as **Exhibit B**. Information regarding this filing will also be posted on the Company's website and included on customer bills as required by *In the Matter of Additional Methods to Inform the Public Concerning Utility Filings*, BPU Docket No. AO13030252 (Order Dated October 16, 2013).

20. During the course of this proceeding, ACE will submit any confidential, proprietary or competitively sensitive information not covered by privilege once a mutually agreed-upon Agreement of Non-Disclosure (herein, the NDA) has been executed by and among the Company, Board Staff, the Division of Rate Counsel and its and/or their consultants, and any permitted intervenors. A form of NDA that is consistent in form and substance with NDAs used in prior base rate cases filed by ACE has been included as part of this filing package.

Communications

21. Communications and correspondence concerning this proceeding should be sent to the following representatives of the Company:

Philip J. Passanante, Esquire
Assistant General Counsel
Atlantic City Electric Company – 92DC42
500 North Wakefield Drive
Post Office Box 6066
Newark, Delaware 19714-6066
Telephone: 302.429.3105
E-Mail: philip.passanante@pepcoholdings.com

and

¹⁹ See *N.J.A.C. 14:1-5.12(b)* and (c).

Colleen A. Foley, Esquire
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, New Jersey 07102
Telephone: 973.286.6711
E-Mail: cfoley@saul.com

and

Roger E. Pedersen
Manager, Regulatory Affairs - ACE
Atlantic City Electric Company – 63ML38
5100 Harding Highway
Mays Landing, New Jersey 08330
Telephone: 609.625.5820
E-Mail: roger.pedersen@pepcoholdings.com

Conclusion

WHEREFORE, the Petitioner, **ATLANTIC CITY ELECTRIC COMPANY**, respectfully requests that the Board make the following determinations:

A. that the Company's present rates and charges for electric service, as set forth in its present tariff, are inadequate to recover the operating expenses and capital costs of the Company and are below the level of just and reasonable rates;

B. that the increased rates and charges for electric service that would result from the proposed amendments to the Company's tariff are just and reasonable, in the public interest, and shall be approved for service rendered on and after April 30, 2017, but in no event later than December 30, 2017 (the end of the anticipated Board ordered suspension period[s]);

C. that the proposed amendments to the Petitioner's tariff for electric service are necessary to provide operating revenues sufficient to meet the Company's operating expenses and cost of capital;

D. that Petitioner's requested ROE of 10.10% is just and reasonable;

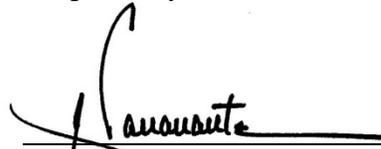
E. that the Petitioner's economic development pilot program, including Rider SCD and Rider RP, should continue as outlined in the Direct Testimony of Company Witness Tanos;

F. that the Petitioner shall be authorized to create a regulatory asset to record the costs to achieve merger synergy savings and to amortize those costs over a five year period as discussed in further detail in the Direct Testimony of Company Witnesses McGowan and Ziminsky;

G. that Petitioner shall be authorized to implement a System Renewal Recovery Charge as described in the Direct Testimony of Company Witnesses McGowan, Sullivan and Tanos; and

H. that Petitioner shall have such other and further relief as the Board may determine to be reasonable and appropriate.

Respectfully submitted,



PHILIP J. PASSANANTE
An Attorney at Law of the
State of New Jersey
Assistant General Counsel
Atlantic City Electric Company – 92DC42
500 North Wakefield Drive
Post Office Box 6066
Newark, Delaware 19714-6066
302.429.3105 – Telephone
302.429.3801 – Facsimile
philip.passanante@pepcoholdings.com

Dated: March 30, 2017

IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF AMENDMENTS TO
ITS TARIFF TO PROVIDE FOR AN
INCREASE IN RATES AND CHARGES
FOR ELECTRIC SERVICE PURSUANT
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-
21.1, AND FOR OTHER APPROPRIATE
RELIEF (2017)

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

AFFIDAVIT OF VERIFICATION

KEVIN M. McGOWAN, of full age, being duly sworn according to law, on his oath deposes and says:

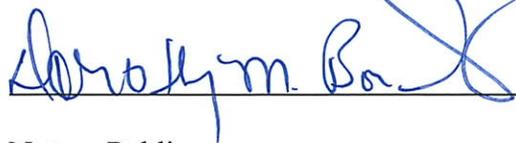
1. I am the Vice President of Regulatory Policy and Strategy of Atlantic City Electric Company (ACE), the Petitioner named in the foregoing Verified Petition. I am duly authorized to make this Affidavit of Verification on ACE's behalf.

2. I have read the contents of the foregoing Verified Petition. I verify that the statements of fact and other information contained therein are true and correct to the best of my knowledge, information, and belief.



KEVIN M. McGOWAN

SWORN TO AND SUBSCRIBED before me this 27th day of March, 2017.



Notary Public
My Commission Expires:

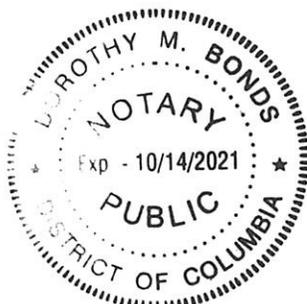


Exhibit A

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Connectiv Power Delivery~~

BPU NJ No. 11 ELECTRIC SERVICE

~~Original~~ Title Sheet

ATLANTIC CITY ELECTRIC COMPANY

TARIFF FOR ELECTRIC SERVICE

- SECTION I GENERAL INFORMATION AND TERRITORY SERVED
- SECTION II - STANDARD TERMS AND CONDITIONS
- SECTION III - RATE SCHEDULE RUE - RESIDENTIAL
 UNDERGROUND EXTENSIONS AND CLE -
 CONTRIBUTED LIGHTING EXTENSIONS
- SECTION IV - SERVICE CLASSIFICATIONS AND RIDERS

ATLANTIC CITY ELECTRIC COMPANY

~~D/B/A~~

~~CONNECTIV POWER DELIVERY~~

~~General Offices~~

~~800 King Street~~

~~Wilmington, DE 19899~~

~~Regional Headquarters~~

~~5100 Harding Highway~~

~~Mays Landing, New Jersey 08330-2239~~

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~

~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as
presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Connectiv Power Delivery~~

BPU NJ No. 11 ELECTRIC SERVICE

~~Original~~ Title Sheet SECTION I

ATLANTIC CITY ELECTRIC COMPANY

TARIFF FOR ELECTRIC SERVICE

SECTION I

GENERAL INFORMATION AND TERRITORY SERVED

ATLANTIC CITY ELECTRIC COMPANY

~~D/B/A~~

~~CONNECTIV POWER DELIVERY~~

~~General Offices~~

~~800 King Street~~

~~Wilmington, DE 19899~~

~~Regional Headquarters~~

~~5100 Harding Highway~~

~~Mays Landing, NJ 08330-2239~~

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

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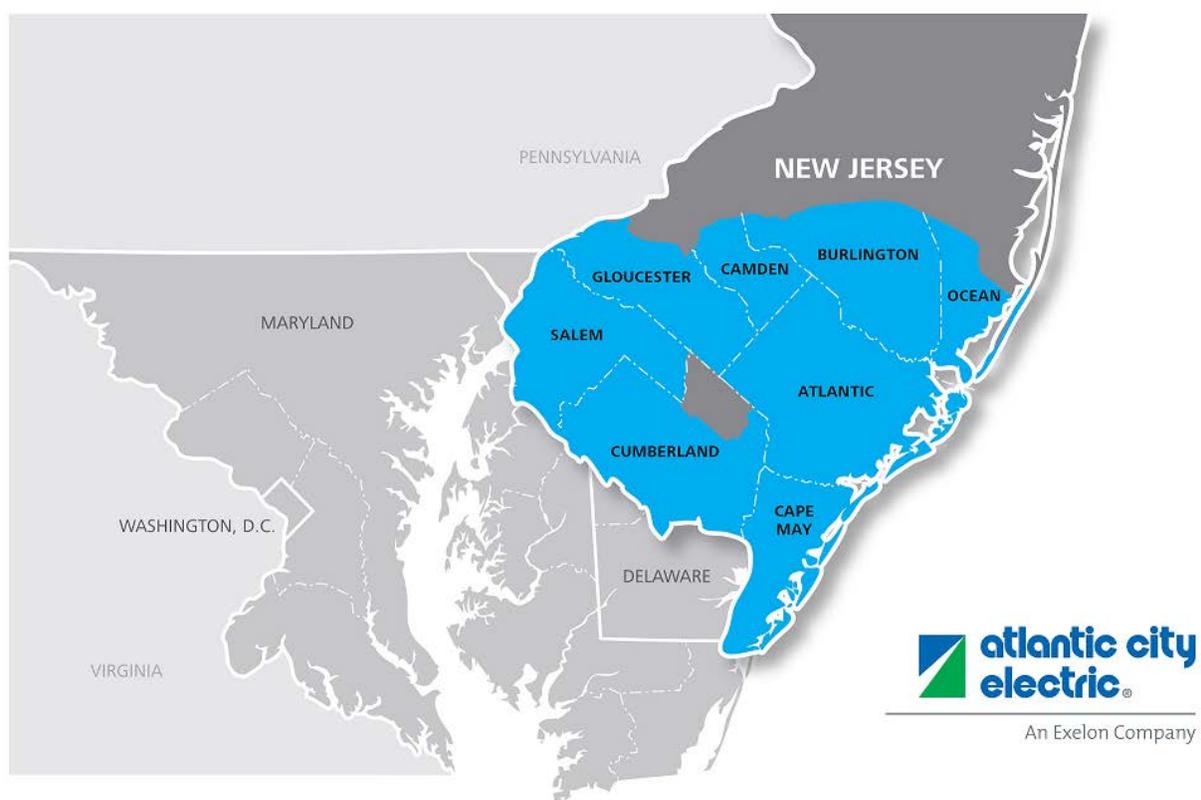
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as
presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 2

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

**TERRITORY SERVED BY
ATLANTIC CITY ELECTRIC COMPANY**



Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

**Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~**

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 3

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

RESERVED FOR FUTURE USE

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as
presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 4

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

**LIST OF MUNICIPALITIES
SERVED BY
ATLANTIC CITY ELECTRIC COMPANY**

ATLANTIC COUNTY

Absecon, Atlantic City, Brigantine, Buena Boro, Buena Vista Township, Corbin City, Egg Harbor City, Egg Harbor Township, Estell Manor, Folsom Boro, Galloway Township, Hamilton Township, Hammonton, Linwood, Longport Boro, Margate City, Mullica Township, Northfield, Pleasantville, Port Republic, Somers Point, Ventnor City, Weymouth Township

BURLINGTON COUNTY

Bass River Township, Evesham Township*, Medford Township, Shamong Township, Southhampton Township*, Tabernacle Township, Washington Township, Woodland Township*.

CAMDEN COUNTY

Berlin Boro, Berlin Township, Chesilhurst Boro, Clementon Boro, Gibbsboro Boro, Gloucester Township*, Hi Nella Boro*, Laurel Springs Boro, Lindenwold Boro, Pine Hill Boro, Pine Valley Boro, Somerdale Boro*, Stratford, Voorhees Township*, Waterford Township, Winslow Township.

CAPE MAY COUNTY

Avalon Boro, Cape May, Cape May Point Boro, Dennis Township, Lower Township, Middle Township, North Wildwood, Ocean City, Sea Isle City, Stone Harbor Boro, Upper Township, West Cape May Boro, West Wildwood Boro, Wildwood, Wildwood Crest Boro, Woodbine Boro.

CUMBERLAND COUNTY

Bridgeton, Commercial Township, Deerfield Township, Downe Township, Fairfield Township, Greenwich Township, Hopewell Township, Lawrence Township, Maurice River Township, Millville, Shiloh Boro, Stow Creek Township, Upper Deerfield Township, Vineland*.

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

**Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~**

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 5

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

GLOUCESTER COUNTY

Clayton Boro, Deptford Township*, East Greenwich Township, Elk Township, Franklin Township, Glassboro Boro, Greenwich Township, Harrison Township, Logan Township, Mantua Township, Monroe Township, Newfield Boro, Paulsboro Boro, Pitman Boro, South Harrison Township, Swedesboro Boro, Washington Township, Wenonah Boro, West Deptford Township*, Woolwich Township.

OCEAN COUNTY

Barnegat Light Boro, Barnegat Township*, Beach Haven Boro, Eagleswood Township, Harvey Cedars Boro, Lacey Township*, Little Egg Harbor Township, Long Beach Township, Ocean Township*, Ship Bottom Boro, Stafford Township, Surf City Boro, Tuckerton Boro

SALEM COUNTY

Alloway Township, Carney's Point Township, Elmer Boro, Elsinboro Township, Lower Alloways Creek Township, Mannington Township, Oldmans Township, Penns Grove Boro, Pennsville Township, Pilesgrove Township, Pittsgrove Township, Quinton Township, Salem, Upper Pittsgrove Township, Woodstown Boro.

*** Served in Part**

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 6

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

RESERVED FOR FUTURE USE

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as
presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 7

BPU NJ No. 11 ELECTRIC SERVICE - SECTION I

RESERVED FOR FUTURE USE

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 ELECTRIC SERVICE ——— ~~First~~ Revised Title Sheet Replaces ~~Original~~
~~SECTION III~~ Title Sheet ~~SECTION III~~

ATLANTIC CITY ELECTRIC COMPANY

TARIFF FOR ELECTRIC SERVICE

SECTION III - RATE SCHEDULE RUE - RESIDENTIAL UNDERGROUND EXTENSIONS
AND CLE - CONTRIBUTED LIGHTING EXTENSIONS

ATLANTIC CITY ELECTRIC COMPANY
~~General Offices~~

~~500 N. Wakefield Drive
Newark, DE 19702~~

Regional Headquarters

5100 Harding Highway
Mays Landing, New Jersey 08330-2239

Date of Issue: ~~October 26, 2012~~ ——— Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in~~
~~Docket No. ER11080469~~

ATLANTIC CITY ELECTRIC COMPANY

**First Revised Sheet Replaces
Original Sheet No. 2**

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

**RATE SCHEDULE RUE
(Residential Underground Extensions)**

AVAILABILITY OF SERVICE

Available to new residential buildings and mobile homes within an approved subdivision to having 3 or more building lots and to new multiple occupancy buildings in accord with the provisions of Subchapter 4 of Regulations of the Board of Public Utilities.

RATE

All charges under the RUE tariff do not include cost and federal income tax liability pursuant to the Tax Reform Act of 1986. For each building lot being served, the applicant shall pay the utility the amount determined from the following table: plus all applicable taxes.

For non-typical situations, including service to multiple family buildings and other situations as detailed below, such charges shall be equal to estimated cost of the underground construction less the total estimated costs of the otherwise applicable overhead construction as set forth in Section II plus applicable taxes.

Such cost estimates shall be based on the allowances for the unit costs as detailed in Section II and shall be based on the necessary construction to supply the same loads and locations utilizing Atlantic City Electric's standard offerings and conditions.

Type of Building	Charge Per Lot
Single Family \$3.21 <u>2.73</u> /Front Foot	\$588.07 <u>500.23</u> Plus
Duplex-family, mobile home, & multiple occupancy buildings, three-phase, high capacity extensions, lots requiring primary extensions thereon, transformer capacity above 8.5 KVA per dwelling unit & other special conditions.	Differential in charges for equivalent underground & overhead construction based on unit charges set forth below.

SPECIAL TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

The supply of electricity to the applicant shall be in accordance with the provisions of the rate schedule chosen by the applicant as applicable to this service.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

**Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(e))~~**

ATLANTIC CITY ELECTRIC COMPANY

**First Revised Sheet Replaces
Original Sheet No. 3**

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

**RATE SCHEDULE RUE (Continued)
(Residential Underground Extensions)**

ADDITIONAL CHARGES

Primary Termination - Branch (1/0 A1).....	\$	<u>869.10739.28</u>
Primary Termination - Branch (4/0 A1).....	\$	<u>1,083.53 921.68</u>
Primary Junction Enclosure w/Cable Taps		
Three Phase.....	\$	<u>3,754.56193.74</u>
Single Phase.....	\$	<u>2,467.22098.69</u>
Service Length in Excess of 50 feet		
100 and 150 AMP	\$	<u>2.031.73/Trench</u>
Foot		
200 AMP	\$	<u>1.030.88/Trench</u>
Foot		
300 AMP	\$	<u>2.8139/Trench Foot</u>
Additional Street Lights where spacing is less than 200'		
30' Laminated Standard	\$	<u>608.57517.67</u>
Multi-phase Constructions.....	\$	
<u>2.021.72/Foot/Phase</u>		
Pavement cutting and restoration, rock)	At actual cost plus FIT
removal, blasting, difficult digging)	with option of applicant
and special backfill)	as set for by NJAC
)	14:5-4.1 et seq.

CHARGES FOR SINGLE PHASE UNDERGROUND CONSTRUCTION

Trenching - Total Charge.....	\$	<u>3.8124/Foot</u>
For calculating differential charge	\$	<u>2.211.88/Foot</u>
Primary Cable (1/0 A1).....	\$	<u>2.4912/Foot</u>
Primary Cable (4/0 A1).....	\$	<u>4.313.67/Foot</u>
Secondary Cable		
4/0 Triplex (A1).....	\$	<u>4.023.42/Foot</u>
350 KCMIL Triplex (A1).....	\$	<u>6.235.30/Foot</u>
Service		
150 AMP (1/0 A1).....	\$	<u>3.362.86/Foot</u>
Complete.....	\$	<u>500.65425.87</u>
200 AMP (4/0 A1).....	\$	<u>4.023.42/Foot</u>
Complete.....	\$	<u>541.09460.27</u>
300 AMP (350 KCMIL A1).....	\$	<u>6.235.30/Foot</u>
Complete.....	\$	<u>686.86584.26</u>
Service Riser		
2"	\$	<u>177.40150.90</u>
3"	\$	<u>199.03169.30</u>

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

**Issued by: ~~David M. Velazquez, President & CEO - Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket~~
~~No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~**

ATLANTIC CITY ELECTRIC COMPANY

**First Revised Sheet Replaces
Original Sheet No. 4**

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

**RATE SCHEDULE RUE (Continued)
(Residential Underground Extensions)**

CHARGES FOR SINGLE PHASE UNDERGROUND CONSTRUCTION (Continued)

Primary Termination - Branch (1/0 A1)	\$ <u>869.10739.28</u>
Primary Termination - Branch (4/0 A1)	\$ <u>1,083.53 921.68</u>
Primary Junction enclosure w/Cable Taps	\$ <u>2,467.22098.69</u>
Secondary Enclosure.....	\$ <u>230.22195.83</u>
2" PVC Conduit	\$ <u>1.080.92</u> /Foot
4" PVC Conduit	\$ <u>2.4811</u> /Foot
Street Light Cable	\$ <u>1.2809</u> /Foot
Transformers - Including Pad	
25 KVA.....	\$ <u>2,398.54040.27</u>
37.5 KVA.....	\$ <u>2,511.87136.67</u>
50 KVA.....	\$ <u>2,748.35337.83</u>
75 KVA.....	\$ <u>3,079.162,619.22</u>
100 KVA.....	\$ <u>3,508.182,984.16</u>
167 KVA.....	\$ <u>4,227.213,595.79</u>
Special Street Light Poles	
30' Laminated	\$ <u>608.57517.67</u>
Street Light Luminaire (50 watt HPS).....	\$ <u>341290.41</u>

CHARGES FOR THREE PHASE UNDERGROUND CONSTRUCTION

Primary Cable	
750 KCMIL A1	\$ <u>36.4731.02</u> /Foot
Secondary Cable	
500 KCMIL Cu.....	\$ <u>147.80125.72</u> /Foot
Service	
500 KCMIL Cu.....	\$ <u>147.80125.72</u> /Foot
Complete.....	\$ <u>2,323.241,976.22</u>
Primary Termination.....	\$ <u>8,520.807,248.04</u>
Primary Switch and Junction 2-600 AMP and 2-200 AMP terminals	\$ <u>25,037.0621,297.26</u>
Primary Switch and Junction 3-600 AMP and 1-200 AMP terminals (oil).....	\$ <u>29,309.4924,931.52</u>
Primary Switch and Junction 3-600 AMP and 1-200 AMP terminals (vac).....	\$ <u>35,963.6030,391.70</u>
5" PVC Conduit	\$ <u>5.434.62</u> /Foot
Transformers - Including Pad	
75 KVA.....	\$ <u>7,705.146,554.22</u>
150 KVA.....	\$ <u>7,740.686,584.45</u>
300 KVA.....	\$ <u>9,468.538,054.21</u>
500 KVA.....	\$ <u>12,711.2310,812.55</u>

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

**Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket~~
~~No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(e))~~**

ATLANTIC CITY ELECTRIC COMPANY

**First Revised Sheet Replaces
Original Sheet No. 5**

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

**RATE SCHEDULE RUE (Continued)
(Residential Underground Extensions)**

CHARGES FOR SINGLE AND THREE PHASE OVERHEAD CONSTRUCTION

Pole Line - Total Charge.....	\$ <u>7,436.32</u> /Foot
For calculating differential charge	\$ <u>3,172.70</u> /Foot
Primary Wire	
#2 AAAC (Single Phase)	\$ <u>0.8068</u> /Foot
477 KCMIL A1 (Three Phase).....	\$ <u>7,246.16</u> /Foot
Primary Wire Neutral	
#2 AAAC.....	\$ <u>0.3530</u> /Foot
#4/0 AAAC.....	\$ <u>1.5935</u> /Foot
Secondary Wire	
3-Wire (4/0 AAAC)	\$ <u>5,474.65</u> /Foot
4-Wire (4/0 AAAC)	\$ <u>65.72</u> /Foot

Service - Single Phase	
150 AMP (#2 A1).....	\$ <u>3,540.1</u> /Foot
Complete.....	\$ <u>267,302.37</u>
200 AMP (#2/0 A1).....	\$ <u>5,204.42</u> /Foot
Complete.....	\$ <u>389,373.21</u>
300 AMP (#4/0 A1).....	\$ <u>5,634.79</u> /Foot
Complete.....	\$ <u>688,145.35</u>

Service - Three Phase	
Up to 200 AMP	
4-Wire (1/0 A1)	\$ <u>473,124.45</u>
4-Wire (4/0 A1)	\$ <u>477,584.24</u>

Over 200 AMP	
4-Wire (500 KCMIL Cu)	\$ <u>1,552,173.32</u>

Transformers	
Single Phase	
15 KVA.....	\$ <u>817,256.17</u>
25 KVA.....	\$ <u>958.16</u>
37.5 KVA.....	\$ <u>1,199,020.92</u>
50 KVA.....	\$ <u>1,386,501.79</u>
75 KVA.....	\$ <u>1,932,896.44</u>
100 KVA.....	\$ <u>2,630,042.19</u>
167 KVA.....	\$ <u>3,674,091.29</u>

815.04

Date of Issue: ~~December 21, 2015~~

Effective Date: December 21, 2015

Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~

Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))

ATLANTIC CITY ELECTRIC COMPANY

First Revised Sheet Replaces
Original Sheet No. 6

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

**RATE SCHEDULE RUE (Continued)
(Residential Underground Extensions)**

**CHARGES FOR SINGLE AND THREE PHASE OVERHEAD CONSTRUCTION
(Continued)**

Transformers

Three Phase

25 KVA.....	\$ 3,566.50 <u>33.77</u>
37.5 KVA.....	\$ 4,205.02 <u>3,576.91</u>
50 KVA.....	\$ 4,712.37 <u>008.48</u>
75 KVA.....	\$ 5,872.93 <u>4,995.69</u>
100 KVA.....	\$ 9,140.01 <u>7,774.76</u>
167 KVA.....	\$ 11,103.59 <u>9,445.04</u>

Street Light Luminaire (50 watt HPS) \$ ~~236.39~~201.08

Date of Issue: ~~December 21, 2015-~~

Effective Date: ~~December 21, 2015~~

**Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket~~
~~No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(e))~~**

ATLANTIC CITY ELECTRIC COMPANY

**BPU NJ No. 11 Electric Service – Section III
Sheet No. 7**

First Revised Sheet Replaces Original

**RATE SCHEDULE CLE
(Contributed Lighting Extension)**

AVAILABILITY OF SERVICE

Required for new or additional lighting fixtures contracted for under Rate Schedule CSL.

RATE

All charges under the CLE tariff are subject to federal income tax liability pursuant to the Tax Reform Act of 1986 and the Revenue Reconciliation Act of 1993. For each fixture the customer shall pay the Company the amount determined from the following table plus any applicable tax gross up.

New HPS lighting fixture & bracket (4' or 8')

(installed on existing pole/prepaid facilities):

Standard		
Up to and including	150 watt	\$319.53
Over	150 watt	\$441.33
Shoe Box	All	\$751.01
Post Top	All	\$545.88
Flood/Profile Light		
	Standard HPS	\$635.00
	Standard Metal Halide	\$546.69

Induction

Cobra Head	40 Watt	\$ 574.61
Cobra Head	80 Watt	\$ 618.30
Cobra Head	150 Watt	\$ 642.18
Cobra Head	200 Watt	\$ 749.65

Date of Issue: ~~October 26, 2012~~ Effective Date: ~~November 1, 2012~~

**Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in~~
~~Docket No. ER11080469~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III ~~First Revised Sheet Replaces Original No. 7a~~

**RATE SCHEDULE CLE (Continued)
(Contributed Lighting Extension)**

Light Emitting Diode

Cobra Head	50 W	\$ 626.73
	70 W	\$ 616.87
	100 W	\$ 629.19
	150 W	\$ 762.70
	250 W	\$ 931.59
Tear Drop Decorative	100 W	\$ 1,389.45
	150 W	\$ 1,677.85
Decorative Post Top	150 W	\$ 1,429.21
Colonial Style Post Top	70 W	\$ 1,064.27
	100 W	\$ 1,066.51
Shoe Box	100 W	\$ 805.55
	150 W	\$ 872.01
	250 W	\$ 1,076.22

*Plus \$73.88 if existing incandescent HID fixture is removed.

*Plus \$57.03 if existing mercury vapor HID fixture is removed.

*Less \$25.14 (bracket credit) if existing HID fixture is removed but existing bracket is reused.

Plus additional charges for:

14 Ft. Bracket	\$145.47
24 Ft. Ornamental standard (single bracket)	\$2,385.98
24 Ft. Ornamental standard (double bracket)	\$3,302.20
25 Ft. Bracket	\$1,140.68
26 Ft. Tangent ornamental standard (single bracket)	\$2,989.51
26 Ft. Tangent ornamental standard (double bracket)	\$3,709.66
26 Ft. Corner ornamental standard	\$2,975.48
25 Ft. Square aluminum ornamental standard	\$3,001.55

*These items are considered a reimbursement of capital without any tax liability associated with the Tax Reform Act of 1986 and the Revenue Reconciliation Act of 1993.

Date of Issue: June 28, 2013 ~~Effective Date: July 1, 2013~~

Issued by: David M. Velazquez, President – Atlantic City Electric Company Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ER12121071

ATLANTIC CITY ELECTRIC COMPANY

**BPU NJ No. 11 Electric Service – Section III
Sheet No. 8**

–First Revised Sheet Replaces Original

**RATE SCHEDULE CLE (Continued)
(Contributed Lighting Extension)**

SPECIAL TERMS AND CONDITIONS

All equipment covered by this schedule will remain the ~~company's~~Company's property unless, under special situation where ownership of the above equipment is advantageous to the state or local governmental entity involved, special contractual arrangements can be made.

Capital costs for specialty lighting applications will be provided upon request.

The "new charge per fixture" applies to all areas. In RUE areas, additional charges are collected under the RUE tariff.

Repavement of concrete broken for installation will be at actual cost or accomplished by the customer.

See Section II inclusive for Terms and Conditions of Service

Date of Issue: ~~October 26, 2012~~ Effective Date: ~~November 1, 2012~~

**Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in
Docket No. ER11080469**

ATLANTIC CITY ELECTRIC COMPANY

Original Sheet No. 9

BPU NJ No. 11 ELECTRIC SERVICE - SECTION III

RESERVED FOR FUTURE USE

Date of Issue: ~~July 22, 1999~~ Effective Date: ~~August 1, 1999~~

**Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~**

**~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as
presented in Docket Nos. EO97070455, EO97070456, EO97070457~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 ELECTRIC SERVICE ~~First~~ Revised Title Sheet Replaces ~~Original~~ Title Sheet SECTION II

ATLANTIC CITY ELECTRIC COMPANY

TARIFF FOR ELECTRIC SERVICE

SECTION II - STANDARD TERMS AND CONDITIONS

ATLANTIC CITY ELECTRIC COMPANY
~~General Offices~~

~~500 N. Wakefield Drive
Newark, DE 19702~~

Regional Headquarters

5100 Harding Highway
Mays Landing, New Jersey 08330-2239

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ NO. 11 Electric Service - Section II

~~First~~ Revised Sheet Replaces ~~Original~~ Sheet No. 5

TERMS AND CONDITIONS OF SERVICE

1. GENERAL INFORMATION

1.1 Filing:

This tariff, comprising service rules, regulations and rate schedules governing supply of electric service within the service area of the Atlantic City Electric Company, referred to herein sometimes as “ACE” or the “Company.” is the official tariff of the Company on file with the Board of Public Utilities of the State of New Jersey, referred to herein as “Board of Public Utilities”.

1.2 Scope:

The provisions of this tariff shall apply to all persons, natural or artificial and including, but not limited to, partnerships, associations, corporations (private and public), bodies politic, governmental agencies and any other customer receiving electric service hereunder. These “Terms and Conditions” are subject to modifications embodied in “Special Terms and Conditions” of the particular rate schedule under which such customers may be served.

1.3 Revisions:

No agent, representative or employee of the Company is authorized to waive or change the provisions of this tariff, nor shall any agreement or promise to do so be binding upon the Company. Revisions may be made only in compliance with orders of the Board of Public Utilities.

1.4 Other Publications:

Publications set forth by title in these Terms and Conditions of Service are incorporated in these Terms and Conditions of Service by reference.

This tariff is subject to the lawful ordersOrders of the Board of Public Utilities ~~of the State of New Jersey~~. Complaints may be directed to: Board of Public Utilities, Division of Customer Assistance, 44 South Clinton Avenue, Trenton, NJ 08625, 609-341-9188 or 1-800-624-0241; www.nj.gov/bpu.

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ NO. 11 Electric Service - Section II

First Revised Sheet Replaces Original Sheet No. 6

TERMS AND CONDITIONS OF SERVICE

2. OBTAINING SERVICE

2.1 Application:

Application for service shall be made at nearest Company ~~business office, District Operating Center or Courtesy Center (see paragraph 6.4 for locations)~~, in person, by mail or by telephone, by facsimile transmission, and/or by electronic mail, where available. At the Company's discretion, a signed application may be required, which, when duly accepted by the Company, shall constitute evidence of the agreement between the Company and the customer. -A copy of the application will be furnished to the customer upon request.

District Operating Centers

<u>Cape May Courthouse Operations</u>	<u>420 Rt. 9 North Cape May Courthouse NJ 08210</u>
<u>Pleasantville Operations</u>	<u>2542 Fire Rd. Egg Harbor Twp. NJ 08234</u>
<u>Glassboro Operations</u>	<u>428 Ellis St. Glassboro NJ 08028</u>
<u>Winslow Operations</u>	<u>295 Grove St. Berlin NJ 08009</u>

All customers shall be given a copy of the "Customer Bill of Rights" approved by the Board of Public Utilities, effective at the time of service initiation. The copy shall be presented no later than at the time of the issuance of the customer's first bill or 30 days after the initiation of service, whichever is later.

2.2 Choice of Schedule:

A copy of the Schedules and "Terms and Conditions" under which service is to be rendered to the customer will be ~~furnished~~provided upon application ~~at the Company's office~~, and the customer may choose the appropriate rate schedule applicable to his service, upon which his application shall be based. ~~He~~The customer may not change from one schedule to another except by mutual agreement. If customer so desires, the choice of schedule may be discussed with ~~a~~ designated Company ~~representatives~~representative, who will assist in explaining the ~~advantages~~Terms and Conditions of each applicable schedule. On request, a representative will also explain the Company's method and scheduling of reading meters.

2.3 Deposits:

A deposit may be required of ~~the~~ customer before service will be supplied. Such deposit shall be two (2) times the estimated average bill of the customer for a billing period based upon the average monthly charge over an estimated 12 month service ~~period increased by one month average bill~~. Customers in default in the payment of bills shall be required to furnish a deposit or increase their existing deposit in an amount sufficient to secure the payment of future bills. The Company will pay interest on deposits ~~so made at not less than such rate as may be required by the New Jersey Board of Public Utilities for residential accounts at least once during each 12-month period in which a deposit is held in accordance with N.J.A.C. 14:3-3.5(d)~~. The Company will furnish a receipt to each customer who has made a deposit. If a customer who has made a deposit fails to pay a bill, the Company may apply such deposit insofar as is necessary to liquidate the bill, and may require that the deposit be restored to its original amount. The Company shall review a residential customer's account at least once every year, and a non-residential customer's account at least once every two years and if such review indicates that the customer has established credit satisfactory to the utility, then the outstanding deposit shall be returned to the customer.

Upon refunding a deposit or paying a customer interest on a deposit, the ~~company~~Company shall offer the customer the option of a credit to the customer's account or a separate check.

Upon closing an account, the ~~company~~Company shall refund to the customer the balance of any deposit remaining after the closing bill for service has been settled, including any applicable interest required.

Date of Issue: ~~October 26, 2012~~ **Effective Date:** ~~November 1, 2012~~
Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469

TERMS AND CONDITIONS OF SERVICE

2. OBTAINING SERVICE

Eliminated effective December 21, 2015.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO – Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

2. OBTAINING SERVICE (Continued)

2.4 Extension of Service - General

A. Definitions

Applicant for service, developer, or customer: ~~for~~**For** purposes of this Section of the tariff, an applicant for service, a developer, and a customer are treated synonymously and in conformance with how those terms are applied in N.J.A.C. Subchapter 14:3-8 et seq.

Cost: means, with respect to the cost of construction of an extension, actual and/or site-specific unitized expenses incurred for materials and labor (including both internal and external labor) employed in the actual design, construction, and/or installation of the extension, including overhead directly attributable to the work, as well as overrides or loading factors such as those for back-up personnel for mapping and design. This term does not include expenses for clerical, supervision, dispatching or general office functions. Cost also includes the tax consequences incurred under the Tax Reform Act of 1986 and New Jersey state income tax law by the regulated entity as a result of receiving deposits or contributions.

Distribution revenue:

Total revenue, plus related Sales and Use Tax, collected by the Company from a customer, minus Basic Generation Service charges, plus Sales and Use Tax on the Basic Generation Service charges, and transmission charges derived from FERC approved Transmission Charges, plus Sales and Use Tax on the transmission charges, assessed in accordance with Section IV of the Company's tariff.

Date of Issue: ~~December 21, 2015~~

Effective Date: December ~~21, 2015~~

**Issued by: ~~David M. Velazquez, President & CEO – Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~**

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

Extension: For purposes of this section 2 of the tariff, "extension" means: the construction or installation of plant and/or facilities by a regulated entity to convey new service from existing or new plant and/or facilities to serve new development or one or more new customers, and also means the plant and/or facilities themselves. This term includes all plant and/or facilities for transmission and/or distribution, whether located overhead or underground, on a public street or right of way, or on a private property or private right of way, including the wire, poles or supports, cable, pipe, conduit or other means of conveying service from existing plant and/or facilities to each unit or structure to be served, except as excluded at paragraphs 1 through 2 below. An extension begins at the existing infrastructure and ends as follows:

1. ~~For~~ an overhead extension of electric service, the extension ends at the point where the service connects to the building, but also includes the meter;
2. ~~For~~ an underground extension of electric service, the extension ends at, and includes the meter; unless the applicant and the Company make other arrangements.

In other portions of the tariff, the term "extension" may have a narrower meaning that excludes service lines and metering.

Plant and/or facilities installed to supply the increased load of existing non-residential customers are also considered an extension where either: 1) Company facilities of the required voltage or number of phases did not previously exist, or 2) existing Company facilities are upgraded or replaced due to an applicant's new or additional electrical load being greater than 50% of the total design capacity of the pre-existing facilities.

B. General

To obtain regulated services to serve new developments or new customers, an application must be made with the Company for construction of an extension.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

As set forth more fully in N.J.A.C. 14:3-8.3, 8.4 and 8.5, the following provisions shall apply to all Extensions of Service:

- (a) Unless otherwise agreed to between the Company and an applicant, the Company shall not pay for or financially contribute to the cost of an extension, except in accordance with the provisions of Paragraph 2.5 of this Section of the tariff.
- (b) An extension shall become the property of and be maintained by the Company upon its completion unless other arrangements have been made.
- (c) The estimated cost of an extension for which the Company receives a deposit, or receives a non-refundable contribution, shall include the tax consequences incurred under the Tax Reform Act of 1986 ("TRA 1986") and New Jersey state income taxes by the regulated entity as a result of receiving deposits or contributions, and shall be calculated consistent with the provisions of N.J.A.C. 14:3-8.6(e). Similarly, any applicable deposit refunds to customers shall be grossed up for the effects of TRA 1986 and applicable New Jersey state income taxes previously paid as part of the deposit.
- (d) The Company shall construct each extension with sufficient capacity to provide safe, adequate, and proper service to customers, as determined by the Company. The cost of the extension shall be full cost based on the Company's determination of service requirements, regardless of the requirements specified by the applicant.
- (e) If the Company chooses to construct an extension or portion of an extension with additional capacity, over that which is needed to comply with Paragraph 2.4.B, pursuant to N.J.A.C. 14:3-8.5(h), the Company shall pay for, and shall not require the applicant to contribute financially to, the incremental cost of any additional capacity.
- (f) The Company may contract with an applicant for service to design, construct or maintain an extension on behalf of the applicant. However, the Company shall be paid for the cost of constructing or installing the extension, in accordance with the provisions and charges contained in Section III of the Company's tariff for residential underground extensions.
- (g) In the absence of any safety or other public interest concerns, the Company, in the case for the provision for underground service pursuant to N.J.A.C. 14:3-8.4, shall permit the applicant for service to dig the portion of the trench located on the customer's property to receive the service. In that event, the applicant for service shall be solely responsible for ensuring that the excavation is done and completed in accordance with the Company's standards. The Company shall inspect such excavations to ensure that the trench complies with the Company's standards prior to the installation of any utility lines in the trench. The Company reserves, in its sole discretion, the right to reject any excavation performed by the customer that does not meet its standards for the construction of utility trenching.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

2.5 Extension of Service to Serve a Customer Along Public or Common Rights-of-Way:**A. Single Residential Customer**

The Company facilities shall be extended or modified to serve customers along public or common rights-of-way in accordance with Subparagraph 2.4 above and applicable regulations. Where the cost of an extension or modification exceeds ten (10) times the estimated or assured annual distribution, the Company shall construct such extension, provided the customer shall deposit with the Company an amount equal to the difference between estimated actual cost of the extension required to bring service to the customer from the nearest existing infrastructure and the estimated annual distribution revenue that will be derived from the customer, multiplied by ten.

B. Multi-Unit Residential Development and Non-Residential Development.

The Company facilities shall be extended to serve customers along public or common rights-of-way in accordance with Subparagraph 2.4 above and applicable regulations. Where the cost of an extension or modification exceeds ten (10) times the estimated or assured annual distribution revenue, the Company shall construct such extension, provided the customer (or developer) shall deposit with the Company an amount equal to the cost of the extension. For purposes of calculating the amount of the deposit, the development for which service is requested shall be determined by reference to the subdivision map approved by the applicable local authorities. If a development is to be approved and constructed in phases, the applicant shall indicate which phases are to be treated as separate developments for purposes of determining the deposit. Such deposit shall remain with the Company without interest until such time as the actual annual distribution revenue from premises abutting upon such extension shall exceed the amount of distribution revenue which was used as a basis for the deposit.

Date of Issue: ~~December 21, 2015~~**Effective Date: ~~December 21, 2015~~****Issued by: ~~David M. Velazquez, President & CEO – Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~**

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

D. Special Rules and Exemptions.

Eliminated effective December 21, 2015.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO – Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

TERMS AND CONDITIONS OF SERVICE

2.6 Return of Deposits.

A. General Rule:

As provided in N.J.A.C. 14:3-8.9(d) and 8.9(h), the costs of extra work required to provide beyond standard service and the additional costs for providing underground service (including the costs of temporary overhead service) over and above the amount it would cost to serve customers overhead are non-refundable. This includes, but is not limited to, relocation of facilities, special equipment, second or more feeds for dual source arrangements, and facilities and extensions other than low voltage service connections beyond the property line. As provided in N.J.A.C. 14:3-8.4(g) the remainder of the cost of the service, that is the amount which overhead service would have cost, shall be shared between the applicant and the regulated entity in accordance with N.J.A.C. 14:3-8.5.

B. Return of Deposits to Single Residential Customer Extension:

Return of deposits for extensions for single residential customers shall be made as follows:

(a) One year after the customer begins receiving service, the Company shall calculate the distribution revenue derived from the customer's first year of service. If the year one distribution revenue is less than the estimated annual distribution revenue that was used to determine the deposit, the Company is not required to provide a refund. If the year one distribution revenue exceeds the estimated annual distribution revenue, the Company shall provide a refund to the applicant equal to the difference between the estimated and annual year one distribution revenues, multiplied by ten.

(b) Two years after the customer begins receiving service, the Company shall calculate the distribution revenue derived from the customer's second year of service. If the year two distribution revenue is less than the year one distribution revenue, the Company is not required to provide a refund. In each annual period from the date of connection, if the actual Distribution Revenue from the customer exceeds the greater of either: (1) the estimated annual Distribution Revenue used as the basis for the initial deposit computation, or (2) the highest actual Distribution Revenue from any prior year, there shall be returned to the applicant an additional amount, equal to ten times such excess. This process shall be repeated annually until the earlier of the following:

1. The Company has refunded the entire deposit to the applicant; or
2. Ten years have passed since the customer began receiving service.

(c) If, during the ten year period after a single residential customer begins receiving service, additional customers connect to the extension, the Company shall increase the initial customer's annual refund to reflect the additional revenue. In such a case, the Company shall add to the initial customer's refund an amount ten times the distribution revenue derived from the additional customers for that year.

In no event shall more than the original deposit be returned to the depositor nor shall any part of the deposit remaining after ten (10) years from the date of original deposit be returned.

C. Return of Deposits for Multi-Unit Residential or Non Residential Land Development Extensions:

Return of deposits for extensions for multi-unit or non-residential development shall be made as follows:

(a) As each customer begins receiving services, the Company entity shall refund a portion of the deposit to the applicant. For each customer, this customer startup refund shall be the estimated annual distribution revenue that will result from the customer, multiplied by ten.

(b) One year after the Company received the deposit, and each subsequent year thereafter, the Company shall provide an annual refund to the applicant. The first annual refund shall be calculated in accordance with (c) below. Subsequent annual refunds shall be calculated under (d) below.

(c) The first annual refund shall be calculated by multiplying by ten the difference between:

1. The distribution revenue from all customers that were served by the extension for the entire previous year; and

2. The estimated annual distribution revenue, upon which the original customer startup refund was based, for all customers that were served by the extension for the entire previous year. If the distribution revenue for the first year, determined under (c)1 above, was less than the estimated annual distribution revenue (upon which the original customer startup refund amount was based), the Company is not required to provide an annual refund.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

- (d) For each subsequent year, the annual refund shall be calculated as follows:
1. Sum the distribution revenue from all customers that were served by the extension for the entire previous year;
 2. Determine the sum of:
 - i. The distribution revenue that was used in calculating the most recent annual refund provided to the applicant. This is the amount determined under (d)1 above when this subparagraph was applied to determine the most recent annual refund; and
 - ii. The original estimated annual revenue for all customers that were served by the extension for the entire previous year, but whose revenues were not included in the calculation of the most recent annual refund that the regulated entity provided to the applicant;
 3. Subtract (d)2 above from (d)1 above. If (d)2 above is greater than (d)1 above, the Company is not required to provide a refund; and
 4. If (d)2 above is less than (d)1 above, multiply the difference derived under (d)3 above by ten to determine the annual refund.

In no event shall more than the original deposit be returned to the depositor nor shall any part of the deposit remaining after ten (10) years from the date of original deposit be returned.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO – Atlantic City Electric Company~~
Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: ~~November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(e))~~

TERMS AND CONDITIONS OF SERVICE**2.7 Multiple Service for Non-Residential Customers:**

When the Customer desires delivery of energy at more than one point, a separate contract may be required for each separate point of delivery. Service at each point of delivery will be billed separately under the applicable schedule.

2.8 Modification of Service at Current Location:

When it is necessary for the Company to construct, upgrade, or install facilities necessary to serve the additional requirements of existing customers and these facilities do not meet the definition of an Extension as defined in Section 2.4 A of these Standard Terms and Conditions, the following shall apply:

. The Company shall modify its facilities without charge to the customer provided the cost of such modification shall not exceed five (5) times the estimated or assured incremental annual distribution revenue received as a result of the modification. Where the cost of a modification exceeds five (5) times the estimated or assured incremental annual distribution revenue, the Company shall construct such modification, provided the customer shall make a non-refundable contribution to the Company an amount equal to the difference between the cost of such modification and five (5) times the assured or estimated incremental annual distribution revenue. The cost of such modification shall include the tax consequences incurred by the Company under the Tax Reform Act of 1986 as a result of receiving contributions.

Date of Issue: ~~December 21, 2015~~

Effective Date: ~~December 21, 2015~~

Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~
~~Filed pursuant to N.J.A.C. 14:3-8.1 et seq., Board of Public Utilities Rule Adoption, Docket No. AX12070601, Adopted: November 5, 2015, Issued: December 21, 2015 (47 N.J.R. 3133(c))~~

TERMS AND CONDITIONS OF SERVICE

2. OBTAINING SERVICE (Continued)

2.9 Initiation of Service at Original Location:

Whenever service is initiated to any customer in an original location (no previous service), a service charge will be made as specified on Rate Schedule CHG. Service shall not be connected until customer has met all requirements called for under this tariff, the Rules and Regulations and the applicable service classification.

2.10 Connection or Reconnection of Service at an Existing Location:

Whenever service is initiated to any customer in an existing location (with previous service), a service charge will be made as specified on Rate Schedule CHG. Service shall not be connected until customer has met all requirements called for under this tariff, the Rules and Regulations and the applicable service classification.

2.11 Reconnection of Service Requirements:

Company shall not reconnect service to customer's premises, where service has been disconnected by reason of any act or default of customer, until such time as customer has rectified the condition or conditions causing discontinuance of service. It shall be provided further that service shall not be reconnected until customer has met all financial requirements called for under the Rules and Regulations and the applicable service classification. A service charge under Subparagraph 2.~~410~~ above will also be assessed.

Date of Issue: ~~July 1, 2005~~ **Effective Date:** ~~March 20, 2005~~
Issued by: ~~William J. Sim, President – Atlantic City Electric Company~~
Filed pursuant to the Board of Public Utilities of the State of New Jersey as presented in Docket No. AX03120973

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

3. WIRING AND ENTRANCE STANDARDS

3.1 Inspection:

The Company shall not connect with any customer's installation until ~~that~~the customer ~~furnishes~~provides the following documentation to the Company ~~the following~~:

- A. A certificate which indicates that such installation has been properly inspected by a duly qualified person ~~and found to be, and the installation has been completed~~ in accordance with these "Terms and Conditions" as well as with the National Electrical Code. Such ~~a~~ certificate shall be obtained from a county or municipality, or person, agency or organization duly appointed by a county or municipality to make such inspections. When a county or municipality ~~has~~does not ~~provided~~provide, in accordance with applicable statutes, for the regulation and inspection of wires and appliances for utilization of electric energy, or has not appointed any person, agency or organization to make such inspection, then an inspection certificate issued by any organization authorized to perform inspections by designation and approval of the State of New Jersey shall be accepted in lieu thereof.
- B. Evidence from the customer that any air conditioning equipment installed ~~be~~to serve the building has a Seasonal Energy Efficiency Ratio equal to or in excess of 10.0 for split systems and 9.7 for single package systems. Any change in, or addition to, the original wiring and equipment of the customer shall be subject to the foregoing requirements to insure continuance of service. No liability shall attach to the Company because of any waiver of these requirements, or failure of customer to comply with these requirements.

~~Information regarding this requirement shall be furnished upon request at the Company's office.~~

~~A list of energy efficiency ratings and rating sources is available by contacting any Regional Office of the Company.~~

3.2 Minimum Entrance Requirements:

~~Construction~~All construction shall be performed in accordance with the requirements of the National Electrical Code and any applicable ~~municipal~~governmental codes. ~~Such~~The service entrance size ~~should~~shall be ~~based upon~~determined in accordance with the requirements for the load ultimately to be connected, ~~rather than on~~and not the initial load, in order to avoid ~~expensive~~subsequent additional modification of the service entrance when additional load or larger devices are connected.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

3. WIRING AND ENTRANCE STANDARDS (Continued)

3.3 Service Connections From Overhead Distribution Lines:

The Company shall designate the location of its service connection. The customer's wiring must be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto and in such manner that all wires or cables carrying unmetered energy will be in plain view from the exterior of the building. The building wiring shall include not less than eighteen (18) inches of conductors arranged so as to permit connection to the company's service conductors. The building wiring shall comply with the requirements of the National Electrical Code with respect to grounding. All connections between the customer's service equipment and the Company's service wires must be installed as recommended by the National Electrical Code. The Company shall modify or extend its facilities onto private property ~~based on current costs.~~ Any costs associated with this extension shall be based on approved costs established in the Tariff section III, approved at the time of the customer's application.

3.4 Underground Service Connections From Overhead Lines:

Customers desiring an underground service from overhead wires may obtain such at their expense, which, consistent with the Tax Reform Act of 1986 and N.J.A.C. 14:3-8.5(c) shall include the federal and state income tax consequences of such extension to the Company. In the case of new installations, ~~they~~ a customer shall be entitled to a credit equal to the cost of overhead service which the Company otherwise would have installed at no additional cost to the customer.

3.5 Service Connections in Urban Underground Network Areas:

In areas designated by the Company as Urban Underground Network Areas, the ~~Customer~~ customer will install necessary ducts, cables and/or service boxes to locations designated by the Company. The Company should be consulted in advance on all installations to be served ~~from~~ in the area to be served designated by the necessary permits to open the street. It shall not be obligated to furnish service where such permit is not granted, nor where the customer refuses to reimburse the Company for any municipal charges ~~for~~ it incurs or will incur with respect to obtaining such permit.

3.6 Service Connection Other Than as Specified:

If a customer requests that energy should be delivered at a point or in a manner other than that specified by the Company, and the Company agrees thereto, a charge shall be made equal to the additional cost of such delivery. This cost would be based on the actual time, material, overheads and applicable taxes required to install any additional facilities at the customer's request.

Date of Issue: ~~July 1, 2005~~

Effective Date: ~~March 20, 2005~~

Issued by: ~~William J. Sim, President — Atlantic City Electric Company~~

~~Filed pursuant to the Board of Public Utilities of the State of New Jersey as presented in Docket No. AX03120973~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

4. USE OF ENERGY

4.1 Additional Loads:

Each customer shall inform the Company of any plan or intention ~~of adding substantially to his or her~~ make a substantial addition, including, without limitation, adding additional load greater than 50% of the existing load, to the customer's equipment or connected load, in order that the Company may assure that its facilities are adequate to serve the intended increase.

4.2 Installation and Use of Motors and Appliances:

The customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to ~~same, and to the Company or its equipment.~~ The electric power must not be used in such a manner as to cause excessive voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole judge as to the suitability of apparatus or appliances to be connected to its lines, and also as to whether the operation of such apparatus or appliances will be detrimental to its general service. Unless modified by specific agreement, single phase motors shall not exceed ~~5 hp in size.~~ 5 horse power for residential customers. Commercial customers can install up to 10 horse power with Company approval.

4.3 Characteristics of Motors and Apparatus:

All apparatus used by the customer shall be of such type as to assure the highest practicable power factor and the proper balancing of phases. The starting characteristics of all motors subject to intermittent operation or automatic control shall be in accordance with standards established by the Company. Motors shall be protected by suitable loss of phase protection where applicable. Welders and other devices with high in-rush currents or undesirable operating characteristics shall not be served except as provided in Subparagraph 9.2 and 9.5A. ~~In case of a~~ violation of this requirement may result in the customer's, service ~~may be being~~ discontinued by the Company until such time as the customer's use of the electric energy furnished hereunder ~~shall conform~~ is restored to be in conformance with these regulations/requirements. Such suspension of service by the Company shall not operate as a cancellation of any contract with the customer.

4.4 Resale of Energy:

Resale of energy will be permitted only by electric public utilities and alternate suppliers subject to the jurisdiction of the ~~New Jersey~~ Board of Public Utilities or any other duly authorized regulatory agency, and only ~~by~~ with the written consent of the Company.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

4. USE OF ENERGY (Continued)

4.5 Residential Use:

All individual residences shall be served individually under the appropriate service schedule. Three phase (3ph) service and service for motors in excess of 5 ~~hp capacity each~~ horse power shall not be allowed for residential service; ~~service.~~ Service for such loads shall be furnished under the appropriate general service schedule. ~~Customer~~ Customers shall not ~~have the privilege of taking~~ be allowed to receive service ~~after January 1, 1979~~ for two (2) or more separate residences through a single meter under any schedule, regardless of common ownership of the ~~several~~ affected residences.

4.6 Commercial Activities Within Residences:

Detached building or buildings, ~~actually~~ appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the customer's ~~residence~~ residential service wiring ~~through the residence and~~ meter. That portion of a residence which becomes regularly used for commercial or manufacturing purposes shall be served under a general service schedule. ~~Customer~~ A customer shall ~~have the privilege of separating the~~ be authorized to maintain separate wiring so that the residential portion of the premises is served through a separate meter under the appropriate schedule, and the commercial or manufacturing portion of the premises is served through a separate meter or meters under the appropriate general service schedule. In the event that the customer does not ~~exercise the privilege of separating the wiring,~~ elect to utilize this authorization, the appropriate general service schedule shall apply to all service supplied.

4.7 Other Sources of Energy:

The Company will not supply service to customers who have other sources of energy supply except under schedules which specifically provide for such service. ~~The~~ A customer shall not be permitted to operate ~~his~~ his own generating equipment in parallel with the Company's service, except ~~on~~ with the written permission of the Company. In order to avoid undue jeopardy to life and property ~~in his own~~ to the customer's premises, ~~into~~ the ~~Atlantic City Electric~~ Company's system, and in the facilities of third parties, the customer shall not install ~~his~~ his own generating equipment ~~until he has consulted~~ without the prior written permission of the Company.

Date of Issue: ~~July 22, 1999~~Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

5. COMPANY'S EQUIPMENT

5.1 Installation on Customer's Property:

The customer shall grant the Company the right to construct required service facilities on the customer's property, and place its meters and other apparatus on the property or within the buildings of the customer, at a point or points mutually agreed to for such purpose, and the customer shall further ~~guarantee grant to the Company~~ the right to ~~use suitable adequate~~ space for the installation of necessary measuring instruments ~~so sufficient~~ that ~~the latter may such equipment can~~ be protected from injury by the elements or through the negligence or deliberate acts of the customer ~~or of~~, any employee of the customer ~~or a third party~~. The Company shall not install transformers within the ~~buildings building(s)~~ of the ~~customers customer~~. The installation of meters and connections shall be in accordance with N.J.A.C. 14:3-4.2 and N.J.A.C. 14:5.

5.2 Maintenance of Company's Equipment:

The Company will ~~provided provide~~ and maintain in proper ~~operative operating~~ condition the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus which may be required for the proper measurement of and protection ~~to it of the~~ service. All such apparatus shall be and remain the property of the Company.

5.3 Attachment to Company Owned Facilities:

No radio transmitting, receiving, television, or other antennae may be connected to the Company's lines, nor attached to its poles, ~~cross arms cross arms~~, structures or other facilities ~~without the written consent of the Company~~. No signs nor devices of any type may be attached to the Company's poles, structures, or other facilities without the written consent of the Company.

5.4 Right of Entrance to Customer's Premises:

~~The Pursuant to N.J.A.C. 14:3-3.6(a), the~~ Company shall have the right at all reasonable hours to enter ~~and to have reasonable access to~~ the premises of the customer for the purpose of installing, reading, removing, testing, ~~inspecting,~~ replacing or otherwise disposing of its apparatus and property, and the right ~~of entire removal of to remove~~ the Company's property in the event of the termination of the contract for any cause.

~~The Company shall have the right of reasonable access to a customer's premises, and to all property on the customer's premises which is furnished by the company, at all reasonable times for the purpose of inspection of customer's premises incident to the rendering of service including reading meters; inspecting, testing, or repairing its facilities used in connection with supplying service, or the removal of its property. The Company has the right of entire removal of _____~~

~~A customer shall not under any circumstances provide access to the Company's property in the event of the termination of the contract for any cause.~~

~~Access to the Company's facilities shall not be given except to any individual or entity, other than authorized employees of the Company or duly authorized government officials.~~

~~Date of Issue: October 26, 2012~~

~~Effective Date: November 1, 2012~~

~~Issued by: David M. Velazquez, President — Atlantic City Electric Company
Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

5. COMPANY'S EQUIPMENT (Continued)

5.5 Work Near Company Facilities:

~~No~~Pursuant to N.J.A.C. 14:3-2.8, ~~no~~ construction, maintenance or other work shall be performed in close proximity to the Company's poles, apparatus, or conductors without ~~first informing~~the written permission of the Company. A Company representative shall, upon request, ~~visit the site of~~review such work to assure that conditions under which such work is to be performed do not involve hazards to life, property, or continuity of service. Contractors and ~~other~~other entities working in ~~vicinity of close proximity to the~~ Company's lines must ~~observe~~do so in compliance with N.J.S.A. 34:6-47.1 and 2 and any applicable provisions of ~~New Jersey Revised Statute 34:6-47.1~~the Occupational Safety and Health Administration regulations and 2. Any work required to mitigate such hazards ~~to life, property or continuity of service~~ ~~will~~shall be ~~performed~~undertaken at the ~~requester's~~sole expense ~~based on current costs of the party requesting such work~~.

Date of Issue: ~~July 22, 1999~~Effective Date: ~~August 1, 1999~~Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

6. METERING, BILLING AND PAYMENT FOR SERVICE

6.1 Meters:

Meters shall be owned and maintained by the Company in accordance with Section 5 above. The installation of meters and connections shall be in accordance with N.J.A.C. 14:3-4.2 and N.J.A.C. 14:5.

6.2 Special Testing of Meters:

Meters shall be tested in accordance with regulations of the Board of Public Utilities. ~~The~~ Pursuant to N.J.A.C. 14:3-4.5, a customer may request an accuracy test be made by the Company at no charge, provided that the Company shall not be required to perform such ~~request for test is not made~~ more frequently than once ~~in every~~ 12 months. If a Customer requests an accuracy test more frequently than once in a 12 month period, a service charge will be made as specified in Rate Schedule CHG. Whenever a meter is found to register faster than the amount allowed by the Board, the test fee will be waived. Complete reports of the results of such tests will be made available to the customer and will be kept on file by the Company in accordance with Board of Public Utilities' regulations. Customers may also request that a test be made by an inspector of the Board of Public Utilities. There is a fee for such tests which must be paid by the customer to the Board ~~of Public Utilities~~. If the meter is found to be operating "fast" and beyond the allowable limits, the Company will reimburse the customer for the fee paid ~~by him~~.

6.3 Adjustment of Bill:

Whenever a meter is found to be registering "fast" in excess of the allowable limits established by the Board of Public Utilities, an adjustment shall be made corresponding to the percentage error as found in the meter covering the entire period during which the meter registered inaccurately, provided such period can be determined. Where such period cannot be determined, a correction shall be applied to ½ of the total amount of billing affected since the previous most recent prior test. No adjustment shall be made for a period greater than the time during which the customer has received service through the meter in question. Billing adjustments shall be in accordance with N.J.A.C. 14:3-4.6.

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section II ~~First~~ Revised Sheet Replaces ~~Original~~ Sheet No. 17

TERMS AND CONDITIONS OF SERVICE

6. METERING, BILLING AND PAYMENT FOR SERVICE (Continued)

6.4 Payment of Bills:

Bills are payable upon presentation, at any ~~business office of location identified by~~ the Company, ~~as a payment office, Courtesy Center~~ or ~~any~~ authorized collection agency, ~~within twenty (20) days of the postmarked date.~~ The Company may require earlier payment to prevent fraud or illegal use of energy, or when it is clearly evident that customer is preparing to vacate the premises.

Overdue bills for non-residential customers are subject to a late payment charge as specified on Rate Schedule CHG. This charge will be applied to amounts billed including accounts payable and unpaid late payment charge amounts applied to previous bills, which are not received by the Company within forty-five (45) days for non-residential customers, and within sixty (60) days for governmental bodies following the due date specified on the bill. The amount of the late payment charge to be added to the unpaid balance for non-residential and governmental customers shall be determined by multiplying the unpaid balance by the late payment charge rate as specified in Rate Schedule CHG. When payment is received by the Company from a customer who has an unpaid balance which includes charges for late payment, the payment shall be applied first to such charges and then to the remainder of the unpaid balance.

New Jersey ~~Public Utilities~~ public utility companies, subject to the New Jersey State Excise Tax, shall be billed net of such taxes.

~~Bills are payable at any location identified by the Company as a payment office or authorized collection agency, within twenty (20) days of the postmarked date.~~ Courtesy Center Locations

<u>Egg Harbor Township</u>	<u>6814 Tilton Rd, Egg Harbor Township, NJ 08234</u>
<u>Atlantic City</u>	<u>2430 Atlantic Ave, Atlantic City NJ 08401</u>
<u>Cape May Court House</u>	<u>420 S Main St, Cape May Court House, NJ 08210.</u>
<u>Millville</u>	<u>1101 N. 2nd St., Millville NJ 08332</u>
<u>Turnersville</u>	<u>5101 Rt42 Turnersville NJ 08012</u>

6.5 Billing Period:

Except as hereinafter provided under normal course of business, customers shall be billed monthly. Bills for other than thirty (30) days shall be ~~properly~~ prorated. Where credit situations require, the Company may read meters and render bills at shorter intervals.

Date of Issue: ~~October 26, 2012~~Effective Date: ~~November 1, 2012~~Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

6. METERING, BILLING AND PAYMENT FOR SERVICE (Continued)

6.6 Bi-Monthly and Quarterly Readings:

Meters will be read monthly except when business conditions or weather prevent it. ~~The~~ Company reserves the right to read meters at bi-monthly or quarterly intervals. When monthly readings are unavailable, interim monthly bills will be rendered on a calculated basis.

6.7 Special Readings or Succession and Billings:

Special readings, successions and billings shall be made at customer's request. The charge for each reading or billing shall be as specified on Rate Schedule CHG.

6.8 Monthly Billings for Annual Charges:

When an annual charge for service is to be billed and paid monthly, the ~~total~~ charge shall be divided by twelve (12) and rounded to the next higher cent.

6.9 Uncollectible Checks:

A charge will be made when a customer's check is returned by the customer's bank as uncollectible as specified on Rate Schedule CHG.

6.10 Check Metering:

Where a customer monitors or evaluates ~~his~~the customer's own consumption of electrical energy or any portion thereof in an effort to promote and stimulate conservation or for accountability by means of individual meters, computer or otherwise, installed, operated and maintained at such customer's expense, such practice will be defined as check metering. Check metering will be permitted in new or existing buildings or premises where the basis characteristic of use is industrial or commercial. Check metering will not be permitted in existing buildings or premises where the basis characteristic of use is residential, except where such buildings or premises are publicly financed or government owned; or are condominiums or cooperative housing. Check metering for the aforementioned purposes and applications shall not ~~either~~ adversely affect the ability of the Company to render service to any other customer or cause harm to the Company equipment. ~~Customer~~The customer shall be responsible for the accuracy of check metering equipment.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

7. DISCONNECTION AND RECONNECTION

7.1 Disconnection at Customer's Request:

The Company will disconnect service at the request of customer, and will render a final bill in accordance with the applicable rate schedule. At such time as the customer shall request disconnection, a charge as specified on Rate Schedule CHG ~~shall~~may be made. Notice to disconnect will not relieve the customer from any minimum or guaranteed payment established by contract or rate schedule.

Within 48 hours of said notice, the ~~company~~Company shall discontinue service or obtain a meter reading for the purpose of ~~calculating~~determining a final bill.

7.2 Disconnection for Non-Payment or Non-Compliance:

The Company reserves the right to discontinue ~~its~~ service when: (i) the customer's arrearage is more than \$100.00 and/or the customer's account is more than three months in arrears; (ii) for failure to comply with these Terms and Conditions; and (iii) to prevent fraud upon the Company, or where use of energy is not in accordance with the Company's schedules. The Company shall, upon due notice to the customer, discontinue service to any customer reported by a duly authorized inspection agency to be in violation of county, municipal or National Electrical Codes, or reported to be in violation of any governmental order or directive concerning the use of energy. Any such disconnection of service shall not terminate the contract for special extensions or special facilities between the Company and the customer. A service charge will be made as specified on Rate Schedule CHG. No charge will be due on those instances ~~done~~ atperformed for the convenience of the Company.

7.3 Disconnection for Other Reasons:

In addition to the provisions of Subparagraph 7.2 above, the Company may disconnect service for any of the following causes:

- A. ~~For~~for the purpose of effecting repairs;
- B. ~~In~~in compliance with governmental order or directive;
- C. ~~Refusal~~for refusal of the customer to contract for service where such contract is provided for in the applicable tariff schedule; and/or
- D. ~~Where~~where the condition of the customer's electric facilities are such as to ~~involve~~provide a hazard to life or property.

A service charge will be made as specified on Rate Schedule CHG. No charge will be due on those instances ~~done~~ atperformed for the convenience of the Company.

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President—Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

TERMS AND CONDITIONS OF SERVICE

7. DISCONNECTION AND RECONNECTION (Continued)

7.4 Reconnection:

In cases where the Company has discontinued service for non-payment of a bill or bills or other cause, a charge for reconnection will be made as specified in Rate Schedule CHG; except where such disconnection has been made by the Company in order to effect repairs. Beyond normal working hours, charge will be based on actual costs.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

8. LIABILITIES

8.1 Company Liability:

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but in ~~case the event~~ such supply ~~should be~~ interrupted or ~~fail~~ fails by reason of, including, but not limited to, an act of God, ~~the~~ public enemy, accidents, strikes, legal process, ~~State or Municipal interferences~~ governmental interference, breakdowns of or injury to the machinery, transmission lines or distribution lines of the Company, or extraordinary repairs, the Company shall not be liable for damages.

8.2 Emergencies:

- A. If the Company shall deem it necessary to the prevention or alleviation of an emergency condition which threatens the integrity of its system or the systems to which it is directly or indirectly connected, it may, ~~after due notice to the Board~~, curtail or interrupt service or reduce voltage to any customer or customers pursuant to a plan filed with the Board of Public Utilities in accordance with N.J.A.C 14:29-4.2 or as otherwise permitted or provided in N.J.A.C. 14:29-4.
- B. If the Company, in its sole judgment, shall deem it necessary to the prevention or alleviation of an emergency condition resulting from an actual or threatened restriction of ~~fuel~~ energy supplies available to its system or the systems to which it is directly or indirectly connected, it may curtail or interrupt service or reduce voltage to any customer or customers pursuant to a plan filed with the Board of Public Utilities in accordance with N.J.A.C 14:29-4.2 or as otherwise permitted or provided in N.J.A.C. 14:29-4.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

8. LIABILITIES (Continued)

8.3 Tampering with Company Equipment:

The customer shall not allow ~~no one except the~~ permit any individual or entity, other than a duly authorized ~~employees~~employee(s) of the Company to make any internal or external adjustments of any meter or any other piece of apparatus belonging to the Company. In the event it is established by a Court of Law, the Board of Public Utilities, or ~~customer~~with the customer's consent, that the Company's wires, meters, meter seals, switch boxes, or other equipment on or adjacent to the customer's premises have been tampered with, the responsible party shall be required to bear all of the costs incurred by the Company, including but not limited to the following: ~~(a)~~ (i) investigations, ~~(b)~~ (ii) inspections, ~~(c)~~ (iii) costs of prosecution including legal fees, ~~and~~ (iv) installation of any protective equipment deemed necessary by the ~~company~~Company. The responsible party shall be the party who either tampered with or caused the tampering with a meter or other equipment or knowingly received the benefit of tampering by or caused by another.

Furthermore, where tampering with the Company's or customer's facilities results in the incorrect measurement of the service supplied by the Company, the responsible party, (as defined above) shall pay for such service as the Company may estimate from available information to have been used on the premises but not registered by the Company's meter or meters. Under certain conditions, tampering with the Company's facilities may also be punishable by fine and/or imprisonment under applicable New Jersey law.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE**9. MISCELLANEOUS****9.1 Service Suggestions:**

The Company will supply, upon request, "Information and Requirements for Electric Service Installations," covering suggested wiring methods and installations. Similar information may be obtained covering application of electricity for space heating and other purposes, installation of primary voltage equipment, etc. Such information is furnished as a helpful guide, but is not to be considered a substitute for the services of an architect or professional engineer.

9.2 Provision of Special Equipment:

Where, in the judgment of the Company, the provision of voltage regulators, special transformers, heavier conductors, capacitors or other devices are required for satisfactory operation of welders, or other appliances and apparatus, the operation of which would not normally be permitted under the terms of Subparagraph 4.3, the Company shall permit the use of such appliances and equipment provided the customer agrees, in writing, to compensate the Company for all additional costs involved to provide the special distribution facilities required. Service for X-ray equipment and other devices with voltage stability requirements more stringent than normal standards may also be obtained under terms of this Paragraph.

9.3 Special Equipment Rental Charge:

Such a charge may be payable in twelve (12) equal installments coincident with the regular bill for electric service. Customers who elect to take service under any of the several rate schedules which require customer ownership of a substation and related equipment also may rent such facilities from the Company in accordance with these terms.

9.4 Meter Sockets and Current Transformer Cabinets:

It shall be the customer's responsibility to furnish, install, and maintain self-contained meter sockets ~~and current transformer cabinets~~ in accordance with Company specifications. The Company will provide all current transformers, current transformer cabinets, and current transformer meter sockets for the customer to install.

9.5 Power Factor:

The monthly average power factor under operating conditions of customers' load at the point where the electric service is metered shall be not less than 90%.

9.5A Harmonic Content

Customer shall limit harmonic content so as not to adversely impact the operations of the distribution system. (Refer to Company's rights under Subparagraph 4.3)

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

9. MISCELLANEOUS (Continued)

9.6 Underground Relocation or Placement of Company-Owned Facilities:

Whenever, ~~for any reason~~ the Company shall be requested by a Federal, State, County or local government entity ("Governmental Entity"), or any other Non-Governmental Entity or person ("Non-Governmental Entity"), to relocate currently existing overhead facilities underground or to design or redesign proposed facilities to use underground rather than overhead construction, the total cost attributable to such relocation/redesign and underground installation shall be the responsibility of the requesting Governmental Entity or Non-Governmental Entity, as the case may be, unless preempted by law; and the ~~payment amount~~ of the Company's estimated costs shall be deposited with the Company in advance. This section is intended to apply to all Company owned transmission, ~~subtransmissions~~sub-transmission, primary, and/or secondary facilities.

In each instance, and consistent with N.J.A.C. 14:3.8.2, 14:3-8.9(d)3-., and 14:3-8.9(h), the cost is intended to be all inclusive and to cover the aggregate of all costs and expenses associated with placement of the facilities underground. This is intended to include, but not be limited to, the cost of engineering, construction, permits, design, right-of-way acquisition, materials and labor, overhead directly attributable to the work as well as overrides and loading factors and the federal and state income tax consequences incurred by the Company as a result of receiving such deposits or contributions. Whenever the costs shall exceed the estimate, the excess costs shall be the responsibility of the requesting entity, and shall be payable to the Company within thirty (30) days of demand. If actual costs should be less than estimated costs, the difference will be refunded to the requesting entity by the Company, without interest, following completion of the project. At the discretion of the Company, large projects requiring extensive engineering costs may require an engineering deposit.

Notwithstanding anything to the contrary contained herein, whenever the Company, in the exercise of its reasonable discretion, shall determine that underground construction is not feasible or practicable for reasons which may include, but not be limited to environmental conditions, subsoil or subsurface conditions, engineering or technical consideration, or for reason pertaining to maintenance, safety, reliability or integrity of the Company's transmission and/or distribution system, then the Company shall not be obligated to place the facilities underground notwithstanding the request.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030245~~

TERMS AND CONDITIONS OF SERVICE

9. MISCELLANEOUS (Continued)

9.7 Overhead Relocation or Placement of Company-Owned Facilities:

Whenever, ~~for any reason~~ the Company shall be requested by a Federal, State, County or local government entity ("Governmental Entity"), or any other Non-Governmental Entity or person ("Non-Governmental Entity"), to relocate currently existing overhead facilities or to design or redesign proposed facilities underground rather than overhead, the total cost attributable to such relocation/redesign and installation shall be the responsibility of the requesting Governmental Entity or Non-Governmental Entity, as the case may be, unless preempted by law; and the ~~payment amount~~ of the Company's estimated costs shall be deposited with the Company in advance. This section is intended to apply to all ~~company~~ Company owned transmission, ~~subtransmissions~~ sub-transmission, primary, and/or secondary facilities.

In each instance, ~~and consistent with N.J.A.C. 14:3.8.2, 14:3-8.9(d)3. and 14:3-8.9(h), the~~ cost is intended to be all inclusive and to cover the aggregate of costs and expenses associated with placement of the facilities. This is intended to include, without limitation, all costs as defined in section 9.6 above. Whenever the costs shall exceed the estimate, the excess costs shall be the responsibility of the requesting entity, and ~~if~~ if actual costs should be less than estimated costs, the difference will be refunded to the requesting entity by the ~~company~~ Company, without interest, following completion of the project.

At the discretion of the Company, large projects requiring extensive engineering costs may require an engineering deposit. Notwithstanding anything to the contrary contained herein, whenever the Company, in the exercise of its reasonable discretion, shall determine that construction is not feasible or practicable for reasons which may include but not be limited to environmental conditions, subsoil or subsurface conditions, engineering or technical considerations, or for reasons pertaining to maintenance, safety, reliability or integrity of the Company's transmission and/or distribution system, then the Company shall not be obligated to relocate or place the facilities notwithstanding the request.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030245~~

TERMS AND CONDITIONS OF SERVICE

10. GENERAL INTERCONNECTION REQUIREMENTS FOR CUSTOMER'S GENERATION

The following requirements and standards for interconnection of the customer's generating facilities to ~~Atlantic Electric's (AE)~~the Company' system shall be met to assure the integrity and safe operation of the utility system with no reduction in the quality of service being provided to the other customers. Typical installation guidelines for ~~Customer~~customer owned generators are outlined in ~~AE's~~the Company's "~~Technical Guidelines for Cogenerators and Small Power Producers~~Considerations Covering Parallel Operations of Customer Owned Generation". The Tariff's conditions are meant to be general in nature, and may not reflect the latest revisions to these Guidelines. Therefore, cogenerators and small power producers ~~should~~shall obtain and adhere to the latest guidelines.

10.1 General Design Requirements:

- A. The customer's installation must meet all applicable national, state and local construction, safety and electrical codes.
- B. Adequate protection devices (relays, circuit breakers, etc.) for the protection of ~~AE's~~the Company's system, metering equipment and synchronizing equipment must be installed by the customer.
- C. The customer shall provide ~~AE controlled manual~~a load break disconnecting device with a visible open that can be tagged and locked on the ~~AE~~Company's side of the interconnection. For systems over 2 MW, the location and type of disconnect must be mutually agreeable to the Company.
- D. Installations where the customer is to provide protective devices for the protection of ~~AE's~~the Company's system, the customer shall submit a single-line drawing of this equipment sealed by a licensed professional engineer to ~~AE~~the Company for informational purposes only.
- E. All cogeneration/small power producer customers must have a dedicated service transformer. This transformer will decrease voltage variations experienced by other customers, attenuate harmonics, and reduce the effects of fault current.
- F. The cogeneration/small power producer customer has sole responsibility for properly synchronizing ~~his~~s generation equipment with ~~Atlantic Electric's~~the Company's frequency and voltage.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

10. GENERAL INTERCONNECTION REQUIREMENTS FOR CUSTOMER'S GENERATION
(Continued)

10.2 General Operating Requirements:

The interconnection of the customer's generating equipment with the ~~AE Company~~ system shall be designed and operated by the customer to cause no reduction in the quality of service being provided to other customers. No abnormal voltages, frequencies, or interruptions shall be permitted. The customer's facility shall produce 60 Hertz sinusoidal output with harmonic distortion no greater than 5%. If ~~other customers complain about~~ ~~the Company receives complaints regarding~~ waveform distortion or high or low voltage flicker due to ~~the~~ operation of ~~the~~ customer's generation, such generating equipment shall be disconnected without notice until the problem has been resolved. There shall be no responsibility on the part of ~~AE the Company~~, its directors, officers, agents, servants or employees for disconnection. The customer may not commence parallel operation with ~~AE's the Company's~~ system until final written approval has been granted by ~~AE. AE the Company. The Company~~. ~~The Company~~ reserves the right to inspect the customer's facility and witness testing of any equipment or devices associated with the interconnection.

Switching of the interface breaker or switch device shall be under the administrative control of ~~Atlantic Electric the Company~~. This includes ~~AE's the Company's~~ right to open the interface breaker or switching device with or without prior notice to the supplier for any of the following reasons:

- A. ~~To~~ facilitate maintenance, test or repair of utility facilities;
- B. ~~During~~ during system emergencies;
- C. ~~When~~ when the customer's generating equipment is interfering with other customers on the system;
- D. ~~When~~ when the inspection of the customer's generating equipment reveals a condition hazardous to the ~~AE Company~~ system or a lack of scheduled maintenance records for equipment necessary to protect the ~~AE Company~~ system; and/or
- E. ~~To~~ ensure the safety of the general public and ~~AE Company~~ personnel.

Date of Issue: ~~July 22, 1999~~Effective Date: ~~August 1, 1999~~Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ~~EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

10. GENERAL INTERCONNECTION REQUIREMENTS FOR CUSTOMER'S GENERATION
(Continued)

10.2 General Operating Requirements: (Con't.)

Automatic disconnecting ~~devices~~device, with appropriate automatic control apparatus, must be provided by the customer to isolate the customer's facility from the ~~utility~~Company's system for, but not necessarily limited to, the following abnormal conditions:

- A. ~~A~~a fault on the customer's equipment.
- B. ~~A~~a fault on the utility system.
- C. ~~A~~a de-energized utility line to which the customer is connected.
- D. ~~An~~an abnormal operating voltage or frequency.
- E. ~~Failure~~failure of automatic synchronization with the utility system.
- F. ~~Loss~~loss of a phase or improper phase sequence.
- G. ~~Total~~total harmonic content in excess of 5%.
- H. ~~Abnormal~~abnormal power factor; and/or
- I. ~~Load~~load flow exceeding an established limit.

The customer will not be permitted to energize a de-energized ~~AE~~Company circuit.

Operation of the customer's generator shall not adversely affect the voltage regulation of the ~~AE~~Company system to which it is connected. Adequate voltage control shall be provided, by the customer, to minimize voltage regulation on the ~~AE~~Company system caused by changing generator loading conditions.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

10. GENERAL INTERCONNECTION REQUIREMENTS FOR CUSTOMER'S GENERATION
(Continued)

10.3 Design Information:

~~AE's~~The Company's high voltage distribution system consists of either 4kV, 12kV, 23kV, 34.5kV or 69kV grounded wye. The customer's generator should be designed to be tripped or isolated from ~~Atlantic Electric's~~Company's system before the first automatic reclose occurs following a fault. Once the customer's generator is isolated from the ~~AE~~Company system, the customer's generator can be paralleled with ~~AE~~the Company system only after approval of ~~AE~~the Company System Control Center. Customers with three-phase generators should be aware that certain conditions in the utility system may cause negative sequence currents to flow in the generator. It is the sole responsibility of the customer to protect his equipment from excess negative sequence currents.

10.4 Design Considerations:

Parallel Operation

A parallel system is defined as one in which the customer's generation can be connected to a bus common with the utility's system. A consequence of such parallel operation is that the parallel generator becomes an electrical part of the utility system which must be considered in the electrical protection of the utility's facilities.

Reactive Power Requirements

When delivering real power (kilowatts) to ~~AE, supplier~~the Company, the generator must be capable of operating with a power factor at the Point of Delivery to ~~AE~~the Company between ~~90%-.95~~ leading ~~and 90%to .95~~ lagging power factor, such that ~~supplier~~the generator would receive lagging reactive power (kilovars) from ~~AE~~the Company and be capable of delivering leading reactive power (kilovars) to ~~AE~~the Company.

Induction Generators

Installation of induction generators over 200 KVA capacity may, at its discretion, require capacitors or dynamic VAR devices to be installed to limit adverse effects of reactive power flow on ~~AE~~the Company system voltage regulation. Such capacitors will be at the expense of the generating facility.

Inverter System

Reactive power supply requirements for inverter systems are similar to those for induction generators and the general guidelines discussed above will apply.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

BPU NJ No. 11 Electric Service - Section II

TERMS AND CONDITIONS OF SERVICE

10. GENERAL INTERCONNECTION REQUIREMENTS FOR CUSTOMER'S GENERATION
(Continued)

10.5 Protection Guidelines:

The required protection equipment to be installed by the customer is selected and installed to meet the following objectives, which are not intended to be all inclusive:

- A. ~~Provide~~provide adequate protection for faults, overloads or other abnormal conditions on the customer's equipment-;
- B. ~~Provide~~provide adequate protection for faults, overloads on ~~AE's~~the Company's lines, transformers or other equipment-;
- C. ~~Prevent~~prevent outages or other adverse effects to other ~~AE~~Company customers-;
- D. ~~Provide~~provide a safe means to control, operate, connect, and disconnect the inter-tie of the customer's generation and the ~~AE~~Company system-; and/or
- E. ~~Provide~~provide a free flow of normal power transfer.

10.56 Information to be Supplied by Cogenerator/Small Power Producer: Drawings

- A. ~~Aa~~Aa one line diagram of entire system-;
- B. ~~Aa~~Aa potential elementary of customer-owned generation system-;
- C. ~~Aa~~Aa current elementary of customer-owned generation system-;
- D. ~~Aa~~Aa control elementary of generator breaker and interface breaker-; and
- E. ~~Aa~~Aa three line diagram of generation system.

Date of Issue: ~~July 22, 1999~~

Effective Date: ~~August 1, 1999~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

11. ELECTRIC INDUSTRY RESTRUCTURING STANDARDS

11.1 Change of Alternative Electric Supply

Customers served under any of the applicable rate schedules of this ~~Tariff~~tariff for electric ~~Services~~service and who desire to purchase their electric supply of capacity, transmission, and energy, hereinafter referenced as electric supply, from a Third Party Supplier, hereinafter referred to as an Alternative Electric Supplier, must execute a contract with an Alternative Electric Supplier. Customers who are not enrolled with an ~~alternative electric supplier~~Alternative Electric Supplier will continue to receive their electric supply from the Company.

11.2 Enrollment

Customers may request an enrollment package from the Company which, in addition to providing general information regarding electric supply, describes the process necessary for a customer to obtain an alternative electric Supplier. This enrollment package will be provided to the customer at no charge and may be obtained by calling or writing the Company or visiting a Customer Service Center. Upon written request of the customer, the Company will provide customer usage information to any number of Alternative Electric Suppliers ~~per~~pursuant to Appendix ~~ED~~E of the Company's Third Party Supplier Agreement.

11.3 Alternative Electric Supplier

An Alternative Electric Supplier is a retail energy and capacity provider that has executed a Third Party Supplier Agreement with the Company so as to be able to furnish electric supply to retail customers. The provisions of this ~~Tariff~~tariff shall govern such Agreement, and the same form of Agreement shall be offered to all Alternative Electric Suppliers. Delivery of such electric supply will be by the Company. Alternative Electric Suppliers shall be liable for payment of the fees set forth in such Agreement. Any modifications to these fees shall be set after an evidentiary hearing before the Board of Public Utilities. The Agreement requires that the Alternative Electric Supplier satisfy the creditworthiness standards of the ~~company~~Company, be licensed by the ~~board~~Board of Public Utilities and any other appropriate New Jersey state agencies, and satisfy any and all other legal requirements necessary for participation in the New Jersey retail energy market. By determining an Alternative Electric Supplier to be creditworthy, the Company makes no express or implied warranties or guarantees of any kind with respect to the financial or operational qualifications of such Alternative Electric Supplier. Except with respect to fee changes, the Company may modify such Agreement by filing a proposed modification with the Board of Public Utilities, and transmitting same within 48 hours to the Division of the Ratepayer Advocate and to all licensed Alternative Electric Suppliers in New Jersey. ~~-~~Any objection to the requested change must be submitted within 17 days. The proposed modification shall take effect 45 days after the filing, unless the Board of Public Utilities issues a suspension order putting the request on hold. In the event the Board of Public Utilities does not act within 45 days of the filing, it reserves the right to make a determination on the request in the future.

Date of Issue: ~~December 15, 1999~~

Effective Date: ~~January 1, 2000~~

Issued by: ~~Howard E. Cosgrove, CEO~~
~~Wilmington, DE~~

Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ~~EO97070455, EO97070456, EO97070457~~

TERMS AND CONDITIONS OF SERVICE

11. ELECTRIC INDUSTRY RESTRUCTURING STANDARDS (Continued)

11.4 Change of Alternative Electric Supplier

The Company shall not initiate or change a ~~Customer's~~customer's Alternative Electric Supplier unless the requirements set forth by the ~~BPU~~Board of Public Utilities pursuant to its Orders dated March 17, 1999 and May 5, 1999 (~~BPU~~Docket Nos. EX94120585Y, etc.) or future ~~BPU~~Board of Public Utilities Orders have been complied with by both the ~~Customer~~customer and the Alternative Electric Supplier.

11.5 Late Payment Charges

In the case of electric supply furnished by an Alternative Electric Supplier, Subparagraph 6.4 of these Terms and Conditions is to be applicable only to Company charges. Customer shut-offs in cases where there is non-payment to the Company for its delivery charges are only performed in accordance with Subparagraph 7.2 of these Terms and Conditions.

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket
No. ~~ER11080469~~

TERMS AND CONDITIONS OF SERVICE

11. ELECTRIC INDUSTRY RESTRUCTURING STANDARDS (Continued)

11.6 **Billing Disputes**

In the event of a billing dispute between the customer and the Alternative Electric Supplier, the Company's sole duty is to verify its charges and billing determinants. The customer is responsible for the timely payment of all Company charges in accordance with Subparagraph 6.4 of these Terms and Conditions, regardless of Alternative Electric Supplier billing disputes. All questions regarding Alternative Electric Suppliers' charges or other terms of the customer's agreement with the Alternative Electric Supplier are to be resolved between the customer and the Alternative Electric Supplier. The Company will not be responsible for the enforcement, intervention, mediation, or arbitration of agreements entered into between Alternative Electric Suppliers and their customers.

11.7 **Liability for Supply or Use of Electric Service**

The Company will not be responsible for the use, care, condition, quality or handling of the Service delivered to the ~~Customer~~customer after same passes beyond the point at which the Company's service facilities connect to the ~~Customer's~~customer's wires and facilities. The ~~Customer~~customer shall hold the Company harmless from any claims, suits or liability arising, accruing, or resulting from the supply to, or use of Service by, the ~~Customer~~customer.

11.8 **Liability for Acts of Alternative Electric Suppliers**

The Company shall have no liability or responsibility whatsoever to the ~~Customer~~customer for any agreement, act or omission of, or in any way related to, the Customer's Alternative Electric Supplier.

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

ATLANTIC CITY ELECTRIC COMPANY

TARIFF FOR ELECTRIC SERVICE

SECTION IV - SERVICE CLASSIFICATIONS AND RIDERS

ATLANTIC CITY ELECTRIC COMPANY

General Offices

500 N. Wakefield Drive
Newark, DE 19702

Regional Headquarters

5100 Harding Highway
Mays Landing, New Jersey 08330-2239

Date of Issue: ~~October 26, 2012~~

Effective Date: ~~November 1, 2012~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER11080469~~

**RATE SCHEDULE CHG
(Charges)**

APPLICABILITY OF SERVICE

Applicable to all customers in accord with the tariff paragraph noted below

SERVICE CHARGES

- 1. Installation of Service at Original Location
(See Section II paragraph 2.9)\$65.00
- 2. Connection, Reconnection, or Succession
of Service at Existing Location
(See Section II paragraphs 2.10 and 2.11)\$15.00
- 3. Disconnection (See Section II paragraph 7.1, 7.2, or 7.3)\$15.00
- 4. Special Reading of Meters (See Section II paragraph 6.7)\$15.00

LATE PAYMENT CHARGES

(See paragraph 6.4) 0.877% Per Month
(Non-residential only) ... (10.52% APR)

UNCOLLECTIBLE CHECKS

(See paragraph 6.9) \$ 7.64

"In accordance with P.L. 1997,c.192, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

Date of Issue: ~~December 20, 2013~~ Effective Date: ~~January 1, 2014~~

**Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary’s letter dated December 18, 2013 I/M/O the Phase Out of the~~
~~Transitional Energy Facility Assessment (“TEFA”) Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-~~
~~102 in Docket No. EO11110800~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Seventh~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 5

**RATE SCHEDULE RS
(Residential Service)**

AVAILABILITY

Available for full domestic service to individually metered residential customers, including rural domestic customers, engaged principally in agricultural pursuits.

	SUMMER June Through September	WINTER October Through May
Delivery Service Charges:		
Customer Charge (\$/Month)	\$ 46 .44	\$ 46 .44
Distribution Rates (\$/kWh)		
First Block (Summer <= 750 kWh; Winter <= 500kWh)	\$0. 050245060559	\$0. 046364055877
Excess kWh	\$0. 057764069619	\$0. 046364055877
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
Transmission Service Charges (\$/kWh):		
Transmission Rate	\$0.012293	\$0.012293
Reliability Must Run Transmission Surcharge	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

~~**Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054**~~

RATE SCHEDULE RS (Continued)
(Residential Service)

TERM OF CONTRACT

None, except that reasonable notice of service discontinuance will be required.

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~
BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 7

RATE SCHEDULE RS TOU-D
(Residential Service Time of Use Demand)

AVAILABILITY

Rate Schedule RS-TOU-D eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

**RATE SCHEDULE RS TOU-D (Continued)
(Residential Service Time of Use Demand)**

Rate Schedule RS-TOU-D eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 9

**RATE SCHEDULE RS TOU-E
(Residential Service Time of Use Energy)**

AVAILABILITY

Rate Schedule RS-TOU-E eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: August 6, 2003

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

**RATE SCHEDULE RS TOU-E (Continued)
(Residential Service Time of Use Energy)**

Rate Schedule RS-TOU-E eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President -- Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

RATE SCHEDULE MGS-SECONDARY (Continued)
(Monthly General Service)

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

RELIGIOUS HOUSE OF WORSHIP SERVICE

When electric service is supplied to a customer where the primary use of the service is for public religious services and the customer applies for and is eligible for such service, the customer's monthly bill will be subject to the following credits

Energy Credit

For service rendered June thru September, inclusive: \$0.019677 per kWh for each of the first 300 kWhs used per month.

For service rendered October thru May, inclusive: \$0.015706 per kWh for each of the first 300 kWhs used per month.

Demand Adjustment

For service rendered all months of the year, metered demand will be decreased by 7 kW to arrive at billing demand.

The customer will be required to sign an Application for Religious House of Worship Service certifying eligibility. The customer shall furnish satisfactory proof of eligibility for service under this special provision to the Company, who will determine eligibility.

DEMAND DETERMINATION FOR BILLING

Demand shall be as shown or computed from the readings of Company's demand meter during the fifteen minute period of customer's greatest use during the month. Demand values used for billing will be rounded to the nearest tenth of a kW.

Where no demand meters are installed, a customer's demand will be calculated for the period June 1st thru September 30th, inclusive. This demand will be estimated by dividing the kWh use by 150.

Where demand is expected to exceed 100 kilowatts, the Company may measure reactive demand as the greatest rate of reactive volt-ampere hour use during a fifteen (15) minute interval during the month.

Reactive demand values used for billing will be rounded to the nearest tenth of a kvar.

The provisions of this paragraph are not available to new service locations connected on or after January 1, 1983. Where a customer has permanently installed electrical space heating equipment of less than the total of all other connected load and where such electrical heating equipment represents the sole source of space and comfort heating, such equipment may be so connected as to exclude its contribution to measured demand.

ENERGY DETERMINATION FOR BILLING

Energy values used for billing will be rounded to the nearest hundredth of a kWh.

Date of Issue: ~~July 14, 2006~~

Effective Date: ~~July 15, 2006~~

Issued by: ~~William J. Sim, President - Atlantic City Electric Company~~
~~Filed to Implement the Tariff Changes Required by P.L.2006, c.44 signed into law July 8, 2006. Docket No. AT06070502~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifth~~ Revised Sheet Replaces ~~Fourth~~ Revised Sheet No. 13

RATE SCHEDULE MGS-SECONDARY (Continued)
(Monthly General Service)

TERM OF CONTRACT

~~Customer~~A customer may elect to have service discontinued at any time after giving due notice to the Company of ~~his~~its intention to do so, provided that all requirements and obligations under the tariff of the Company have been met.

STANDBY SERVICE

See Rider STB

FIXED LOADS

Customers with fixed attached loads may request, ~~at the Company's option,~~ to receive service on a computed kilowatt-hour basis. The Company, in its sole discretion, shall determine to grant such request. Such customers shall agree to pay a monthly bill equivalent to the computed kilowatt-hour usage for the billing period, said usage to be determined mutually by the Company and customer and specified in the contract. No changes in attached load may be made by the customer without the written permission of the Company and customer shall allow the Company access to ~~his~~its premises to assure conformance ~~with this provision herewith.~~

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this ~~Tariff~~tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Eight~~ Revised Sheet Replaces ~~Thirty-Seventh~~ Revised Sheet No. 14

RATE SCHEDULE MGS-PRIMARY
(Monthly General Service)

AVAILABILITY

Available at any point ~~of~~within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

SUMMER **WINTER**
June Through September October Through May

Delivery Service Charges:

Customer Charge

Single Phase	\$ <u>515.32</u>	\$ <u>515.32</u>
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Three Phase	\$ <u>616.64</u>	\$ <u>616.64</u>
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Distribution Demand Charge (per kW)	\$1. <u>5375</u>	\$1. <u>4936</u>
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Reactive Demand Charge	\$0. <u>4347</u>	\$0. <u>4347</u>
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(For each kvar over one-third of kW demand)

Distribution Rates (\$/kWh)	\$0. <u>045258047521</u>	\$0. <u>043956046153</u>
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Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
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Societal Benefits Charge (\$/kWh)

Clean Energy Program	See Rider SBC
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Universal Service Fund	See Rider SBC
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Lifeline	See Rider SBC
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Uncollectible Accounts	See Rider SBC
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Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
--	---------------

Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
--	---------------

CIEP Standby Fee (\$/kWh)	See Rider BGS
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Transmission Demand Charge	\$1.08	\$0.74
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(\$/kW for each kW in excess of 3 kW)

Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
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Transmission Enhancement Charge (\$/kWh)	See Rider BGS
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Basic Generation Service Charge (\$/kWh)	See Rider BGS
---	---------------

Regional Greenhouse Gas Initiative	
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Recovery Charge (\$/kWh)	See Rider RGGI
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Infrastructure Investment Surcharge	See Rider IIS
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The minimum monthly bill will be \$~~6.64~~15.32 per month plus any applicable adjustment.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

**~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054~~**

**RATE SCHEDULE MGS-PRIMARY (Continued)
(Monthly General Service)**

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

RELIGIOUS HOUSE OF WORSHIP SERVICE

When electric service is supplied to a customer where the primary use of the service is for public religious services and the customer applies for and is eligible for such service, the customer's monthly bill will be subject to the following credits

Energy Credit

For service rendered June thru September, inclusive: \$0.019677 per kWh for each of the first 300 kWhs used per month.

For service rendered October thru May, inclusive: \$0.015706 per kWh for each of the first 300 kWhs used per month.

Demand Adjustment

For service rendered all months of the year, metered demand will be decreased by 7 kW to arrive at billing demand.

The customer will be required to sign an Application for Religious House of Worship Service certifying eligibility. The customer shall furnish satisfactory proof of eligibility for service under this special provision to the Company, who will determine eligibility.

DEMAND DETERMINATION FOR BILLING

Demand shall be as shown or computed from the readings of Company's demand meter during the fifteen minute period of customer's greatest use during the month. Demand values used for billing will be rounded to the nearest tenth of a kW.

Where no demand meters are installed, a customer's demand will be calculated for the period June 1st thru September 30th, inclusive. This demand will be estimated by dividing the kWh use by 150.

Where demand is expected to exceed 100 kilowatts, the Company may measure reactive demand as the greatest rate of reactive volt-ampere hour use during a fifteen (15) minute interval during the month.

Reactive demand values used for billing will be rounded to the nearest tenth of a kvar.

The provisions of this paragraph are not available to new service locations connected on or after January 1, 1983. Where a customer has permanently installed electrical space heating equipment of less than the total of all other connected load and where such electrical heating equipment represents the sole source of space and comfort heating, such equipment may be so connected as to exclude its contribution to measured demand.

ENERGY DETERMINATION FOR BILLING

Energy values used for billing will be rounded to the nearest hundredth of a kWh.

Date of Issue: ~~July 14, 2006~~

Effective Date: ~~July 15, 2006~~

Issued by: ~~William J. Sim, President - Atlantic City Electric Company~~

~~Filed to Implement the Tariff Changes Required by P.L.2006, c.44 signed into law July 8, 2006. Docket No. AT06070502~~

**RATE SCHEDULE MGS-PRIMARY (Continued)
(Monthly General Service)**

TERM OF CONTRACT

Customer may elect to have service discontinued at any time after giving due notice to the Company of his intention to do so, provided that all requirements and obligations under the tariff of the Company have been met.

STANDBY SERVICE

See Rider STB

FIXED LOADS

~~Customers~~A customer with fixed attached loads may request, ~~at the Company's option,~~ to receive service on a computed kilowatt-hour basis. The Company, in its sole discretion, shall decide whether to grant such request. Such customers shall agree to pay a monthly bill equivalent to the computed kilowatt-hour usage for the billing period, said usage to be determined mutually by the Company and customer and specified in the contract. No changes in attached load may be made by the customer without the written permission of the Company and customer shall allow the Company access to his premises to assure conformance ~~with this provision~~herewith.

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Seventh~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 17

RATE SCHEDULE AGS-SECONDARY
(Annual General Service)

AVAILABILITY

Available at any point ~~of~~within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge	\$151.25 <u>170.18</u>
Distribution Demand Charge (\$/kW)	\$8.82 <u>10.59</u>
Reactive Demand (for each kvar over one-third of kW demand)	\$0.67 <u>81</u>
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
Societal Benefits Charge (\$/kWh)	
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
CIEP Standby Fee (\$/kWh)	See Rider BGS
Transmission Demand Charge (\$/kW)	\$2.01
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS
Basic Generation Service Charge (\$/kWh)	See Rider BGS
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
Infrastructure Investment Surcharge	See Rider IIS

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

**Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the BPU Docket No. ER16111054~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifth~~ Revised Sheet Replaces ~~Fourth~~ Revised Sheet No. 18

**RATE SCHEDULE AGS-SECONDARY (Continued)
(Annual General Service)**

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

DEMAND DETERMINATION FOR BILLING

Demand shall be as shown or computed from the readings of Company's demand meter during the fifteen minute period of customer's greatest use during the month, but not less than 80% of the highest such demand in the preceding months of June, July, August or September, nor in any event less than 25 kW.

Where demand is expected to exceed 100 kilowatts, the Company may measure reactive demand as the greatest rate of reactive volt-ampere hour use during a fifteen (15) minute interval during the month.

TERM OF CONTRACT

Contracts hereunder will be for not less than one (1) year with self-renewal provisions for successive periods of one (1) year each, and shall remain in effect until either party shall give at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period.

STANDBY SERVICE

See Rider STB

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

INTERRUPTIBLE SERVICE

See Rider IS.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Seventh~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 19

RATE SCHEDULE AGS-PRIMARY

(Annual General Service)

AVAILABILITY

Available at any point ~~of~~**within the** Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge	\$560.25 639.60
Distribution Demand Charge (\$/kW)	\$7.248 .26
Reactive Demand (for each kvar over one-third of kW demand)	\$0.53 61
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
Societal Benefits Charge (\$/kWh)	
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
CIEP Standby Fee (\$/kWh)	See Rider BGS
Transmission Demand Charge (\$/kW)	\$0.96
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS
Basic Generation Service Charge (\$/kWh)	See Rider BGS
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
Infrastructure Investment Surcharge	See Rider IIS

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifth~~ Revised Sheet Replaces ~~Fourth~~ Revised Sheet No. 20

**RATE SCHEDULE AGS-PRIMARY (Continued)
(Annual General Service)**

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

DEMAND DETERMINATION FOR BILLING

Demand shall be as shown or computed from the readings of Company's demand meter during the fifteen minute period of customer's greatest use during the month, but not less than 80% of the highest such demand in the preceding months of June, July, August or September, nor in any event less than 25 kW.

Where demand is expected to exceed 100 kilowatts, the Company may measure reactive demand as the greatest rate of reactive volt-ampere hour use during a fifteen (15) minute interval during the month.

TERM OF CONTRACT

Contracts hereunder will be for not less than one (1) year with self-renewal provisions for successive periods of one (1) year each, and shall remain in effect until either party ~~shall give~~ gives at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period.

STANDBY SERVICE

See Rider STB

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

INTERRUPTIBLE SERVICE

See Rider IS.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

**Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~**

ATLANTIC CITY ELECTRIC COMPANY - ~~d/b/a Conectiv Power Delivery~~
BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 21

RATE SCHEDULE AGS-TOU - SECONDARY
(Annual General Service - Time of Use)

AVAILABILITY

Rate Schedule AGS-TOU-Secondary eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

RATE SCHEDULE AGS-TOU – SECONDARY (Continued)
(Annual General Service - Time of Use)

Rate Schedule AGS-TOU-Secondary eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 23

**RATE SCHEDULE AGS-TOU - PRIMARY
(Annual General Service - Time of Use)**

AVAILABILITY

Rate Schedule AGS-TOU Primary eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

BPU NJ No. 11 Electric Service - Section IV Second Revised Sheet Replaces First Revised Sheet No. 24

RATE SCHEDULE AGS-TOU – PRIMARY (Continued)
(Annual General Service - Time of Use)

Rate Schedule AGS-TOU Primary eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 25

**RATE SCHEDULE AGS-TOU – SUB - TRANSMISSION
(Annual General Service - Time of Use)**

AVAILABILITY

Rate Schedule AGS-TOU Sub Transmission eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

RATE SCHEDULE AGS-TOU – SUB - TRANSMISSION (Continued)
(Annual General Service - Time of Use)

Rate Schedule AGS-TOU Sub Transmission eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

BPU NJ No. 11 Electric Service - Section IV Eighth Revised Sheet Replaces Seventh Revised Sheet No. 27

**RATE SCHEDULE AGS-TOU - TRANSMISSION
(Annual General Service - Time of Use)**

AVAILABILITY

Rate Schedule AGS-TOU Transmission eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

RATE SCHEDULE AGS-TOU – TRANSMISSION (Continued)
(Annual General Service - Time of Use)

Rate Schedule AGS-TOU Transmission eliminated effective August 1, 2003.

Date of Issue: ~~August 4, 2003~~

Effective Date: ~~August 6, 2003~~

Issued by: ~~Joseph M. Rigby, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457, EX01110754, ER02080510~~

BPU NJ No. 11 Electric Service - Section IV Thirty-Seventh Revised Sheet Replaces Thirty-Sixth Revised Sheet No. 29

**RATE SCHEDULE TGS
(Transmission General Service)
(Sub Transmission Service Taken at 23kV and 34.5 kV)**

AVAILABILITY

Available at any point ~~ef~~within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage subtransmission level (23 or 34.5 kV).

MONTHLY RATE

Delivery Service Charges:

Customer Charge

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$137.29
5,000 – 9,000 kW	\$4,546.92
Greater than 9,000 kW	\$8,253.86

Distribution Demand Charge (\$/kW)

Maximum billed demand within the most recent 12 billing months.

Less than 5,000 kW	\$3.94
5,000 – 9,000 kW	\$3.03
Greater than 9,000 kW	\$1.52

Reactive Demand (for each kvar over one-third of kW demand)

\$0.54

Non-Utility Generation Charge (NGC) (\$/kWh)

See Rider NGC

Societal Benefits Charge (\$/kWh)

Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

Transition Bond Charge (TBC) (\$/kWh)

See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh)

See Rider SEC

CIEP Standby Fee (\$/kWh)

See Rider BGS

Transmission Demand Charge (\$/kW)

\$0.50

Reliability Must Run Transmission Surcharge (\$/kWh)

\$0.000000

Transmission Enhancement Charge (\$/kWh)

See Rider BGS

Basic Generation Service Charge (\$/kWh)

See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)

See Rider RGGI

Infrastructure Investment Surcharge

See Rider IIS

Date of Issue: December 8, 2016

Effective Date: January 1, 2017

**Issued by: David M. Velazquez, President and Chief Executive Officer—Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifth~~ Revised Sheet Replaces ~~Fourth~~ Revised Sheet No. 30

**RATE SCHEDULE TGS (Continued)
(Transmission General Service)**

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

DEMAND DETERMINATION FOR BILLING

Demand shall be as shown or computed from the readings of Company's demand meter during the fifteen minute period of customer's greatest use during the month, but not less than 80% of the highest such demand in the preceding months of June, July, August or September, nor in any event less than 25 kW.

Where demand is expected to exceed 100 kilowatts, the Company may measure reactive demand as the greatest rate of reactive volt-ampere hour use during a fifteen (15) minute interval during the month.

TERM OF CONTRACT

Contracts hereunder will be for not less than one (1) year with self-renewal provisions for successive periods of one (1) year each, and shall remain in effect until either party ~~shall give~~ gives at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period.

STANDBY SERVICE

See Rider STB

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

INTERRUPTIBLE SERVICE

See Rider IS.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

RATE SCHEDULE DDC
(Direct Distribution Connection)

AVAILABILITY

Available at any point ~~of~~**within** the Company's existing distribution system where facilities of adequate character exist for the connection of fixed, constant and predictable non-residential loads not to exceed one kilowatt

MONTHLY RATES

Distribution:

Service and Demand (per day per connection)	\$0.167902
Energy (per day for each kW of effective load)	\$0.808718

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

Societal Benefits Charge (\$/kWh)

Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

Transmission Rate (\$/kWh) \$0.004361

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

LOAD CONSUMPTION

Effective load shall be determined by the Company and be specified in the contract. Effective load is defined as the sum of the products of the connected load in kilowatts times the percent load on at one time. No changes in attached load may be made by the customer without the permission of the Company and customer shall allow the Company access to his premises to assure conformance with this provision.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer—Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

A BPU NJ No. 11 Electric Service - Section IV ~~Fifth~~ Revised Sheet Replaces ~~Fourth~~ Revised Sheet No. 32

**RATE SCHEDULE DDC (Continued)
(Direct Distribution Connection)**

TERM OF CONTRACT

Contracts hereunder will be for not less than one (1) year with self-renewal provisions for successive periods of one (1) year each, and shall remain in effect until either party ~~shall give~~gives at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period.

TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule includes provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

RATE SCHEDULE TS
(Traction Service)

AVAILABILITY OF SERVICE

Available for power service to Street Railway and/or Traction Companies or Authorities. Customers shall contract for a definite amount of electrical capacity in kilowatts which shall be sufficient to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 1,000 kW. The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts shall be made in multiples of 100 kW.

T&D MONTHLY RATE

Primary Portion:

\$11,233.72 for the first 1,000 kW of monthly billing demand plus
\$9.004473 per kW for monthly billing demand in excess of 1,000 kW. The customer shall be allowed 100 kWhs for each kW of monthly billing demand so billed.

Secondary Portion:

Energy in excess of 100 kWhs per kW of monthly billing demand
\$0.069553 per kWh.

Reactive Demand:

\$0.53 per kvar of reactive billing demand in excess of 33% of monthly kW billing demand.

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

MONTHLY BILLING DEMAND

The billing demand in kW shall be taken each month as the highest 15 minute integrated peak in kW, as registered during the month by a demand meter or indicator corrected to the nearest kW, but the monthly billing demand so established shall in no event be less than 75% of the contract capacity of the customer, nor shall it be less than 1,000 kW. If at the end of any contract year the average of the monthly billing demands for ~~the~~ said year is in excess of the contract capacity, then the contract capacity shall be adjusted automatically to the average of the billing demand for the previous twelve months.

DETERMINATION OF REACTIVE DEMAND

Reactive billing demand shall be taken each month as the highest 15-minute integrated peak in kvar, as registered during the month by a reactive demand meter or indicator.

DELIVERY VOLTAGE

The rate set forth in this schedule is based upon the delivery and measurement of energy at primary voltage from lines designated by the Company which are operated at approximately 23,000 volts or over, the customer supplying the complete substation equipment necessary to take service at the said primary voltage.

Date of Issue: ~~December 20, 2013~~ Effective Date: ~~January 1, 2014~~

**Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary’s letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment (“TEFA”) Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in Docket No. EO11110800~~**

RATE SCHEDULE TS (Continued)
(Traction Service)

METERING

All energy delivered hereunder shall be measured at the delivery voltage, or at the Company's option, on the low voltage side of the customer's main service transformer bank but corrected by suitable means for measurement of capacity and energy at the delivery point and delivery voltage.

Customer shall mount and/or house the metering equipment, instrument transformers and associated appurtenances which shall be provided by Company.

TERMS OF CONTRACT

Contracts under this schedule will be made for periods of one (1) to five (5) years and either party shall give at least one (1) year's written notice to the other of ~~theirs~~ intention to discontinue the contract at the end of any contract period.

BREAKDOWN SERVICE

Where the service supplied by ~~Atlantic City Electric~~ the Company under this rate schedule is used to supplement the failure of any other source of electric service or motive power, said service shall constitute Breakdown Service. Said service shall be limited to 96 hours duration for each failure.

Where Breakdown Service is supplied under the provisions of this tariff, ~~Atlantic City Electric~~ the Company will supply a maximum total kW to be mutually agreed upon initially and subsequently revised as required and the customer will pay a fixed monthly amount equal to one-twelfth of \$9.64 per kW as contracted. All energy consumed during this period shall be included in the Energy Component of Monthly Rate. Any excess kW over the agreed upon amount shall be billed at the rates indicated under the Primary Portion of the Monthly Rate.

SPECIAL TERMS AND CONDITIONS

See Section II inclusive for Terms and Conditions of Service.

"In accordance with P.L. 1997, C. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~August 25, 2014~~

Effective Date: ~~September 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14030209~~

RATE SCHEDULE SPL
(Street and Private Lighting)

AVAILABILITY OF SERVICE

Available for general lighting service in service by December 14, 1982, new lights requested for installation before January 1, 1983 or high pressure sodium fixtures in the area served by the Company.

The Company will provide and maintain a lighting system and provide fixture and electric energy sufficient to operate said fixture continuously, automatically controlled, from approximately one-half hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Distribution charges are billed on a monthly per light basis in accordance with the rates specified on the Tables on Sheets 36, 36a and 37.

Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
Societal Benefits Charge (\$/kWh)	
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
Regulatory Assets Recovery Charge (\$/kWh)	See Rider RARC
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
Transmission Rate (\$/kWh)	\$0.000000
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS
Basic Generation Service Charge (\$/kWh)	See Rider BGS
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
Infrastructure Investment Surcharge	See Rider IIS

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer—Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised
Sheet No. 36

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>INCANDESCENT</u>				
Standard	103	1,000	\$ 6.2974	Closed
Standard	202	2,500	\$ 10.8011.75	Closed
Standard	327	4,000	\$ 15.03 16.33	Closed
Standard	448	6,000	\$ 20.1421.86	Closed
<u>MERCURY VAPOR</u>				
Standard	100	3,500	\$ 10.4311.34	Closed
Standard	175	6,800	\$ 13.9615.17	Closed
Standard	250	11,000	\$ 17.7119.25	Closed
Standard	400	20,000	\$ 25.5427.73	Closed
Standard	700	35,000	\$ 40.7544.30	Closed
Standard	1,000	55,000	\$ 70.4076.52	Closed
<u>HIGH PRESSURE SODIUM</u>				
Retrofit	150	11,000	\$ 12.7913.91	Closed
Retrofit	360	30,000	\$ 23.8725.94	Closed

RATE
(Overhead/RUE)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$ 11.3712.36	Open
Cobra Head	70	5,500	\$ 11.7912.81	Open
Cobra Head	100	8,500	\$ 12.4313.51	Open
Cobra Head	150	14,000	\$ 13.5314.71	Open
Cobra Head	250	24,750	\$ 19.20 .87	Open
Cobra Head	400	45,000	\$ 22.2524.19	Open
Shoe Box	150	14,000	\$ 16.52 \$17.96	Open
Shoe Box	250	24,750	\$ 21.4323.29	Open
Shoe Box	400	45,000	\$ 24.8026.95	Open
Post Top	50	3,600	\$ 12.6513.76	Open
Post Top	100	8,500	\$ 13.7814.97	Open
Post Top	150	14,000	\$ 16.2417.66	Open
Flood/Profile	150	14,000	\$ 13.2514.41	Open
Flood/Profile	250	24,750	\$	Open

			16.76 <u>18.22</u>	
Flood/Profile	400	45,000	\$	Open
			21.45 <u>23.32</u>	
Decorative	50		\$	Open
			15.61 <u>16.97</u>	
Decorative	70		\$	Open
			15.61 <u>16.97</u>	
Decorative	100		-\$	Open
			17.60 <u>19.13</u>	
Decorative	150		19.40	Open
			<u>\$21.09</u>	
<u>METAL HALIDE</u>				
Flood/Profile	400	31,000	\$	Open
			26.37 <u>28.66</u>	
Flood/Profile	1,000	96,000	\$	Open
			45.02 <u>48.93</u>	

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised Sheet No. 37

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
Rate (Underground)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$17.53 <u>19.05</u>	Open
Cobra Head	70	5,500	\$17.93 <u>19.49</u>	Open
Cobra Head	100	8,500	\$18.53 <u>20.14</u>	Open
Cobra Head	150	14,000	\$19.67 <u>21.38</u>	Open
Cobra Head	250	24,750	\$23.83 <u>25.91</u>	Open
Cobra Head	400	45,000	\$26.84 <u>29.17</u>	Open
Shoe Box	150	14,000	\$22.68 <u>24.65</u>	Open
Shoe Box	250	24,750	\$27.56 <u>29.96</u>	Open
Shoe Box	400	45,000	\$30.94 <u>33.63</u>	Open
Post Top	50	3,600	\$15.51 <u>16.86</u>	Open
Post Top	100	8,500	\$16.65 <u>18.10</u>	Open
Post Top	150	14,000	\$22.73 <u>24.71</u>	Open
Flood/Profile	150	14,000	\$20.74 <u>22.55</u>	Open
Flood/Profile	250	24,750	\$24.26 <u>26.37</u>	Open
Flood/Profile	400	45,000	\$27.62 <u>30.02</u>	Open
Flood/Profile	400	31,000	\$32.67 <u>35.51</u>	Open
Flood/Profile	1000	96,000	\$54.29 <u>55.75</u>	Open
Decorative	50		\$20.82 <u>22.63</u>	Open
Decorative	70		\$20.82 <u>22.63</u>	Open
Decorative	100		\$22.79 <u>24.77</u>	Open
Decorative	150		\$29.84 <u>32.40</u>	Open

Date of Issue: **December 8, 2016**

Effective Date: **January 1, 2017**

Issued by: **David M. Velazquez, President and Chief Executive Officer — Atlantic City Electric Company**
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Ninth~~ Revised Sheet Replaces ~~Eighth~~ Revised Sheet No. 37a

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)

Experimental
LIGHT EMITTING DIODE (LED)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
Cobra Head	50	3,000	\$8.839.62	Open
Cobra Head	70	4,000	\$9.4798	Open
Cobra Head	100	7,000	\$9.4510.25	Open
Cobra Head	150	10,000	\$10.0689	Open
Cobra Head	250	17,000	\$11.6512.50	Open
Decorative	150	10,000	\$19.0523.40	Open
Post Top	70	4,000	\$12.8880	Open
Post Top	100	7,000	\$13.3743	Open
Shoe Box	100	7,000	\$10.4911.31	Open
Shoe Box	150	10,000	\$11.5312.37	Open
Shoe Box	250	17,000	\$12.0994	Open
Tear Drop	100	7,000	\$20.5621.57	Open
Tear Drop	150	10,000	\$21.7657	Open
Flood	150		\$14.9515.65	Open
Flood	250		\$15.5916.28	Open
Flood	400		\$18.0218.71	Open
Flood	1000		\$18.7719.46	Open

Underground

Cobra Head	50	3,000	\$15.2416.01	Open
Cobra Head	70	4,000	\$15.5916.36	Open
Cobra Head	100	7,000	\$15.8616.64	Open
Cobra Head	150	10,000	\$16.4817.27	Open
Cobra Head	250	17,000	\$18.0718.88	Open
Decorative	150	10,000	\$25.4729.78	Open
Post Top	70	4,000	\$19.3019	Open
Post Top	100	7,000	\$19.7982	Open
Shoe Box	100	7,000	\$16.9017.70	Open
Shoe Box	150	10,000	\$17.9518.76	Open
Shoe Box	250	17,000	\$18.5019.32	Open
Tear Drop	100	7,000	\$26.9827.95	Open
Tear Drop	150	10,000	\$28.1827.95	Open
Flood	150		\$21.3722.03	Open
Flood	250		\$22.0422.67	Open
Flood	400		\$24.4325.09	Open
Flood	1000		\$25.4985	Open

Experimental
INDUCTION

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Overhead</u>				
Cobra Head	50	3,000	\$8.799.55	Open
Cobra Head	70	6,300	\$9.3010.09	Open
Cobra Head	150	11,500	\$9.5710.39	Open
Cobra Head	250	21,000	\$10.8411.74	Open
<u>Underground</u>				
Cobra Head	50	3,000	\$15.6593	Open
Cobra Head	70	6,300	\$16.4548	Open
Cobra Head	150	11,500	\$16.4378	Open
Cobra Head	250	21,000	\$17.6618.12	Open

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~Issued by: David M. Velazquez, President and Chief Executive Officer — Atlantic City Electric Company~~

~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Sixth Revised Sheet Replaces Fifth Revised Sheet No. 38

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances. The mercury vapor post standard (no longer available) will be supplied at an annual cost of \$23.09 in addition to the appropriate rate for the facility mounted on an existing pole. For installations on or before January 17, 1986, or lamp sizes 3500 Lumen or greater, an ornamental standard will be supplied at an annual cost of \$76.71 in addition to the appropriate rate for the fixture mounted on an existing pole. For standards installed after January 17, 1986, non-ornamental standards are available at an annual cost of \$112.13 in addition to the appropriate rate for the fixture mounted on an existing pole. Installation charges may be required for new construction. Ornamental standards are available under the CLE rate schedule.

UPGRADES TO EXISTING FIXTURES

Customers may upgrade existing lighting fixtures to fixtures of higher wattage subject to payment of the following charges which provide for labor to replace the light fixture and the differential cost of the light fixture:

Lamp Size up to 150W: \$339.80 plus applicable income tax gross up
Lamp Size greater than 150W: \$430.74 plus applicable income tax gross up

TERM OF CONTRACT

Contracts under this schedule will be made for a period of not less than one (1) year or more than five (5) years and for specified numbers and sizes of fixtures. In no case shall the Company be obliged to furnish additional lighting under any contract for a period of two (2) years or less, or during the last two (2) years of any contract for a longer period unless the customer shall reimburse the Company for all expenses incurred in the running of additional lines for such fixtures, the cost of such fixtures and the cost of the installation.

CREDITS

The annual charge per unit reflects an outage allowance based on normal and abnormal operating conditions.

TERMS AND CONDITIONS OF SERVICE

See Section II inclusive for Terms and Conditions of Service.
Customers requiring service under unusual conditions, or whose service requirements are different from those provided for herein may obtain such service under mutually acceptable contractual arrangements.
Service to all incandescent, mercury vapor, and retrofit high pressure sodium lamps of all sizes is in the process of elimination and is limited to those lamps being served prior to January 1, 1983.
Upon removal of incandescent and mercury vapor fixtures before the expiration of their service lives, the customer will be responsible to reimburse the Company the average undepreciated value per fixture. Refer to Rate Schedule CLE.

Conversion to Rate Schedule CSL

Non-residential customers taking service under Rate Schedule SPL who are eligible to take service under Rate Schedule CSL may convert at any time. The customer will be required to pay a rate schedule conversion charge, assessed on a per fixture basis, based on the following conditions:

Lighting Installations less than or equal to five years of age:	Full Installation costs per Rate Schedule CLE
Light Installations Greater than five years of age	Labor Costs associated with street light replacement. (\$271.15, plus applicable federal income tax gross up.)

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: August 25, 2014 **Effective Date: September 1, 2014**
Issued by: David M. Velazquez, President—Atlantic City Electric Company
Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ER14030245 and ER14030209

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Thirtieth Revised Sheet Replaces Twenty-Ninth Revised Sheet
No. 39

RATE SCHEDULE CSL
(Contributed Street Lighting)

AVAILABILITY

Available for general lighting service in the service area of the Company
The Company will install and maintain a lighting system and provide electric energy sufficient to operate fixtures continuously, automatically controlled, for approximately one-half-hour after sunset until approximately one-half-hour before sunrise, every night and all night, approximately forty-two hundred (4200) hours per annum during the term of years hereinafter set forth. The installed cost of the fixtures, standards, and other installed equipment (if necessary) shall be paid by the customer upon installation. All equipment shall be the property of the Company (see Rate Schedule CLE). The rates below provide for ordinary maintenance and replacement of lamps and automatic controls. The rates below do not provide for replacement due to expiration of the service life of installed fixtures, standards or other equipment.

The following rates shall be applied to the kWh Usage for the particular light type and size to determine the monthly charge per light.

Delivery charges are billed on a monthly per light basis in accordance with the rates specified on the Tables on Sheets 40 and 40a.

Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
Societal Benefits Charge (\$/kWh)	
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
Transmission Rate (\$/kWh)	\$0.000000
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS
Basic Generation Service Charge (\$/kWh)	See Rider BGS
Regional Greenhouse Gas Initiative	
Recovery Charge (\$/kWh)	See Rider RGGI
Infrastructure Investment Surcharge	See Rider IIS

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

PRICE TO COMPARE

A customer may choose to receive electric supply from a third party supplier as defined in Section 11 of the Standard Terms and Conditions of this Tariff. A customer who receives electric supply from a third party supplier will not be billed the Basic Generation Service Charges or the Transmission Service Charges. Customers eligible for BGS CIEP who receive supply from a third party supplier will continue to be billed the CIEP Standby Fee.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised Sheet No. 40

RATE SCHEDULE CSL (continued)
(Contributed Street Lighting)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
All	50	3,600	\$4,785.18	Open
All	70	5,500	\$5,246.5	Open
All	100	8,500	\$5,846.31	Open
All	150	14,000	\$6,957.54	Open
All	250	24,750	\$9,4710.27	Open
All	400	45,000	\$12,5413.60	Open
<u>METAL HALIDE</u>				
Flood	1000		\$9,4710.27	Open
Flood	175		\$8,939.69	Open
Decorative - Two Lights	175		\$30,3632.94	Open
Decorative	175		\$21,4223.23	Open

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Experimental</u>				
<u>LIGHT EMITTING DIODE (LED)</u>				
Cobra Head	50	3,000	\$2,643.32	Open
Cobra Head	70	4,000	\$2,643.32	Open
Cobra Head	100	7,000	\$2,643.32	Open
Cobra Head	150	10,000	\$2,643.32	Open
Cobra Head	250	17,000	\$2,643.32	Open
Post Top	150	10,000	\$2,643.32	Open
Colonial Post Top	70	4,000	\$2,643.32	Open
Colonial Post Top	100	7,000	\$2,643.32	Open
Shoe Box	100	7,000	\$2,643.32	Open
Shoe Box	150	10,000	\$2,643.32	Open
Shoe Box	250	17,000	\$2,643.32	Open
Tear Drop	100	7,000	\$2,643.32	Open
Tear Drop	150	10,000	\$2,643.32	Open
Flood	150		\$2,643.32	Open
Flood	250		\$2,643.32	Open
Flood	400		\$2,643.32	Open
Flood	1000		\$2,643.32	Open
<u>Experimental</u>				
<u>INDUCTION</u>				
Cobra Head	50	3,000	\$2,643.32	Open
Cobra Head	70	6,300	\$2,643.32	Open
Cobra Head	150	11,500	\$2,643.32	Open
Cobra Head	250	21,000	\$2,643.32	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances.
For fixtures mounted on an existing ornamental standard, the existing standard will continue to be supplied at an annual cost of \$65.81 until the expiration of its service life in addition to the appropriate rate for the fixtures on an existing pole.

Date of Issue: **December 8, 2016**

Effective Date: **January 1, 2017**

Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~First Revised Sheet Replaces Original Sheet No. 40a~~

**RATE SCHEDULE CSL (continued)
(Contributed Street Lighting)**

UPGRADES TO EXISTING FIXTURES

Customers may upgrade existing lighting fixtures to fixtures of higher wattage subject to payment of the following charges which provide for labor to replace the light fixture and the differential cost of the light fixture:

Lamp Size up to 150W: \$339.80 plus applicable income tax gross up
Lamp Size greater than 150W: \$430.74 plus applicable income tax gross up

TERMS OF CONTRACT

Contracts under this schedule will be made for a period of not less than one (1) year or more than five (5) years and for specified numbers and sizes of fixtures. In all cases where the customer shall authorize additional fixtures within the contract period, the number of lamps shall be increased throughout the remainder of the contract period.

In no case shall the Company be obliged to furnish lighting unless the customer ~~shall reimburse~~reimburses the Company for all actual expenses incurred to install additional lines for such fixtures, the cost of such fixtures and accessories and the cost of the installation of the fixtures, lines and accessories.

Removal of fixtures and related facilities shall be at the direction of the customer and the customer shall reimburse the Company for all actual removal costs.

CREDITS

The annual charge per unit reflects an outage allowance based on normal and abnormal operating conditions.

TERMS AND CONDITIONS OF SERVICE

See Section II inclusive for Terms and Conditions of Service.

Customers requiring service under unusual conditions, or whose service requirements are different from those provided for herein may obtain such service under mutually acceptable contractual arrangements.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

Date of Issue: ~~December 20, 2013~~ **Effective Date:** ~~January 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary's letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-402 in Docket No. EO11110800~~

**RATE SCHEDULE TP
(Temporary Power)**

AVAILABILITY OF SERVICE

Available for temporary power service.

MONTHLY RATE

Temporary power service will be supplied under any published rate schedule applicable to the class of business of the customer, when the Company has available unsold capacity of lines, transformers and generating equipment, with an additional charge of the total cost of connection and disconnection on discontinuance of service on an individually determined basis, in addition to the charges under Rate Schedule CHG.

MINIMUM CHARGE

The same minimum charge as set forth ~~applicable to~~ any rate schedule under which temporary service is supplied, shall be applicable to such temporary power service, and in no case less than full monthly minimum.

TERM OF CONTRACT

~~As per contract.~~
As determined and set forth in a written agreement between the Company and the customer.

SPECIAL TERMS AND CONDITIONS

"In accordance with P.L. 1997, C. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

Date of Issue: ~~December 20, 2013~~ Effective Date: ~~January 1, 2014~~

Issued by: ~~David M. Velazquez, President—Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary's letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in Docket No. EO11110800~~

ATLANTIC CITY ELECTRIC COMPANY

(Small Power Purchase)

AVAILABILITY OF SERVICE

Available to a "Qualifying Facility" (QF) as defined in Section 210 of the Public Utility Regulatory Policies Act of 1978 who also receives service under regular Company Rate Schedules ~~RS, RS-TOU-D, RS-TOU-E, MGS, AGS, or TS~~. Rate Schedules RS, MGS-Secondary, MGS-Primary, AGS Secondary, AGS Primary, TGS Sub-Transmission, and TGS Transmission. The generation capacity of such facility must be less than 1000 kW.

Qualifying facilities with capacity greater than 1000 kW must negotiate customer specific contracts. These facilities are entitled to a contract at full avoided energy costs and, if eligible, capacity costs. Customer specific contracts are subject to approval by the New Jersey Board of Public Utilities.

MONTHLY RATE

Service Charge:

This amount is deducted prior to payment for delivered energy. \$36.37

Energy Credit Payment:

The customer will be paid based on the actual load weighted PJM Residual Metered Load Aggregate Locational Marginal Prices (LMPs) in effect during the month energy is received.

Capacity Credit Payment:

~~This capacity credit is based upon one-twelfth the PJM capacity deficiency payment during the effective PJM Planning Period.~~

Deliveries from a QF installation that qualify as a PJM Capacity Resource may receive capacity payments when the installed capacity of the QF installation exceeds 100kW and meets the reliability criteria set forth in PJM Manual 18 (see www.pjm.com), as it may change from time to time. The Capacity Payment, if and as applicable, will be equal to the capacity revenues that the Company receives from PJM for selling such capacity into the Reliability Pricing Model (RPM) capacity auction prior to delivery, adjusted for all other PJM penalties and charges assessed to the Company by PJM arising from, among other things, non-performance or unavailability of the QF installation.

TERMS OF PAYMENT

In any month, credit/charge to the Qualifying Facility shall be the Energy Credit plus the Capacity Credit (if eligible) less the Service Charge. Credit/charge shall be made within 60 days of the last customer meter reading date, in each calendar quarter. If the net monthly credit exceeds \$53.67, a credit shall be made on a monthly basis.

Date of Issue: ~~May 29, 2015~~

Effective Date: ~~June 1, 2015~~

Issued by: ~~David M. Velazquez, President — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER14040370~~

RATE SCHEDULE SPP (Continued)
(Small Power Purchase)

SPECIAL PROVISIONS

1. The customer must pay all interconnection charges before the Company will purchase electric power.
2. A customer's installation must conform to Company specifications for Qualifying Facility interconnection as outlined in the Company's Technical Guidelines for Cogeneration and Small Power Producers.
3. Qualifying Facilities with 10 kW or less generating capacity must sign an Electric Interconnection/Small Power Purchase Agreement.
4. Purchases from a QF will receive a capacity credit when the capacity exceeds 100 kilowatts and that capacity meets ~~certain~~the Company's reliability criteria. The Company will make capacity payments to the QF to the extent that the capacity of the QF reduces any capacity deficiency payments by the Company to PJM or increases any capacity payments to the Company from PJM. Capacity credits, if applicable, will be based on the average on-peak capacity in any billing month, such capacity to be defined as the on-peak kilowatt-hours divided by the on-peak hours in that month. The seller may be eligible for an additional credit where the presence of the QF allows the deferral of local transmission or distribution capacity cost.
5. The Service Charge will be waived for QF's with 10 kW or less generating capacity.
6. Due to simplified metering, QF's with 10 kW or less generating capacity will be credited based on the average non-load weighted PJM billing rate for the month the energy is received.

STANDBY SERVICE

See Rider STB.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

Date of Issue: ~~December 20, 2013~~ **Effective Date:** ~~January 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary's letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-402 in Docket No. EO11110800~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Seventeenth~~ Revised Sheet Replaces ~~Sixteenth~~ Revised Sheet No. 44

**RIDER STB-STANDBY SERVICE
(Applicable to MGS, AGS, TGS and SPP Rate Schedules)**

AVAILABILITY

This rider is available to customers having other sources of electrical energy supply, but who desire to purchase Standby Service from the Company. The terms of this rider shall not be available in any month when the customer's Generation Availability for the current and preceding five (5) months does not exceed 50%.

DEFINITIONS

Standby Service:

Standby Service is defined as the additional electrical capacity available to a customer in the event of a forced outage and during a mutually agreed upon customer's scheduled maintenance shutdown of the customer owned electrical energy source.

Standby Service Capacity:

The Standby Service Capacity shall be the maximum electrical capacity in kW supplied by the customer owned electrical energy source during the current and preceding five (5) months. Such Standby Service Capacity may be revised with ~~Company~~the Company's approval as changes in the customer's load conditions warrant.

Generation Availability:

Generation Availability is defined as the availability of the customer owned electrical energy source during the current and preceding five (5) months and shall be determined by dividing the Kwhrs produced during this period by the product of the Standby Service Capacity times 4380 hours.

MODIFICATION OF DEMAND DETERMINATION

The monthly billing demand shall be as defined under the "Demand Determination" section of the applicable rate schedule.

The Standby Service Demand shall be the "Standby Service Capacity" as defined above.

During the billing months in which a forced outage or mutually agreed upon customer's scheduled maintenance shutdown occurs, the billing demand will be determined by subtracting the Standby Service Capacity from the total demand and waives the minimum charge provision of the applicable rate schedule. Electric service is provided under the terms of the applicable rate schedule. Total demand is defined as the sum of the Company's demand meter plus demand supplied by the other sources of electrical energy, all computed to the nearest whole kilowatt during a fifteen minute period.

STANDBY SERVICE CHARGE

This rider imposes a Standby Service Charge at the following voltage levels:

<u>Tariff</u>	<u>Transmission Stand By Rate</u> (\$/kW)	<u>Distribution Stand By Rate</u> (\$/kW)
MGS-Secondary	\$0.25	\$0.40 <u>13</u>
MGS Primary	\$0.11	\$0.43 <u>15</u>
AGS Secondary	\$0.20	\$0.90 <u>1.08</u>
AGS Primary	\$0.10	\$0.74 <u>84</u>
TGS Sub Transmission	\$0.10	\$0.00
TGS Transmission	\$0.10	\$0.00

Date of Issue: ~~August 31, 2016~~

Effective Date: ~~September 1, 2016~~

Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER16070620~~

RIDER STB-STANDBY SERVICE (Continued)
(Applicable to MGS, AGS, TGS and SPP Rate Schedules)

TERMS AND CONDITIONS

1. ~~Customer~~A customer shall allow installation, at ~~his~~its sole expense, of suitable metering equipment or other provisions to determine the amount of generation supplied by customer's source of electrical energy on a period by period basis.
2. During the initial five-(5) months application of this rider, all calculations based upon data of the current and preceding five-(5) months, shall be based upon data of the current month and the number of months of experience since its initial application.
3. These standby provisions may also be modified by mutual written consent between the Company and the potential standby customer.
4. If a customer on this rider has multiple generators, then each individual generator must meet the 50% availability requirement.

"In accordance with P.L. 1997, c. 162, the charges in this Rate Schedule include provision for the New Jersey Corporation Business Tax and the New Jersey Sales and Use Tax. When billed to customers exempt from one or more of these taxes, as set forth in Riders CBT and SUT, such charges will be reduced by the relevant amount of such taxes included therein."

Date of Issue: ~~December 20, 2013~~ Effective Date: ~~January 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to the Board Secretary's letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-102 in Docket No. EO11110800~~

ATLANTIC CITY ELECTRIC COMPANY ~~d/b/a Conectiv Power Delivery~~

(Applicable to AGS and TGS Rate Schedules)

AVAILABILITY

~~This~~The Interruptible Service ~~rider is~~Rider was discontinued as of December 31, 1999.

Date of Issue: ~~December 15, 1999~~

Effective Date: ~~January 1, 2000~~

Issued by: ~~Howard E. Cosgrove, CEO~~ ~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

RIDER IS - INTERRUPTIBLE SERVICE (Continued)
(Applicable to AGS and TGS Rate Schedules)

~~This~~The Interruptible Service ~~rider is~~Rider was discontinued as of December 31, 1999.

Date of Issue: ~~December 15, 1999~~

Effective Date: ~~January 1, 2000~~

Issued by: ~~Howard E. Cosgrove, CEO~~ ~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

RIDER IS - INTERRUPTIBLE SERVICE (Continued)
(Applicable to AGS and TGS Rate Schedules)

AVAILABILITY (Continued)

This Interruptible Service ~~rider is~~Rider was discontinued as of December 31, 1999.

Date of Issue: ~~December 15, 1999~~

Effective Date: ~~January 1, 2000~~

Issued by: ~~Howard E. Cosgrove, CEO~~ ~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

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Date of Issue: ~~December 20, 2013~~ Effective Date: ~~January 1, 2014~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~

~~Filed pursuant to the Board Secretary's letter dated December 18, 2013 I/M/O the Phase Out of the Transitional Energy Facility Assessment ("TEFA") Pursuant to N.J.S.A. 48:2-21.34 (5) and N.J.S.A. 54:30A-402 in Docket No. EO11110800~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV First Revised Sheet replaces Original Sheet No. 50

RIDER RP
REDEVELOPMENT PROGRAM SERVICE

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules AGS Secondary, AGS Primary, TGS

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for a term of five years.

The credit shall apply to the customer charge and the distribution demand charge associated with all kilowatts, as billed by the Company. A new customer, for purposes of this ~~ServiceRider RP~~, shall be defined as a customer who has not previously received energy from the Company within the previous two years, whose newly leased or purchased space is separately metered.

ELIGIBILITY:

Each customer will be required to sign an Application for Redevelopment Program Service, including an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. The Company, upon verification of eligibility, will provide the customer with a written commitment for Redevelopment Program Service.

To be eligible, a customer must lease or purchase new or vacant space for manufacturing, research and development, office or warehousing. The effective date of the lease or purchase must be after the date of this rate schedule. The total additional leased or purchased building space must equal or exceed 8,000 square feet.

Qualifying vacant building space must be vacant for a minimum of three months, as determined by the Company, prior to receiving a commitment for the Redevelopment Program.

~~Customer~~A customer must ~~be adding add~~ at least two permanent full-time employees to their payroll at the site receiving Redevelopment Program Service. Relocation or consolidation of employees based in the Company's service territory without employment growth, will not qualify. Employment growth will be confirmed by the Company in conjunction with the New Jersey Department of Labor and/or affidavit from the customer. The Company reserves the right, at its discretion, to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider RP will be no longer applicable.

~~Customer~~A customer must qualify for, receive, and provide the Company with suitable documentation substantiating the receipt of a comprehensive package of economic incentives conferred by the local municipality or state authorities and including substantial financial assistance or a substantial tax incentive program designed to maintain or increase employment levels in the service area.

LIMITATIONS OF SERVICE:

This service is not available to federal, state, county or local government or governmental entities.

Date of Issue: ~~August 24, 2016~~

Effective Date: ~~August 24, 2016~~

Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER16030252~~

**RIDER - SCD
SMALL COMMERCIAL DEVELOPMENT**

APPLICABLE TO:

Customers receiving service under Electric Rate Schedules MGS Secondary, MGS Primary

CHARACTER OF SERVICE:

Commitments for service under this rider will be made available to qualifying customers on a pilot basis effective August 24, 2016. Customers must commence service hereunder within 24 months of the date of commitment.

CREDIT:

A credit equal to 20% of the customer's distribution charge(s) as described below for the newly constructed, leased or purchased space, as determined by the Company, will be applied to the customer's monthly electric bills for the term of five years.

The credit shall apply to the customer charge, distribution demand charge and distribution energy charge for all kilowatts of demand and kilowatt-hours of consumption, as billed by the Company. A new customer, for purposes of this Service, shall be defined as a customer who has not previously received energy from the Company within the previous two years, whose newly leased or purchased space is separately metered.

ELIGIBILITY:

Each customer will be required to sign an Application for Small Commercial Development Program Service ~~including, which Application shall include~~ an estimate of additional demand. The customer must remain on the same rate schedule as in the base year period throughout the five year term of the program. The Company upon verification of eligibility will provide the customer with a written commitment for Small Commercial Development Program Service.

To be eligible, a customer must lease or purchase new or vacant space for Commercial services. The effective date of the lease or purchase must be after the date of this rate schedule. The total additional leased or purchased building space must equal or exceed 2,500 square feet.

Qualifying vacant building space must be vacant for a minimum of three months, as determined by the Company, prior to receiving a commitment for the Small Commercial Development Rider.

Customer must be adding at least one permanent full-time year round employee to their payroll at the site receiving Small Commercial Development Rider. Relocation or consolidation of employees based in the Company's service territory without employment growth, will not qualify. Employment growth will be confirmed by the Company in conjunction with the New Jersey Department of Labor and/or affidavit from the customer on a quarterly basis. The Company reserves the right, at its discretion, to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider SCD will be no longer applicable.

LIMITATIONS OF SERVICE:

This service is not available to federal, state, county or local government or governmental entities.

Date of Issue: August 24, 2016

Effective Date: August 24, 2016

**Issued by: ~~David M. Velazquez, President & CEO — Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER16030252~~**

**CBT – RIDER
(CORPORATE BUSINESS TAX)**

In accordance with P.L. 1997, C. 162 (the “energy tax reform statute”), provision for the New Jersey Corporation Business Tax has been included in all charges applicable Riders [tariff designation for LEACs/LGACs] (the “Base Tariff Rates) by multiplying the Base Tariff Rates in effect immediately prior to January 1, 1998 by the factor 1.3518% [1 plus the “a” factor carried out to decimals]. The energy tax reform statute exempts the following customers from the CBT provision, and when billed to such customers, the Base Tariff Rates otherwise applicable under this tariff shall be reduced by the provision for the CBT (and related New Jersey Sales and Use Tax) included therein:

1. Franchised providers of utility services (gas, electricity, water, waste water and telecommunications services provided by local exchange carriers) within the ~~Sate~~State of New Jersey.
2. ~~Cogenerators in operation~~Operating co-generators, or those which have filed an application for an operating permit or a construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, C. 212 (C.26:2c-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
3. Special contract customers for which a customer-specific tax classification was approved by a written Order of the ~~New Jersey~~ Board of Utilities prior to January 1, 1998.

~~Date of Issue: July 22, 1999~~

~~Effective Date: August 1, 1999~~

~~Issued by: Howard E. Cosgrove, CEO~~ ~~Wilmington, DE~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. EO97070455, EO97070456, EO97070457~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Fourth~~ Revised Sheet Replaces ~~Third~~ Revised Sheet No. 53

RIDER - SUT
(SALES AND USE TAX)

A. In accordance with P.L. 1997, C. 162 (the "energy tax reform statute"), provision for the New Jersey Sales and Use Tax ("SUT") has been included in all charges applicable under Atlantic's tariff by multiplying the charges that would apply before application of the SUT by the factor 1.06. Pursuant to P.L. 2016, c.57, this factor is changed to 1.06875 effective January 1, 2017. The energy tax reform statute exempts the following customers from the SUT provision:

1. Franchised providers of utility services (gas, electricity, water, wastewater and telecommunications services provided by local exchange carriers) within the State of New Jersey.
2. ~~Co~~Operating co-generators ~~in operation~~, or those which have filed an application for an operating permit or construction permit and a certificate of operation in order to comply with air quality standards under P.L. 1954, C.212 (C.26:2C-1 et seq.) with the New Jersey Department of Environmental Protection, on or before March 10, 1997.
3. Special contract customers for which a customer-specific tax classification was approved by a written Order of the New Jersey Board of Public Utilities prior to January 1, 1998.
4. Agencies or instrumentalities of the federal government.
5. International organizations of which the United States of America is a member.

B. The Business Retention and Relocation Assistance Act (P.L. 2004, c. 65) and subsequent amendment (P.L. 2005, c.374) exempts the following customers from the SUT provision, and when billed to such customers, the charges otherwise applicable shall be reduced by the provision for the SUT included therein:

1. A qualified business that employs at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process, for the exclusive use or consumption of such business within an enterprise zone, and
2. A group of two or more persons: (a) each of which is a qualified business that are all located within a single redevelopment area adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.); (b) that collectively employ at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process; (c) are each engaged in a vertically integrated business, evidenced by the manufacture and distribution of a product or family of products that, when taken together, are primarily used, packaged and sold as a single product; and (d) collectively use the energy and utility service for the exclusive use or consumption of each of the persons that comprise a group within an enterprise zone.
3. ~~a~~A business facility located within a county that is designated for the 50% tax exemption under section 1 of P.L. 1993, c.373 (C.54:32B-8.45) provided that the business certifies that it employs at least 50 people at that facility, at least 50% of whom are directly employed in a manufacturing process, and provided that the energy and utility services are consumed exclusively at that facility.

A business that meets the requirements in B.1., B.2. or B.3. above shall not be provided the exemption described in this section until it has complied with such requirements for obtaining the exemption as may be provided pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.) and P.L.1966, c.30 (C.54:32B-1 et seq.) and the Company has received a sales tax exemption letter issued by the New Jersey Department of Treasury, Division of Taxation.

There are, however, other tariff charges provided in the Company's current ~~Tariff~~tariff which are not subject, or are excluded from the SUT calculations in the compliance filing, as follows:

1. Rate Schedules
Residential Underground Extensions (RUE)Exempt all charges.
Contributed Lighting Extension (CLE)Exempt all charges.
2. Other Tariff Charges
Installation of Service at Original Location\$65.00 - Exempt
Connect\$15.00 - Exempt
Reconnect\$15.00 - Exempt
Succession\$15.00 - Exempt
Disconnect\$15.00 - Exempt
Special Reading of Meters\$15.00 - Exempt
Late Payment Charge - Exempt
Uncollectible Check\$7.64 – Exempt

Date of Issue: ~~December 8, 2016~~

Effective Date: **January 1, 2017**

Issued by:

~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054~~

BPU NJ No. 11 Electric Service - Section IV Second Revised Sheet Replaces First Revised Sheet No. 54

**Rider (MTC)
Market Transition Charge (MTC)**

Rider MTC ~~has been~~was replaced by Rider NGC, effective June 1, 2005.

Date of Issue: ~~May 31, 2005~~

Effective Date: ~~June 1, 2005~~

**Issued by: ~~William J. Sim, President - Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ER03020110, ER04060423, EO03020091 and EM02090633~~**

**Rider (NNC)
Net Non-Utility Generation Charge (NGC)**

Rider NNC ~~has been~~ was replaced by Rider NGC effective ~~June 1,~~ 2005.

Date of Issue: ~~May 31, 2005~~ Effective Date: ~~June 1, 2005~~

**Issued by: ~~William J. Sim, President - Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket Nos. ER03020110, ER04060423, EO03020091 and EM02090633~~**

RIDER (SEC)
Securitization

This Rider provides the two charges associated with the securitization of stranded costs. The charges included in this Rider are:

Transition Bond Charge

The Transition Bond Charge (TBC) is designed to insure full and timely recovery of all Bondable Stranded Costs including financing charges and related costs.

MTC-Tax

The Market Transition Charge Tax (MTC-Tax) is designed to recover all income taxes associated with the TBC and MTC-Tax revenues.

These charges are applicable to all kWhs delivered to ~~Customers~~customers receiving service under all Electric Rate Schedules and any customer taking service under special contractual arrangements.

The Company's TBC and MTC-Tax Charges to be effective on and after the date indicated below are as follows:

Transition Bond Charge:	\$0.004570 per kWh
MTC-Tax	\$0.002695 per kWh

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this ~~rider~~Rider include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

**Rider (NGC)
Non-Utility Generation Charge (NGC)**

~~Customers~~Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, SPP are subject to a non-bypassable Non-Utility Generation Charge (NGC).

This charge provided for the full and timely recovery of the following costs:

1. Costs associated with the ~~utility's~~Company's purchase power contracts with non-utility generators ~~and to, which are intended~~ recover the stranded costs associated with such commitments. The costs recovered via the NGC are based on the difference between the average estimated cost of energy and capacity in the regional market and the associated costs provided in existing power purchase contracts with non-utility generators. Differences between actual and estimated costs occurring under previously approved rates shall be added or subtracted as appropriate to the estimated costs.
2. Costs associated with the transition to a competitive electric market and the restructuring of the electric utility industry in the State of New Jersey.
3. Costs associated with the Company's generation facilities, net of any revenue received from the sale of energy, capacity and ancillary services associated with these units.

The following table provides the component rates of the NGC charge for each rate schedule based on the cost categories listed above in \$ per kWh.

<u>Rate Schedule</u>	St. Lawrence NYPA Credit (effective through May 31, 2017) <u>RS*</u>	Non-Utility Generation above <u>market costs</u>	<u>Total NGC</u>
RS	(\$0.000064)	\$ 0.016116	\$ 0.016052
MGS Secondary		\$ 0.016116	\$ 0.016116
MGS Primary		\$ 0.015694	\$ 0.015694
AGS Secondary		\$ 0.016116	\$ 0.016116
AGS Primary		\$ 0.015694	\$ 0.015694
TGS		\$ 0.015364	\$ 0.015364
SPL/CSL		\$ 0.016116	\$ 0.016116
DDC		\$ 0.016116	\$ 0.016116

*The St. Lawrence New York Power Authority (NYPA) Annual Benefit Allocation credit reflects the annual Economic Benefit Allocation for New Jersey's investor owned utilities to supply residential customers' load. The NYPA credit amount is adjusted annually, on June 1 of each year, to reflect the amount of the credit received.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

**Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket Nos. ER16111054 and ER16020099~~**

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV Second Revised Sheet ~~No. 57a~~ Replaces First Sheet No. 57a

Purposely Intentionally Left Blank

Date of Issue: ~~May 1, 2009~~

Effective Date: ~~June 1, 2009~~

Issued by: ~~David M. Velazquez, President - Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. EM06090638~~

**RIDER (SBC)
Societal Benefits Charge (SBC)**

~~Customers~~Applicable to customers receiving service under Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, and CSL and any customer taking service under special contractual arrangements.

In accordance with the New Jersey Electric Discount and Energy Competition Act, Societal Benefits Charges include:

- Clean Energy Program Costs
- Uncollectible Accounts
- Universal Service Fund
- Lifeline

The Company's Societal Benefits Charges to be effective on and after the date indicated below are as follows:

Clean Energy Program	\$0.003894 per kWh
Uncollectible Accounts	\$0.001652 per kWh
Universal Service Fund	\$0.001990 per kWh
Lifeline	\$0.000777 per kWh

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket Nos. ER16111054 and ER16020099~~

Purposely Intentionally Left Blank

Date of Issue: ~~June 28, 2013~~ Effective Date: ~~July 1, 2013~~

Issued by: ~~David M. Velazquez, President - Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket~~
~~Nos. ER12121074~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Twentieth Revised Sheet Replaces Nineteenth Revised Sheet
No. 60

RIDER (BGS)
Basic Generation Service (BGS)

Basic Generation Service (BGS) will be arranged for any customer taking service under Electric Rate Schedules RS, MGS Secondary, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL, and CSL who has not notified the Company of an Alternative Electric Supplier choice. BGS is also available to customers whose arrangements with Alternative Electric Suppliers have terminated for any reason, including nonpayment.

BGS is offered under two different terms of service; Basic Generation Service-Residential Small Commercial Pricing (BGS-RSCP) and Basic Generation Service -Commercial and Industrial Energy Pricing (BGS-CIEP). BGS-RSCP is offered to customers on Rate Schedules RS, DDC, SPL and CSL. BGS-RSCP is also offered to customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary, AGS Primary with an annual peak load share ("PLS") for generation capacity of less than 500 kW as of November 1 or each year. Additionally, BGS customers on Rate Schedule RS have the option of taking BGS-RSCP on a time of use basis.

BGS ~~Customers~~customers on Rate Schedule TGS and BGS customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary or AGS Primary with a PLS for generation capacity equal to or greater than 500 kW as of November 1 of each year are required to take service under BGS-CIEP.

Customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary or AGS Primary with a PLS of less than 500 kW, have the option of taking either BGS-RSCP or BGS-CIEP service. Customers who elect BGS-CIEP must notify the Company of their selection no later than the second working day of January of the year they wish to begin BGS-CIEP service. Such election will be effective on June 1 of that year and remain as the customer's default supply for the following twelve months. Customers electing BGS-CIEP as their default supply in a prior procurement period and who are otherwise eligible to return to BGS-RSCP may return to BGS RSCP by notifying the Company no later than the second working day of January of the year that they wish to return to BGS-RSCP service. Such election shall be effective on June 1 of that year.

BGS-RSCP Supply Charges (\$/kWh):	SUMMER	WINTER
Rate Schedule	June Through September	October Through May
RS		\$ 0.091709
<=750 kwhs summer	\$ 0.085570	
> 750 kwh summer	\$ 0.095461	
RS TOU BGS Option		
On Peak (See Note 1)	\$ 0.123249	\$ 0.119738
Off Peak (See Note 1)	\$ 0.049990	\$ 0.050897
MGS-Secondary	\$ 0.087416	\$ 0.085833
MGS-Primary	\$ 0.080692	\$ 0.076623
AGS-Secondary	\$ 0.083169	\$ 0.079005
AGS-Primary	\$ 0.078834	\$ 0.075432
DDC	\$ 0.076887	\$ 0.070668
SPL/CSL	\$ 0.053440	\$ 0.053358

Note 1: On Peak hours are considered to be 8:00 AM to 8:00 PM, Monday through Friday.

The above Basic Generation Service Energy Charges reflect costs for Energy, Generation Capacity, Ancillary Services and Administrative Charges pursuant to N.J.S.A. 48:2-60 plus New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer — Atlantic City Electric Company~~
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Twenty-Eighth Revised Sheet Replaces Twenty-Seventh Revised Sheet No. 60a

RIDER (BGS) continued
Basic Generation Service (BGS)

BGS Reconciliation Charge (\$/kWh):

The above charge shall recover the difference between the monthly amount paid to Basic Generation Service (BGS) suppliers and the total revenue from customers for BGS for the preceding months for the applicable BGS supply. These charges include New Jersey Sales and Use Tax as set forth in Rider SUT and are changed on June 1 and October 1 of each year.

Rate Schedule	Charge(\$ per kWh)
RS	\$ 0.001101
MGS Secondary, AGS Secondary, SPL/CSL, DDC	\$ 0.001101
MGS Primary, AGS Primary	\$ 0.001072

BGS-CIEP

Energy Charges

BGS Energy Charges for Rate Schedule TGS, AGS and MGS customers with a Peak Load Share (PLS) of 500 kW or more, and AGS and MGS customers with a PLS of less than 500 kW who have elected BGS-CIEP are hourly and are provided at the real time PJM Load Weighted Average Residual Metered Load Aggregate Locational Marginal Prices for the Atlantic Electric Transmission Zone, adjusted for losses, plus administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT.

Generation Capacity Obligation Charge

	Summer	Winter
Charge per kilowatt of Generation Obligation (\$ per kW per day)	\$0.277061	\$0.277061

This charge is equal to the winning bid price from the BGS-CIEP default service auction plus administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT. The above charge shall be applied to each ~~Customer's~~customer's annual peak load share ("PLS") for generation capacity, adjusted for the applicable PJM-determined Zonal Scaling Factor and the applicable PJM-determined capacity reserve margin factor, on a daily basis for each day in each customer's respective billing cycle.

Ancillary Service Charge

	Charge (\$ per kWh)
Service taken at Secondary Voltage	\$ 0.006760
Service taken at Primary Voltage	\$ 0.006584
Service taken at Sub-Transmission Voltage	\$ 0.006509
Service taken at Transmission Voltage	\$ 0.006446

This charge represents the average annual cost of Ancillary Services in the Atlantic Electric Transmission zone adjusted for losses, plus administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT.

BGS Reconciliation Charge:

	Charge (\$ per kWh)
Service taken at Secondary Voltage	\$ 0.000421
Service taken at Primary Voltage	\$ 0.000410
Service taken at Sub-Transmission Voltage	\$ 0.000405
Service taken at Transmission Voltage	\$ 0.000401

The above charge shall recover the difference between the monthly amount paid to Basic Generation Service (BGS) suppliers and the total revenue from customers for BGS for the preceding months for the applicable BGS supply. These charges include administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT and are changed on June 1 and October 1 of each year.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Thirtieth Revised Sheet Replaces Twenty-Ninth Revised Sheet
No. 60b

RIDER (BGS) continued
Basic Generation Service (BGS)

CIEP Standby Fee \$0.000160 per kWh

This charge recovers the costs associated with the winning BGS-CIEP bidders maintaining the availability of the hourly priced default electric supply service plus administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT. This charge is assessed on all kWhs delivered to all CIEP- eligible customers on Rate Schedules MGS Secondary, MGS Primary, AGS Secondary, AGS Primary or TGS.

Transmission Enhancement Charge

This charge reflects Transmission Enhancement Charges (“TECs”), implemented to compensate transmission owners for the annual transmission revenue requirements for “Required Transmission Enhancements” (as defined in Schedule 12 of the PJM OATT) that are requested by PJM for reliability or economic purposes and approved by the Federal Energy Regulatory Commission (FERC). The TEC charge (in \$ per kWh by Rate Schedule), including administrative charges pursuant to N.J.S.A. 48:2-60 and New Jersey Sales and Use Tax as set forth in Rider SUT, is delineated in the following table.

	<u>Rate Class</u>							
	<u>RS</u>	<u>MGS Secondary</u>	<u>MGS Primary</u>	<u>AGS Secondary</u>	<u>AGS Primary</u>	<u>TGS</u>	<u>SPL/CSL</u>	<u>DDC</u>
VEPCo	0.000402	0.000317	0.000333	0.000221	0.000186	0.000142	-	0.000134
TrAILCo	0.000606	0.000461	0.000238	0.000277	0.000108	0.000208	-	0.000213
PSE&G	0.000642	0.000506	0.000531	0.000355	0.000298	0.000228	-	0.000214
PATH	0.000051	0.000041	0.000043	0.000029	0.000024	0.000018	-	0.000017
PPL	0.000244	0.000186	0.000096	0.000111	0.000044	0.000083	-	0.000086
Pepco	0.000024	0.000017	0.000010	0.000011	0.000004	0.000007	-	0.000009
JCP&L	0.000003	0.000003	0.000003	0.000002	0.000002	0.000001	-	0.000001
Delmarva AEP - East	0.000001	0.000001	0.000001	0.000001	-	0.000001	-	0.000001
	0.000106	0.000080	0.000042	0.000048	0.000019	0.000036	-	0.000037
Total	0.002079	0.001612	0.001297	0.001055	0.000685	0.000724	-	0.000712

Date of Issue: January 30, 2017

Effective Date: February 1, 2017

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16121153~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Second~~ Revised Sheet Replaces ~~First~~ Revised Sheet No. 61

RIDER NEM
Net Energy Metering

AVAILABILITY

This Rider is available to any ~~Customer~~customer served under the Company's Rate Schedules RS, MGS-Secondary, MGS-Primary, AGS Secondary, AGS Primary, TGS Subtransmission, and TGS Transmission who owns and operates a customer-generator facility that:

1. Uses a New Jersey defined Class I renewable resource, including solar technologies, photovoltaic technologies, wind energy, fuel cells powered by renewable fuels, geothermal technologies, wave or tidal action, and/or methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner, as more specifically defined in Board of Public Utilities Regulations at N.J.A.C. 14:8; and
2. Is located on the ~~Customer's~~customer's premises or contiguous property; and
3. Is interconnected and operated in parallel with the Company's transmission or distribution facilities; and
4. Is intended primarily to offset all or part of the ~~Customer's~~customer's own electricity requirements; and
5. Is not a Qualifying Facility (QF) served under the Company's Rate Schedule SPP, Small Power Purchase.

CONNECTION TO THE COMPANY'S SYSTEM

Any ~~Customer~~customer who elects this Rider must submit a New Jersey Interconnection Application Form with the Company, at least 30 days prior to activating the customer-generator facility. The ~~Customer~~customer should not install a customer-generator facility without prior approval from the Company and the ~~Customer~~customer shall not operate a customer-generator facility without final written approval from the Company.

The customer-generator facility shall not be connected to the Company's system unless it meets all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories, and as currently detailed in the Technical Considerations Covering Parallel Operations of ~~Customer Owned Generation~~customer owned generation and ~~Interconnected~~interconnected with the Company's Power Delivery System in the State of New Jersey and the applicable codes of the local public authorities. Special attention should be given to IEEE Standard 929-2000 Recommended Practice for Utility Interface of Photovoltaic Systems. The ~~Customer~~customer must obtain, at the ~~Customer's~~customer's sole expense, all necessary inspections and approvals required by the local public authorities before the customer-generator facility is connected to the Company's electric system.

INTERCONNECTION AND PARALLEL OPERATION

Interconnection with the Company's system requires the installation of protective equipment which provides safety for personnel, affords adequate protection against damage to the Company's system or to the ~~Customer's~~customer's property, and prevents any interference with the Company's supply of service to other ~~Customers~~customers. Such protective equipment shall be installed, owned and maintained by the ~~Customer~~customer at the Customer's expense. Generation systems and equipment that comply with the standards established in the previous Section of this Rider shall be deemed by the Company to have generally complied with the requirements of this Section.

CESSATION OF PARALLEL OPERATION

The ~~Customer's~~customer's equipment must be installed and configured so that parallel operation must cease immediately and automatically during system outages or loss of the Company's primary electric source. The ~~Customer~~customer must also cease parallel operation upon notification by the Company of a system emergency, abnormal condition, or in cases where such operation is determined to be unsafe, interferes with the supply of service to other ~~Customers~~customers, or interferes with the Company's system maintenance or operation.

DELIVERY VOLTAGE

The delivery voltage of the customer-generator facility shall be at the same voltage level and at the same delivery point as if the Customer were purchasing all of its electricity from the Company.

Date of Issue: ~~November 20, 2015~~ **Effective Date:** ~~December 1, 2015~~

Issued by: ~~David M. Velazquez, President - Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ET15020139~~

RIDER NEM (Continued)
Net Energy Metering

TERM OF CONTRACT

The contract term shall be same as that under the Customer'scustomer's applicable Rate Schedule.

MONTHLY RATES, RATE COMPONENTS AND BILLING UNIT PROVISIONS

The monthly rates, rate components and billing unit provisions shall be those as stated under the Customer'scustomer's applicable Rate Schedule. Under this Rider, only the per kilowatt-hour charge components of the Customer'scustomer's bill are affected. The monthly charges shall be based on one of the following conditions:

- a) When the monthly energy meter reading registers that the Customercustomer has consumed more energy than the Customercustomer delivered to the Company's delivery system by the end of the monthly billing period, the Customercustomer shall be charged for the net amount of electricity consumed based on the rates and charges under the Customer'scustomer's applicable Rate Schedule for either Delivery Service when the Customercustomer has a third party supplier as its electric supplier, or the combined Delivery, Transmission and Basic Generation Service when the Customercustomer has the Company as its electric supplier; or
- b) If the Customercustomer is receiving combined Delivery, Transmission and Basic Generation Service, and the monthly energy meter reading registers that the Customercustomer has delivered more energy to the Company's delivery system than the Customercustomer has consumed by the end of the monthly billing period, the Customercustomer shall be charged the Customer Charge and any appropriate demand charges based on the Customer'scustomer's applicable Rate Schedule. In addition, the Company shall receive and take ownership of the delivered energy from the Customercustomer and the Company shall credit the Customercustomer for that delivered energy. At the end of twelve consecutive monthly billing periods beginning with the first month in which net metering becomes applicable (annualized period), the customer will be compensated for any remaining credits at the average Residual Metered Load Aggregate locational marginal price for energy, for the annualized period, in the Pennsylvania, New Jersey and Maryland Interconnection (PJM) Control Area Transmission Zone for the Company. In the event that a customer leaves Basic Generation Service prior to the end of the annualized period, the end of the service period will be treated as if it were the end of the annualized period; or
- c) If the Customercustomer has a third party supplier and the monthly energy meter reading registers that the Customercustomer has delivered more energy to the Company's delivery system than the Customercustomer has consumed by the end of the monthly billing period, the Customercustomer shall be charged the Customer Charge and any appropriate demand charges based on the Customer'scustomer's applicable Rate Schedule. Monthly meter data will be forwarded to the customer's third party supplier in accordance with existing Electronic Data Interchange (EDI) Standards. In the event that a Customercustomer changes electric supplier prior to the end of the annualized period, the end of the service period will be treated as if it were the end of the annualized period.

The customer has one opportunity to select an annualized billing period in accordance with the provisions of N.J.A.C. 14:8-4.3.

RENEWABLE ENERGY CERTIFICATES

The Renewable Energy Certificates generated by the customer-generator facility are owned entirely by the Customercustomer or the eligible Customer'scustomer's assignee.

METERING

The watt-hour energy meter at the Customer'scustomer's location shall measure the net energy consumed by the Customercustomer or the net energy delivered by the customer-generator facility for the monthly billing period. The Company shall furnish, install, maintain and own all the metering equipment needed for measurement of the service supplied.

Date of Issue: ~~November 20, 2015~~ Effective Date: ~~December 1, 2015~~
Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ET150204~~

MODIFICATION OF THE COMPANY'S SYSTEM

If it is necessary for the Company to extend or modify portions of its systems to accommodate the delivery of electricity from the customer-generator facility, the Company at the Customer'scustomer's expense shall perform such extension or modification.

LIABILITY

The Company accepts no responsibility whatsoever for damage or injury to any person or property caused by failure of the Customercustomer to operate in compliance with Company's requirements. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which originates from the customer-generator facility. Connection by the UtilityCompany under this Rider does not imply that the Company has inspected or certified that the customer-generator facility has complied with any necessary local codes or applicable safety or performance standards. All inspections, certifications and compliance with applicable local codes and safety requirements are the sole responsibility of the Customercustomer-generator.

FAILURE TO COMPLY

If the Customercustomer fails to comply with any of the requirements set forth in this Rider, the Company may disconnect the Customer'scustomer's service from the Company's electric system until the requirements are met, or the customer-generator facility is disconnected from the Customer'scustomer's electric system.

TERMS AND CONDITIONS

The Terms and Conditions set forth in this tariff shall govern the provision of service under this Rider.

Date of Issue: ~~November 20, 2015~~ Effective Date: December 1, 2015
Issued by: ~~David M Velazquez, President — Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ET15020139~~

RIDER ANEM
Aggregated Net Energy Metering

AVAILABILITY

This Rider is available to any customer served under the Company's Rate Schedules RS, MGS-Secondary, MGS-Primary, AGS Secondary, AGS Primary, TGS Sub-Transmission, and TGS Transmission who owns and operates a customer-generator facility that:

- 1) Is a solar electric power generation system; and
- 2) Is not an on-site generation system; and
- 3) Is located on the customer's premises or contiguous property; and
1. Is interconnected and operated in parallel with the Company's transmission or distribution facilities; and
- 4) Is intended primarily to offset all or part of the customer's own aggregated electricity requirements; and
- 5) Is not a Qualifying Facility (QF) served under the Company's Rate Schedule SPP, Small Power Purchase; and
- 6) The customer Is a State entity, school district, county, county agency, county authority, municipality, municipal agency, or municipal authority; and have multiple metered accounts including the host account that:
 - a) Must be located within the customer's territorial jurisdiction or, for a State entity, be located within 5 miles of one another; and
 - b) Are served by Basic Generation Service (BGS) under the same eligible rate schedule or be supplied by the same (third-party) energy supplier; and
 - c) None of the accounts to be aggregated have been included in a previous aggregation for another qualified customer facility; and
 - d) is not located on land that has been actively devoted to agricultural or horticultural used and that is valued, assessed, and taxed pursuant to the Farmland Assessment Act of 1964 at any time within the 10 years prior to July 23, 2012. (The municipal planning board of a municipality where the customer-generator facility is to be located may waive this requirement.)
 - e) Are part of or under the control of a single corporate entity. This can be demonstrated if all of the aggregated customer accounts have the same tax payer identification number or by attestation by a corporate officer or attorney on the form provided on the interconnection web site,

The customer may aggregate the meters for the purpose of net metering regardless of which individual meter receives energy from a customer-generator facility provided that:

- 1) Before a customer can participate under this rider and activate the customer-generator facility, the customer shall file an application with the Company available at: <http://www.atlanticcityelectric.com/greenpowerconnection/> and include the following information:
 - a) For the metered account behind which a customer-generator is net metered ("the host account"), a description of the customer-generator facility including its location, capacity, and description of its generating technology;
 - b) A list the individual metered accounts that the customer seeks to aggregate, identified by name, address, rate schedule, and account number;
- 2) The customer may provide written notice of a change to its list of aggregated metered accounts no more than once annually and should allow for up to 30 days for the change to go into effect; and
- 3) In order to continue under this rider, the customer must notify the Company of any change in ownership of the accounts by providing the Company 30 days written notice

Customer-generators applying under this rider may be subject to FERC jurisdiction with respect to net sales of excess generation and interconnection requirements.

An eligible customer participating aggregated net metering under this Rider can be charged by the Company for incremental costs providing this service.

Date of Issue:
Issued By:

Effective Date:

RIDER ANEM (Continued)
Aggregated Net Energy Metering

CONNECTION TO THE COMPANY'S SYSTEM

Any customer who elects this Rider must submit a New Jersey Interconnection Application Form with the Company, at least 30 days prior to activating the customer-generator facility. The customer should not install a customer-generator facility without prior approval from the Company and the customer shall not operate a customer-generator facility without final written approval from the Company.

The customer-generator facility shall not be connected to the Company's system unless it meets all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories, and as currently detailed in the Technical Considerations Covering Parallel Operations of Customer Owned Generation and Interconnected with the Company's Power Delivery System in the State of New Jersey and the applicable codes of the local public authorities. Special attention should be given to IEEE Standard 929-2000 Recommended Practice for Utility Interface of Photovoltaic Systems. The customer must obtain, at the customer's sole expense, all necessary inspections and approvals required by the local public authorities before the customer-generator facility is connected to the Company's electric system.

INTERCONNECTION AND PARALLEL OPERATION

Interconnection with the Company's system requires the installation of protective equipment which provides safety for personnel, affords adequate protection against damage to the Company's system or to the Customer's property, and prevents any interference with the Company's supply of service to other customers. Such protective equipment shall be installed, owned and maintained by the customer at the customer's sole expense. Generation systems and equipment that comply with the standards established in the previous Section of this Rider shall be deemed by the Company to have generally complied with the requirements of this Section.

CESSATION OF PARALLEL OPERATION

The customer's equipment must be installed and configured so that parallel operation must cease immediately and automatically during system outages or loss of the Company's primary electric source. The customer must also cease parallel operation upon notification by the Company of a system emergency, abnormal condition, or in cases where such operation is determined to be unsafe, interferes with the supply of service to other customers, or interferes with the Company's system maintenance or operation.

DELIVERY VOLTAGE

The delivery voltage of the customer-generator facility shall be at the same voltage level and at the same delivery point as if the customer were purchasing all of its electricity from the Company.

TERM OF CONTRACT

The contract term shall be same as that under the customer's applicable Rate Schedule.

MONTHLY RATES, RATE COMPONENTS AND BILLING UNIT PROVISIONS

The monthly rates, rate components and billing unit provisions shall be those as stated under the customer's applicable Rate Schedule. Under this Rider, only the per kilowatt-hour charge components of the customer's bill for the host account are affected. The monthly charges shall be based on one of the following conditions:

- a) When the monthly energy meter reading registers on the host account that the customer has consumed more energy than the customer delivered to the Company's delivery system by the end of the monthly billing period, the customer shall be charged for the net amount of electricity consumed based on the rates and charges under the customer's applicable Rate Schedule for either Delivery Service when the customer has a third party supplier as its electric supplier, or the combined Delivery, Transmission and Basic Generation Service when the customer has the Company as its electric supplier; or

Date of Issue:

Effective Date:

Issued by:

RIDER ANEM (Continued)
Aggregated Net Energy Metering

- b) If the customer is receiving combined Delivery, Transmission and Basic Generation Service, and the monthly energy meter reading on the host account registers that the customer has delivered more energy to the Company's delivery system than the customer has consumed by the end of the monthly billing period, the customer shall be charged the Customer Charge and any appropriate demand charges based on the customer's applicable Rate Schedule. In addition, the Company shall receive and take ownership of the delivered energy from the customer and the Company shall credit the customer for that delivered energy. At the end of twelve consecutive monthly billing periods beginning with the first month in which net metering becomes applicable (annualized period), the customer will be compensated for any remaining credits at the average locational marginal price for energy, for the annualized period, in the Pennsylvania, New Jersey and Maryland Interconnection (PJM) Control Area Transmission Zone for the Company. In the event that a customer leaves Basic Generation Service prior to the end of the annualized period, the end of the service period will be treated as if it were the end of the annualized period; or
- c) If the customer has a third party supplier and the monthly energy meter reading on the host account registers that the customer has delivered more energy to the Company's delivery system than the customer has consumed by the end of the monthly billing period, the customer shall be charged the Customer Charge and any appropriate demand charges based on the customer's applicable Rate Schedule. Monthly meter data will be forwarded to the customer's third party supplier in accordance with existing Electronic Data Interchange (EDI) Standards. In the event that a customer changes electric supplier prior to the end of the annualized period, the end of the service period will be treated as if it were the end of the annualized period.

The customer has one opportunity to select an annualized billing period in accordance with the provisions of N.J.A.C. 14:8-4.3.

RENEWABLE ENERGY CREDITS

The Renewable Energy Credits generated by the customer-generator facility are owned entirely by the customer or the eligible customer's assignee.

METERING

The watt-hour energy meter at the customer's location shall measure the net energy consumed by the customer or the net energy delivered by the customer-generator facility for the monthly billing period. The Company shall furnish, install, maintain and own all the metering equipment needed for measurement of the service supplied.

MODIFICATION OF THE COMPANY'S SYSTEM

If it is necessary for the Company to extend or modify portions of its systems to accommodate the delivery of electricity from the customer-generator facility, the Company, at the customer's sole expense, shall perform such extension or modification.

LIABILITY

The Company accepts no responsibility whatsoever for damage or injury to any person or property caused by failure of the customer to operate in compliance with Company's requirements. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which originates from the customer-generator facility. Connection by the Company under this Rider does not imply that the Company has inspected or certified that the customer-generator facility has complied with any necessary local codes or applicable safety or performance standards. All inspections, certifications and compliance with applicable local codes and safety requirements are the sole responsibility of the customer-generator.

Effective Date:

Issued by: :

RIDER ANEM (Continued)
Aggregated Net Energy Metering

FAILURE TO COMPLY

If the customer fails to comply with any of the requirements set forth in this Rider, the Company may disconnect the customer's service from the Company's electric system until the requirements are met, or the customer-generator facility is disconnected from the customer's electric system.

TERMS AND CONDITIONS

The Terms and Conditions set forth in this tariff shall govern the provision of service under this Rider.

Date of Issue:
Issued By:

Effective Date:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Ninth Revised Sheet Replaces Eighth Revised Sheet No. 64

RIDER RGGI

Regional Greenhouse Gas Initiative Recovery Charge

A. Applicability

This ~~Rider~~ **Rider** is applicable to Rate Schedules RS, MGS Secondary, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL. Amounts billed to customers shall include a charge to reflect regional greenhouse gas initiative program costs. Except where indicated otherwise, Rider "RGGI" will be determined annually based on projections of program costs (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales. The charge (in dollars per kilowatt hour) will be computed by dividing the total annual amount to be recovered for by forecasted retail sales (in kilowatt hours).

RGGI Programs

Residential Controllable Smart Thermostat Program (RCSTP) (\$/kWh) \$0.000000
This charge component is intended to recover costs associated with the Residential Controllable Smart Thermostat Demand Response Program.

Solar Renewable Energy Certificate (SREC) (\$/kWh) \$0.000566
This charge component is intended to recover net costs associated with the Solar Renewable Energy Certificate Program.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket Nos. ER16111054 and ER16050402~~

**RIDER "RCSTP"
RESIDENTIAL CONTROLLABLE SMART THERMOSTAT PROGRAM RIDER**

AVAILABILITY

This ~~rider~~Rider is applied to and is a part of Rate Schedule RS when a distribution customer volunteers for this demand response Residential Controllable Smart Thermostat Program (the "Program") subject to the provisions listed below.

GENERAL PROVISIONS

1. The customer will allow the Company to install, own, and maintain a smart thermostat(s) or outdoor direct load control cycling switch(es) and associated equipment on the customer's central air conditioner or central heat pump equipment for the purpose of the Company's cycling control over the operation of those appliances as described below. A customer with multiple central air conditioners and/or heat pumps will allow the Company to install equipment for cycling control of all of those appliances at the customer's premises.
2. Customers volunteering for the Program will be subject to the following Program features:

<u>Rate Schedule</u>	<u>Cycling Program</u>	<u>Program Description</u>
RS	50% Air Conditioner Cycling Program	A participating customer's air conditioner compressor will be cycled off for 15 minutes of each half hour during periods of cycling control as specified below.

3. The Company may exercise cycling control whenever required for any of the following reasons:
 - 1) to test cycling equipment;
 - 2) in response to a PJM dispatcher's request to activate the program;
 - 3) in response to local electricity supply constraints; or
 - 4) in response to regional electricity market prices.

The Company will give prompt notice of all cycling control events on its Internet site at <http://www.atlanticcityelectric.com>, which Internet site address will be provided to all program participants at the time of enrollment in the program.

4. The participant's override of cycling events will be limited to two events annually and is not permitted during PJM-initiated cycling events. Participants interested in overriding a cycling event can request an override by contacting the Company in the manner prescribed in the Program material provided at the time of enrollment.
5. Customers may only participate in one direct load control program at a time.

CONTRACT TERMS AND BILLING

1. The customer will receive a One Time Enrollment Credit as specified below for each central air conditioner or heat pump being controlled at the customer's premises. The customer who has a smart thermostat or direct load control switch installed by the Company will receive it at no charge to the customer. In return, the customer will be required to remain enrolled in the Program for at least one year. The One Time Enrollment Credit will be credited to the ~~participant's~~customer's account after the Company has installed the cycling control equipment.

<u>Rate Schedule</u>	<u>One Time Enrollment Credit</u>
RS	\$50.00

2. Cost recovery is established through the Rider Regional Greenhouse Gas Initiative Recovery Charge ("Rider RGGI").
3. ~~After one year as a Program participant, a~~ customer may withdraw from participation in the Program at any time by written or telephonic notification communication with the Company. If the customer has not participated in the Program for a full 12 months, then the customer may be required to forfeit the One Time Enrollment Credit which the Company paid to the customer.
4. A participating customer who moves from one location to another in the Company's service territory may retain participation in Program by notifying the Company of this change by telephone or in writing, provided that the new location is in an area in which the Program is being offered.
5. The Company, in the first instance, will attempt to resolve any dispute arising between a customer and the Company concerning the Program. If the dispute cannot be resolved to the satisfaction of both parties through this process, the Company shall advise the customer that it has the right to submit its dispute to the ~~New Jersey~~ Board of Public Utilities for resolution.

Date of Issue: June 28, 2010 **Effective Date: July 1, 2010**
Issued by: David M. Velazquez, President and CEO, Atlantic City Electric Company

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Infrastructure Investment Surcharge

APPLICABILITY

~~This rider is applicable to Rate Schedules RS, MGS Secondary, MGS Primary, AGS Secondary, AGS Primary, TGS, DDC, SPL and CSL.~~

~~This charge provides for full and timely recovery of revenue requirements associated with incremental infrastructure improvement projects approved by the NJ Board of Public Utilities.~~

~~This charge will be based on revenue requirements calculated using projected annual expenditures. The charge is adjusted on an annual basis and includes a true up for the difference between actual and forecasted costs. The difference between actual and forecasted costs is tracked on a monthly basis and interest on the over or under recovered balance is calculated monthly using the Company's current short term debt rate.~~

~~The following table provides the Infrastructure Investment Surcharge (IIS), including Sales and Use Tax, for each rate schedule in \$ per kWh.~~

<u>Rate Schedule</u>	<u>Total IIS (\$ per kWh)</u>
RS	-\$0.000000
MGS Secondary	-\$0.000000
MGS Primary	-\$0.000000
AGS Secondary	-\$0.000000
AGS Primary	-\$0.000000
TGS	-\$0.000000
SPL/CSL	-\$0.000000
DDC	-\$0.000000

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

**Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~**

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Date of Issue: ~~September 26, 2013~~

Effective Date: ~~October 1, 2013~~

Issued by: ~~David M. Velazquez, President – Atlantic City Electric Company~~
~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket~~
~~No. ER13070634~~

RIDER SRR
SYSTEM RENEWAL RECOVERY CHARGE

APPLICABILITY:

The Distribution Charges billed under the Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, and SPP shall be subject to the System Renewal Recovery Charge as specified in the terms of this Rider. The System Renewal Recovery Charge provides for collection of the monthly charges and rates set forth.

The System Renewal Recovery Charge is specifically intended to recover reliability-related expenditures and emergency spend as approved by the NJ Board of Public Utilities for recovery through this capital investment tracker mechanism.

DETERMINATION OF CHARGE:

The System Renewal Recovery Charge will be based on revenue requirements calculated using projected annual expenditure and reconciled as defined herein. The revenue requirement will include the following items and adjustments.

1. Return on approved capital investment expenditures placed into service during the period at the authorized rate of return.
2. Recovery of approved capital investment expenditures placed into service during the period through depreciation expense.
3. A one-time bill adjustment to reflect any applicable customer credits based on the Company's earnings test established by the NJ Board of Public Utilities.
4. Reconciliation of the deferred balance upon termination of the System Renewal Recovery Charge. (See "Adjustment to Charge")
5. The System Renewal Recovery Charge is currently expected to remain in effect for approximately five years beginning in April 2018 and thereafter will continue in effect until completion of the first rate case filed after all of the approved investment projects are placed into service.
6. The System Renewal Recovery Charge will be capped so that the maximum average annual rate increase due to the System Renewal Recovery Charge in a single year will not exceed five percent of the average monthly bill for the typical residential customer over the annual period.

MONTHLY CHARGES AND RATES:

System Renewal Recovery Charge (Effective)

Rate Schedule Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER13070634

To be determined for each Rate Schedule upon the filing of the initial System Renewal Recovery Charge.

ADJUSTMENT TO CHARGE:

The System Renewal Recovery Charge is subject to deferred accounting. A monthly over/under recovery calculation will be performed based on actual revenues received under the System Renewal Recovery Charge and the actual revenue requirement in each month, and the over/under recovery will be tracked as a deferred balance. Interest on this balance will be calculated monthly using the Company's short term debt rate. The interest rate will be reset each month. The deferred balance will be reconciled upon termination of the System Renewal Recovery Charge and any over or under recovery will be shown as a rate making adjustment in the first rate case filed after all of the approved capital investment projects are placed into service.

Date of Issue:

Effective Date:

Issued by:

Exhibit B

**NOTICE OF
FILING OF ELECTRIC RATE INCREASE
AND PUBLIC HEARINGS
TO CUSTOMERS OF
ATLANTIC CITY ELECTRIC COMPANY
BPU Docket No. _____
OAL Docket No. _____**

PLEASE TAKE NOTICE that, on or about March 30, 2017, Atlantic City Electric Company (ACE or the Company), a New Jersey public utility, filed a Petition (the Petition) with the New Jersey Board of Public Utilities (the Board or BPU), which has been docketed as BPU Docket No. ER1703_____, seeking the Board's approval of (i) proposed changes to certain elements of the Company's tariff and (ii) a rate surcharge mechanism called the System Renewal Recovery Charge, which will recover the cost of certain reliability-related capital spending projects. Specifically, the Company is seeking an increase in distribution-related charges. If approved, the request would increase the net annual revenues of the Company by \$70.16 million (\$74.81 million, including Sales and Use Tax). The Company is requesting the rate increase due to increases in operating expenses and investments in plant and equipment made since the Company's last base rate case. In order to maintain and enhance the reliability of service to all ACE customers and improve the resiliency of the distribution system in severe weather events, the Company has invested heavily in its distribution system. The costs of these investments, along with other cost increases experienced since ACE's last base rate case, are not reflected in the Company's current rates. The current rate filing requests recognition in rates of these costs.

The Company has requested that all of the rates shown below become effective for service rendered on and after December 30, 2017 (that is, following the anticipated expiration of two statutory, BPU-adopted suspension periods). If this filing is not resolved within the nine-month time period set forth under applicable law, ACE intends to implement the rate changes set out in the Petition on an interim basis, subject to refund once the case is finally resolved by the Board.

If the Board approves this request, the monthly bill for a typical residential customer (using approximately 716 kWh/month) will increase by \$9.00 or approximately 6.57%. The exact amount that your bill will increase depends upon the amount of electricity you use. A chart is included with this notice to help residential customers assess the impact of the new rates on their monthly bills.

The Company has filed the following changes to its existing rates with the BPU. Any final rate adjustments found by the Board to be just and reasonable may be modified and/or allocated by the Board in accordance with the provisions of N.J.S.A. 48:3-4, and for other good and legally sufficient reasons, to any class or classes of customers of the Company. Therefore, the above-described changes may increase or decrease based upon the Board's decision.

	Residential Service (RS)
Customer Charge:	\$6.44
Distribution Charges (\$/kWh):	
0 – 750 Summer	\$0.060559
0 – 500 Winter	\$0.055877
Over 750 Summer	\$0.069619
Over 500 Winter	\$0.055877

Delivery Charges	Monthly General Service – Secondary (MGS-SEC)	Monthly General Service – Primary (MGS-Prim)
Customer Charge – Single Phase		
Single Phase	\$8.64	\$15.32
Three Phase	\$10.05	\$16.64
Distribution Demand Charges:		
Demand Charge Summer (\$/kW)	\$2.31	\$1.75
Demand Charge Winter (\$/kW)	\$1.89	\$1.36
Reactive Demand Charge (\$/kVAR)	\$0.52	\$0.47
Distribution kWh Charges		
Summer (\$/kWh)	\$0.052922	\$0.047521
Winter (\$/kWh)	\$0.047805	\$0.046153

	Annual General Service – Secondary (AGS- SEC)	Annual General Service – Primary (AGS- Prim)	Transmission General Service (TGS) Subtransmission < 5,000 kW	Transmission General Service (TGS) Subtransmission 5,000 – 9,000 kW	Transmission General Service (TGS) Subtransmission >9,000 kW
Customer Charge	\$170.18	\$639.60	\$137.29	\$4,546.92	\$8,253.86
Distribution Demand Charges (\$/kW):	\$10.59	\$8.26	\$3.94	\$3.03	\$1.52
Reactive Demand Charge (\$/kVAR)	\$0.81	\$0.61	\$0.54	\$0.54	\$0.54

	Transmission General Service (TGS) < 5,000 kW	Transmission General Service (TGS) 5,000 – 9,000 kW	Transmission General Service (TGS) >9,000 kW
Customer Charge	\$133.60	\$4,424.86	\$20,080.75
Distribution Demand Charges (\$/kW):	\$3.07	\$2.36	\$0.15
Reactive Demand Charge (\$/kVAR)	\$0.52	\$0.52	\$0.52

Delivery Charges	Direct Distribution Connection (DDC)	Street & Private Lighting (SPL)*	Contributed Street Lighting (CSL)*
Distribution: Service & Demand (per day per connection)	\$0.167902	-	-
Energy (per day for each KW of effective load)	\$0.808718	-	-

* See Rate Schedules for details of monthly charges per fixture.

Residential customers can compare their monthly usage with the chart below to see how these rate changes, as proposed, will affect their bills:

Charges Under Previous Rates		
Monthly kWh Use	Winter	Summer
100	\$23.02	\$22.78
300	\$60.16	\$59.48
500	\$97.31	\$96.18
750	\$143.75	\$142.05
1000	\$190.18	\$192.28
1500	\$283.05	\$292.72
2000	\$375.91	\$393.17
3000	\$561.66	\$594.06
Charges Under Proposed Rates		
Monthly kWh Use	Winter	Summer
100	\$25.97	\$25.82
300	\$65.01	\$64.58
500	\$104.07	\$103.34
750	\$152.88	\$151.79
1000	\$201.69	\$204.98
1500	\$299.32	\$311.35
2000	\$396.95	\$417.73
3000	\$592.21	\$630.47

The above assumes that customers take their electric supply from the Company and do not engage the services of a third party supplier.

The chart below provides information as to the percentage rate change by customer class:

PERCENT CHANGE BY CUSTOMER CLASS

Rate Schedule	Percent Change by Customer Class
Residential	6.7%
Monthly General Service Secondary	10.8%
Monthly General Service Primary	3.8%
Annual General Service Secondary	2.6%
Annual General Service Primary	3.3%
Transmission General Service	0.0%
Street and Private Lighting/ Contributed Street Lighting	6.3%
Direct Distribution Connection	0.0%
TOTAL:	4.1%

A copy of this Notice of Filing and Public Hearings on the Petition is being served upon the clerk, executive or administrator of each municipality and county within the Company's service territory. The Petition and this Notice have also been served upon the Director of the Division of Rate Counsel (Rate Counsel), who will represent the interests of all ACE customers in this proceeding. Copies of ACE's Petition are available for public inspection at ACE's business office (5100 Harding Highway, Mays Landing, New Jersey 08330) during normal business hours and on ACE's website at www.atlanticcityelectric.com/home/choice/nj/public/. Copies are also available at the Board's main office, 44 South Clinton Avenue, 3rd Floor, Trenton, New Jersey 08625.

PLEASE TAKE FURTHER NOTICE that the Board has transmitted the Company's Petition to the Office of Administrative Law (OAL) for the purpose of conducting public and evidentiary hearings thereon. The Petition has been docketed as OAL Docket No. _____. The OAL has scheduled public hearings before an Administrative Law Judge at the following times and place:

Date: _____, June __, 2017	Date: _____, June __, 2017
Time: 3:30 P.M.	Time: 5:30 P.M.
Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330	Location: Atlantic City Electric Company Offices 1 st Floor Conference Room 5100 Harding Highway Mays Landing, New Jersey 08330

A BPU Staff representative and a representative from Rate Counsel will be present at the public hearings. Members of the public are invited to attend and express their views on this filing. Such comments will be made a part of the final record of the proceeding to be considered by the

Board prior to voting on the matter. The public hearings will continue at the foregoing date, times, and location until all persons timely appearing have had a reasonable opportunity to be heard. Regardless of whether they attend the public hearings, members of the public may file written comments with the Board at 44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350, Attention: Irene Kim Asbury, Esq., Secretary of the Board, and with the Office of Administrative Law, Attention: Administrative Law Judge _____, at the Office of Administrative Law, _____, _____, New Jersey _____.

Dated: [May/June] __, 2017

Atlantic City Electric Company

Exhibit C

**Atlantic City Electric Company
Comparative Balance Sheet**

	December 31,		
	2014	2015	2016 *
Utility Plant			
Utility Plant	\$ 2,941,802,941	\$ 3,118,336,447	\$ 3,353,964,052
Construction Work In Progress	115,433,938	158,368,059	169,019,500
TOTAL Utility Plant	<u>3,057,236,879</u>	<u>3,276,704,506</u>	<u>3,522,983,552</u>
Less: Accumulated Depreciation	756,126,981	748,074,846	749,640,139
Net Utility Plant	<u>2,301,109,898</u>	<u>2,528,629,660</u>	<u>2,773,343,413</u>
Other Property and Investments			
Nonutility Property	15,595,221	28,322,256	13,984,529
Less: Accumulated Depreciation	4,233,036	16,149,344	11,965,625
Net Nonutility Plant	<u>11,362,185</u>	<u>12,172,912</u>	<u>2,018,904</u>
Investment in Subsidiary Companies	2,960,001	2,960,001	2,960,001
Other Special Funds	3,567,233	3,536,546	3,514,211
Long-Term Portion of Derivative Assets	-	-	-
Total Other Property and Investments	<u>17,889,419</u>	<u>18,669,459</u>	<u>8,493,116</u>
Current and Accrued Assets			
Cash	2,202,187	3,059,168	3,175,781
Special Deposits	-	-	-
Working Funds	65,743	68,658	70,026
Temporary Cash Investments	-	42,000	97,766,190
Customer Accounts Receivable	124,820,632	178,706,554	131,927,312
Other Accounts Receivable	16,387,819	52,487,685	20,137,473
Less: Provision for Uncollectible Accounts	8,978,662	17,266,644	26,844,201
Accounts Receivable from Associated Companies	-	142,825,491	136,524
Fuel Stock	-	-	-
Plant Materials and Operating Supplies	20,657,458	20,876,146	21,989,456
Allowances	787,522	1,075,268	1,279,652
Stores Expense Undistributed	1,260,277	1,447,665	-
Prepayments	2,980,483	543,242	423,912
Interest and Dividends Receivable	24,296,381	24,465,824	772,510
Rents Receivable	3,147,097	3,141,868	3,202,244
Accrued Utility Revenues	32,332,507	25,660,338	41,135,842
Total Current and Accrued Assets	<u>219,959,444</u>	<u>437,133,263</u>	<u>295,172,721</u>
Deferred Debits			
Unamortized Debt Expenses	6,615,535	6,965,462	6,404,222
Other Regulatory Assets	419,794,167	315,164,834	263,492,988
Preliminary Survey and Investigation Charges	835,304	-	-
Clearing Accounts	43,275	60,698	8,807
Miscellaneous Deferred Debits	112,526,338	83,354,591	103,573,109
Unamortized Loss on Recquired Debt	7,698,729	6,829,667	6,020,831
Accumulated Deferred Income Taxes	70,206,942	51,018,634	86,504,707
Total Deferred Debits	<u>617,720,290</u>	<u>463,393,886</u>	<u>466,004,664</u>
TOTAL ASSETS	<u>\$ 3,156,679,051</u>	<u>\$ 3,447,826,268</u>	<u>\$ 3,543,013,914</u>

* The final FERC balance sheet as of December 31, 2016 for Atlantic City Electric Company will be filed with FERC in mid-April 2017 in the annual FERC Form 1 report.

**Atlantic City Electric Company
Comparative Balance Sheet**

	December 31,		
	2014	2015	2016 *
Proprietary Capital			
Common Stock	\$ 25,638,051	\$ 25,638,051	\$ 25,638,051
Preferred Stock	-	-	-
Premium on Capital Stock	107,755,439	107,755,439	107,755,439
Other Paid-In Capital	544,755,707	639,755,707	778,870,958
Less: Capital Stock Expense	532,682	532,682	532,682
Retained Earnings	210,212,640	236,455,505	121,529,310
Total Proprietary Capital	<u>887,829,155</u>	<u>1,009,072,020</u>	<u>1,033,261,076</u>
Long-Term Debt			
Bonds	904,015,000	1,039,015,000	1,037,015,000
Advances from Associated Companies	149,148,351	97,738,135	66,433,302
Other Long-Term Debt	-	-	-
Less: Unamortized Discount on Long-Term Debt	1,050,909	876,742	692,034
Total Long-Term Debt	<u>1,052,112,442</u>	<u>1,135,876,393</u>	<u>1,102,756,268</u>
Other Non-Current Liabilities			
Obligation Under Capital Leases - Noncurrent	-	-	-
Long-Term Portion of Derivative Instrument Liabilities	-	-	-
Asset Retirement Obligations	211,176	228,366	3,089,096
Total Other Noncurrent Liabilities	<u>211,176</u>	<u>228,366</u>	<u>3,089,096</u>
Current and Accrued Liabilities			
Notes Payable	127,188,705	4,999,729	-
Accounts Payable	103,057,377	111,627,848	123,455,310
Notes Payable to Associated Companies	45,685,705	47,924,550	30,329,044
Accounts Payable to Associated Companies	14,442,111	14,987,635	27,788,796
Customer Deposits	21,039,092	30,123,019	33,133,624
Taxes Accrued	916,075	22,446,896	29,349,167
Interest Accrued	11,187,834	11,110,983	11,016,281
Miscellaneous Current and Accrued Liabilities	83,413,821	78,423,028	98,063,830
Obligations Under Capital Leases-Current	-	-	-
Total Current and Accrued Liabilities	<u>406,930,720</u>	<u>321,643,688</u>	<u>353,136,052</u>
Deferred Credits			
Customer Advances for Construction	340,491	294,381	493,900
Accumulated Deferred Investment Tax Credits	4,858,878	4,438,758	4,060,657
Other Deferred Credits	9,298,124	10,223,903	11,506,651
Other Regulatory Liabilities	14,025,431	26,601,948	47,807,309
Accumulated Deferred Income Taxes-Other Property	638,253,576	773,932,038	846,376,172
Accumulated Deferred Income Taxes-Other	142,819,058	165,514,773	140,526,733
Total Deferred Credits	<u>809,595,558</u>	<u>981,005,801</u>	<u>1,050,771,422</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>\$ 3,156,679,051</u>	<u>\$ 3,447,826,268</u>	<u>\$ 3,543,013,914</u>

* The final FERC balance sheet as of December 31, 2016 for Atlantic City Electric Company will be filed with FERC in mid-April 2017 in the annual FERC Form 1 report.

Atlantic City Electric Company
Balance Sheet
December 31, 2016 *

Utility Plant		Proprietary Capital	
Utility Plant	\$ 3,353,964,052	Common Stock	\$ 25,638,051
Construction Work In Progress	169,019,500	Premium on Capital Stock	107,755,439
TOTAL Utility Plant	<u>3,522,983,552</u>	Other Paid-In Capital	778,870,958
Less: Accumulated Depreciation	749,640,139	Less: Capital Stock Expense	532,682
Net Utility Plant	<u>2,773,343,413</u>	Retained Earnings	<u>121,529,310</u>
		Total Proprietary Capital	<u>1,033,261,076</u>
Other Property and Investments		Long-Term Debt	
Nonutility Property	13,984,529	Bonds	1,037,015,000
Less: Accumulated Depreciation	<u>11,965,625</u>	Advances from Associated Companies	66,433,302
Net Nonutility Plant	2,018,904	Other Long-Term Debt	-
Investment in Subsidiary Companies	2,960,001	Less: Unamortized Discount on Long-Term Debt	<u>692,034</u>
Other Special Funds	<u>3,514,211</u>	Total Long-Term Debt	<u>1,102,756,268</u>
Total Other Property and Investments	8,493,116		
Current and Accrued Assets		Other Non-Current Liabilities	
Cash	3,175,781	Asset Retirement Obligations	<u>3,089,096</u>
Working Fund	70,026	Total Other Noncurrent Liabilities	<u>3,089,096</u>
Temporary Cash Investments	97,766,190		
Customer Accounts Receivable	131,927,312		
Other Accounts Receivable	20,137,473	Current and Accrued Liabilities	
Less: Provision for Uncollectible Accounts	26,844,201	Notes Payable	-
Accounts Receivable from Associated Companies	136,524	Accounts Payable	123,455,310
Plant Materials and Operating Supplies	21,989,456	Notes Payable to Associated Companies	30,329,044
Allowances	1,279,652	Accounts Payable to Associated Companies	27,788,796
Stores Expense Undistributed	-	Customer Deposits	33,133,624
Prepayments	423,912	Taxes Accrued	29,349,167
Interest and Dividends Receivable	772,510	Interest Accrued	11,016,281
Rents Receivable	3,202,244	Tax Collections Payable	-
Accrued Utility Revenues	<u>41,135,842</u>	Miscellaneous Current and Accrued Liabilities	<u>98,063,830</u>
Total Current and Accrued Assets	<u>295,172,721</u>	Total Current and Accrued Liabilities	<u>353,136,052</u>
Deferred Debits		Deferred Credits	
Unamortized Debt Expenses	6,404,222	Customer Advances for Construction	493,900
Other Regulatory Assets	263,492,988	Accumulated Deferred Investment Tax Credits	4,060,657
Preliminary Survey and Investigation Charges	-	Other Deferred Credits	11,506,651
Clearing Accounts	8,807	Other Regulatory Liabilities	47,807,309
Miscellaneous Deferred Debits	103,573,109	Accumulated Deferred Income Taxes-Other Property	846,376,172
Unamortized Loss on Reacquired Debt	6,020,831	Accumulated Deferred Income Taxes-Other	<u>140,526,733</u>
Accumulated Deferred Income Taxes	<u>86,504,707</u>	Total Deferred Credits	<u>1,050,771,422</u>
Total Deferred Debits	466,004,664		
TOTAL ASSETS	<u>\$ 3,543,013,914</u>	TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>\$ 3,543,013,914</u>

* The final FERC balance sheet as of December 31, 2016 for Atlantic City Electric Company will be filed with FERC in mid-April 2017 in the annual FERC Form 1 report.

Exhibit D

**Atlantic City Electric Company
Comparative Income Statement**

	<u>Twelve Months Ended December 31, 2014</u>	<u>Twelve Months Ended December 31, 2015</u>	<u>Twelve Months Ended December 31, 2016 *</u>
OPERATING RESULTS			
Operating Revenue	\$ 1,234,426,437	\$ 1,308,492,264	\$ 1,268,451,642
Operating Expenses:			
Purchased Power & Interchange	668,432,644	686,140,442	656,146,704
Deferred Fuel	(5,623,497)	2,502,967	2,039,416
Other Operation	35,265,083	39,507,119	(4,781,916)
Total Production	<u>698,074,230</u>	<u>728,150,528</u>	<u>653,404,204</u>
Operation	4,221,672	4,741,750	6,477,869
Maintenance	8,776,477	10,706,056	12,710,245
Total Transmission	<u>12,998,149</u>	<u>15,447,806</u>	<u>19,188,114</u>
Regional Market Expense	95,994	82,225	73,570
Operation	30,029,100	33,484,838	36,340,252
Maintenance	36,743,064	39,467,887	51,079,030
Total Distribution	<u>66,772,164</u>	<u>72,952,725</u>	<u>87,419,282</u>
Customer Accounts Expenses	60,223,572	80,958,284	89,037,686
Customer Service Expenses	34,972,580	35,383,606	37,024,564
Sales Expense	-	4,180	-
Operation	60,563,676	59,015,944	89,710,503
Maintenance	3,406,071	4,595,522	2,635,682
Total Administrative & General	<u>63,969,747</u>	<u>63,611,466</u>	<u>92,346,185</u>
Total Operations & Maintenance	937,106,436	996,590,820	978,493,605
Depreciation	72,099,540	76,377,726	82,027,029
Amortization & Depletion of Utility Plant	49,728	5,817	139,483
Amortization of Regulatory Debits	76,536,783	90,887,162	75,936,559
Amortization of Regulatory Credits	-	-	-
Total Depreciation & Amortization Expense	<u>148,686,051</u>	<u>167,270,705</u>	<u>158,103,071</u>
Federal - Current	208,816	(128,469,100)	(3,140,747)
Federal - Deferred	26,458,430	156,247,866	21,794,032
State - Current	(495,376)	(31,398,000)	961
State - Deferred	6,498,058	37,487,735	6,151,748
ITC - Amortized	(448,414)	(420,120)	(378,101)
Total Income Taxes	<u>32,221,514</u>	<u>33,448,381</u>	<u>24,427,893</u>
Other Taxes	4,222,889	6,208,929	6,277,135
Total Taxes	36,444,403	39,657,310	30,705,028
Accretion Expense	-	-	61,726
Total Operating Expenses	1,122,236,890	1,203,518,835	1,167,363,430
Operating Income	112,189,547	104,973,429	101,088,212
Other Income and Deductions:			
AFUDC	674,534	1,020,745	6,263,488
Other Income and Deductions	(7,148,626)	(4,937,028)	(115,310,204)
Income Taxes on Other Income	3,090,377	1,990,040	28,144,034
Net Other Income & Deductions	<u>(3,383,715)</u>	<u>(1,926,243)</u>	<u>(80,902,682)</u>
Net Income before Interest	108,805,832	103,047,186	20,185,530
Interest Charges			
Interest - Long-Term Debt and Debt to Assoc. Companies	62,111,887	62,201,250	63,590,766
Amort - Prem, Disc & Exp	1,904,586	1,937,070	2,008,529
Other Interest Charges	468,258	1,724,284	(18,396)
AFUDC - Credit	(554,954)	(1,058,283)	(3,298,861)
Total Other Interest	<u>63,929,777</u>	<u>64,804,321</u>	<u>62,282,038</u>
Net Income (Loss) (FERC)	<u>\$ 44,876,055</u>	<u>\$ 38,242,865</u>	<u>\$ (42,096,508)</u>

* The final FERC income statement for the twelve months ended December 31, 2016 for Atlantic City Electric Company will be filed with FERC in mid-April 2017 in the annual FERC Form 1 report.

Exhibit E

**ATLANTIC CITY ELECTRIC COMPANY
REVENUE DERIVED FOR 12 MONTHS ENDING DECEMBER 31, 2016 FROM THE RATES
WHICH ARE THE SUBJECT MATTER OF THE PETITION**

	Distribution
RESIDENTIAL SERVICE - RS	\$ 217,473,872
MONTHLY GENERAL SERVICE - MGS SECONDARY	\$ 66,419,143
MONTHLY GENERAL SERVICE - MGS PRIMARY	\$ 1,754,974
ANNUAL GENERAL SERVICE - AGS SECONDARY	\$ 53,647,635
ANNUAL GENERAL SERVICE - AGS PRIMARY	\$ 10,181,006
TRANSMISSION GENERAL SERVICE	\$ 5,554,813
DIRECT DISTRIBUTION SERVICE - DDC	\$ 563,579
STREET & PRIVATE LIGHTING - SPL	\$ 14,524,393
CONTRIBUTED STREET LIGHTING - CSL	\$ 2,251,003
TOTAL:	<u>\$ 372,370,418</u>

Exhibit F

Average Net Investment

	<u>Page</u>
Index	1
Return on Average Net Investment for Proposed Distribution Rates	2
Determination of Average Net Investment for 5+7 July 31, 2017	3
Pro Forma Rate Base and Income Statement - 5+7 July 31, 2017	4
Determination of Rate of Return and Revenue Deficiency	5
Pro Forma Adjusted Distribution Rate of Return - 5+7 July 31, 2017	6-9
Details of Pro Forma Adjustments for Known Changes	10-43
ACE CTA Using Rate Base Method (Generic Proceeding Method)	44-45

Average Net Investment

(1) Line No.	(2) Item	(3)
1	<u>Present Distribution Rates</u>	<u>Distribution System</u>
2	Operating Income	
3	(Exhibit F, Page 5 of 42)	\$ 65,939,159
4	Average Net Investment	\$ 1,277,842,596
5	Return - %	5.16%
6	<u>Proposed Distribution Rates</u>	
7	Operating Income	
8	(Exhibit F, Page 5 of 42)	\$ 107,319,626
9	Average Net Investment	\$ 1,277,842,596
10	Return - %	8.40%

Average Net Investment

(1)	(2)	(3)	(4)	(5)
Line No.	Item	12+0 June 30 2016	5+7 July 31 2017	Average
1	Electric Plant In-Service	\$ 2,251,948,092	\$ 2,451,926,511	\$ 2,351,937,302
2	Held for Future Use	\$ 5,145,553	\$ 6,584,025	\$ 5,864,789
3	Total Distribution Plant	\$ 2,257,093,645	\$ 2,458,510,536	\$ 2,357,802,091
4				
5				
6	<u>Additions</u>			
7				
8	Materials & Supplies	\$ 20,965,661	\$ 20,713,780	\$ 20,839,721
9	Cash Working Capital	\$ 83,313,232	\$ 88,367,435	\$ 85,840,334
10				
11	Total Additions	\$ 104,278,892	\$ 109,081,216	\$ 106,680,054
12				
13	<u>Deductions</u>			
14				
15	Accumulated Provision for			
16	Depreciation	\$ 552,719,193	\$ 670,421,433	\$ 611,570,313
17	Customer Advances	\$ 412,061	\$ 493,900	\$ 452,981
18	Customer Deposits	\$ 36,677,082	\$ 33,133,624	\$ 34,905,353
19	Accum Deferred Income Taxes	\$ 503,886,980	\$ 575,534,826	\$ 539,710,903
20				
21	Total Deductions	\$ 1,093,695,316	\$ 1,279,583,783	\$ 1,186,639,549
22				
23	Net Investment	\$ 1,267,677,222	\$ 1,288,007,969	\$ 1,277,842,596

Atlantic City Electric Company
5+7 Months Ending July 2017
Rate of Return Analysis

(1) Line No.	(2) Item	(3) 5+7 M/E July 2017		(4)
		<u>System Electric</u>	<u>Distribution</u>	
1	<u>Rate Base</u>			
2	Electric Plant in Service	\$ 3,730,211,633	\$	2,451,926,511
3	Less: Depreciation Reserve	\$ 948,237,760	\$	670,421,433
4	Net Plant in Service	\$ 2,781,973,873	\$	1,781,505,078
5				
6	Plant Held For Future Use	\$ 12,757,399	\$	6,584,025
7	Materials & Supplies	\$ 22,722,445	\$	20,713,780
8	Cash Working Capital	\$ 131,599,087	\$	88,367,435
9	Customer Advances	\$ (493,900)	\$	(493,900)
10	Customer Deposits	\$ (33,133,624)	\$	(33,133,624)
11	Def Federal and State Tax Bal	\$ (876,893,491)	\$	(575,534,826)
12	Total Rate Base	\$ 2,038,531,789	\$	1,288,007,969
13				
14	Total Rate Base	\$ 2,038,531,789	\$	1,288,007,969
15				
16	<u>Earnings</u>			
17	Operating Revenues	\$ 1,327,166,034	\$	376,573,836
18				
19	O & M Expense	\$ 978,542,966	\$	227,588,801
20	Deprec and Amort Expense	\$ 170,564,022	\$	59,217,587
21	Taxes Other than Income Taxes	\$ 6,005,705	\$	4,672,271
22	Net ITC Adjustment	\$ (378,100)	\$	(152,570)
23	IOCD	\$ 38,316	\$	38,316
24	State Income Tax	\$ 1,000	\$	-
25	Federal Income Tax	\$ (19,459,397)	\$	(117,941,084)
26	Deferred SIT Expense	\$ 11,204,537	\$	4,091,495
27	Deferred FIT Expense	\$ 56,844,636	\$	132,420,430
28				
29	Total Operating Expenses	\$ 1,203,363,684	\$	309,935,246
30				
31	Operating Income	\$ 123,802,350	\$	66,638,590
32				
33	Rate of Return	6.07%		5.17%

Atlantic City Electric Company
5+7 Months Ending July 2017
Determination of Revenue Requirements

(1) Line No.	(2) <u>Item</u>	(3) \$
1	Adjusted Net Rate Base	\$ 1,370,621,016
2		
3	Required Rate of Return	<u>7.83%</u>
4		
5	Required Operating Income	\$ 107,319,626
6		
7	Pro Forma Operating Income	<u>\$ 65,939,159</u>
8		
9	Operating Income Deficiency	\$ 41,380,466
10		
11	Revenue Conversion Factor	<u>1.6955</u>
12		
13	Revenue Requirement	\$ 70,160,580
14		
15	Sales & Use Tax Factor	<u>1.06625</u>
16		
17	Revenue Requirement (Adjusted for Sales & Use Tax)	\$ 74,808,719

Atlantic City Electric Company
5+7 Months Ending July 2017
Distribution Adjustments

(1) Line No.	(2) Item	(3) Witness	(4) Earnings	(5) Rate Base	(6) ROR	(7) ROE	(8) Rev. Req. Def. (Exc.) Exclude Sales & Use Tax
1	Per Books - 5+7 Months Ending July 2017	Ziminsky	\$ 66,638,590	\$ 1,288,007,969	5.17%	4.79%	\$ 58,007,182
3	Adjustments:						
4	Adj 1 Weather Normalization	Tanos/Ziminsky	\$ (2,200,146)				
5	Adj 2 Proform Customer Count and Customer Usage as of January 2018	Tanos/Ziminsky	\$ (144,230)				
6	Adj 3 Adjust Declining Revenue in Rate Effective Period	Tanos/Ziminsky	\$ (2,558,043)				
7	Adj 4 Annualize Wage and FICA changes through April 2018	McEvoy	\$ (1,504,458)				
8	Adj 5 Proform Wage Rate Changes for Rate Effective Period	McEvoy	\$ (124,121)				
9	Adj 6 Annualize Benefit changes through July 2018	McEvoy	\$ (202,300)				
10	Adj 7 Regulatory Commission Expense Adjustment	McEvoy	\$ 72,074				
11	Adj 8 Include Pension Asset and Return Related Expense	Ziminsky	\$ 2,624,410	\$ 41,916,899			
12	Adj 9 Include OPEB Liability and Return Related Expense	Ziminsky	\$ 526,110	\$ (21,545,143)			
13	Adj 10 Adjust Pension Service Related Expense	Ziminsky	\$ (103,366)				
14	Adj 11 Adjust OPEB Service Related Expense	Ziminsky	\$ 12,905				
15	Adj 12 Remove Executive Incentive Expense	Ziminsky	\$ 1,069,784				
16	Adj 13 Adjust January 2017 Nor'easter Storm	McEvoy	\$ (327,959)	\$ 819,898			
17	Adj 14 Bow Echo & Jonas Storm Adjustment	McEvoy	\$ (225,658)				
18	Adj 15 Adjust June 2016 Storm	McEvoy	\$ (306,652)	\$ 840,006			
19	Adj 16 Normalize Injury & Damage Expense	McEvoy	\$ (1,075,710)				
20	Adj 17 Mays Landing Complex Rent	McEvoy	\$ -				
21	Adj 18 Annualize Depreciation Expense @ YE December 2016 Plant	McEvoy	\$ (725,043)	\$ (725,043)			
22	Adj 19 Servco Assets @ ACE Approved Depreciation Rates	McEvoy	\$ 244,889				
23	Adj 20 Annualize BSC Depreciation Expense	McEvoy	\$ (4,435)				
24	Adj 21 Reflect Plant Additions from August 2017 through January 2018	Sullivan/Ziminsky	\$ (651,516)	\$ 48,739,842			
25	Adj 22 Reflect Plant Additions from February and March 2018	Sullivan/Ziminsky	\$ (61,526)	\$ 5,371,302			
26	Adj 23 Credit Facilities Fee	Ziminsky	\$ (387,304)	\$ 568,524			
27	Adj 24 Interest on Customer Deposit	McEvoy	\$ (55,730)				
28	Adj 25 Adjust Cost To Achieve (CTA)	Ziminsky	\$ 2,719,272	\$ 6,639,279			
29	Adj 26 Reflect ACE Revenue Change ER16030252	Ziminsky	\$ 1,640,999				
30	Adj 27 Adjust Cash Working Capital	Ziminsky		\$ (12,516)			
31	Adj 28 Interest Synchronization	Ziminsky	\$ 1,048,323				
33		Adjustment Total	\$ (699,430)	\$ 82,613,047			
35		Adjusted Total	\$ 65,939,159	\$ 1,370,621,016	4.81%	4.07%	\$ 70,160,580

Atlantic City Electric Company
5+7 Months Ending July 2017
Rate of Return Analysis

(1) <u>Line No.</u>	(2) <u>Item</u>	(3) <u>System Electric</u>	(4) <u>Distribution</u>	(5) <u>Proforma Adjustments</u>	(6) <u>Fully Adjusted</u>
1	<u>Rate Base</u>				
2	Electric Plant in Service	\$ 3,730,211,633	\$ 2,451,926,511	\$ 45,203,534	\$ 2,497,130,045
3	Less: Depreciation Reserve	\$ 948,237,760	\$ 670,421,433	\$ (10,284,599)	\$ 660,136,834
4	Net Plant in Service	\$ 2,781,973,873	\$ 1,781,505,078	\$ 55,488,133	\$ 1,836,993,211
5					
6	Plant Held For Future Use	\$ 12,757,399	\$ 6,584,025	\$ -	\$ 6,584,025
7	Materials & Supplies	\$ 22,722,445	\$ 20,713,780	\$ -	\$ 20,713,780
8	Cash Working Capital	\$ 131,599,087	\$ 88,367,435	\$ 49,027,586	\$ 137,395,021
9	Customer Advances	\$ (493,900)	\$ (493,900)	\$ -	\$ (493,900)
10	Customer Deposits	\$ (33,133,624)	\$ (33,133,624)	\$ -	\$ (33,133,624)
11	Def Federal and State Tax Bal	\$ (876,893,491)	\$ (575,534,826)	\$ (21,902,671)	\$ (597,437,497)
12	Total Rate Base	\$ 2,038,531,789	\$ 1,288,007,969	\$ 82,613,047	\$ 1,370,621,016
13					
14	Total Rate Base	\$ 2,038,531,789	\$ 1,288,007,969	\$ 82,613,047	\$ 1,370,621,016
15					
16	<u>Earnings</u>				
17	Operating Revenues	\$ 1,327,166,034	\$ 376,573,836	\$ (5,529,627)	\$ 371,044,209
18					
19	O & M Expense	\$ 978,542,966	\$ 227,588,801	\$ (4,677,983)	\$ 222,910,818
20	Deprec and Amort Expense	\$ 170,564,022	\$ 59,217,587	\$ 2,024,733	\$ 61,242,320
21	Taxes Other than Income Taxes	\$ 6,005,705	\$ 4,672,271	\$ (15,815)	\$ 4,656,456
22	Net ITC Adjustment	\$ (378,100)	\$ (152,570)	\$ 94,218	\$ (58,352)
23	IOCD	\$ 38,316	\$ 38,316	\$ -	\$ 38,316
24	State Income Tax	\$ 1,000	\$ -	\$ (496,895)	\$ (496,895)
25	Federal Income Tax	\$ (19,459,397)	\$ (117,941,084)	\$ (1,758,456)	\$ (119,699,540)
26	Deferred SIT Expense	\$ 11,204,537	\$ 4,091,495	\$ -	\$ 4,091,495
27	Deferred FIT Expense	\$ 56,844,636	\$ 132,420,430	\$ -	\$ 132,420,430
28					
29	Total Operating Expenses	\$ 1,203,363,684	\$ 309,935,246	\$ (4,830,197)	\$ 305,105,049
30					
31	Operating Income	\$ 123,802,350	\$ 66,638,590	\$ (699,430)	\$ 65,939,159
32					
33	Rate of Return	6.07%	5.17%		4.81%

Atlantic City Electric Company
5+7 Months Ending July 2017
Proforma Earnings Adjustments

(1) Line No.	(2) <u>Adjustment</u>	(3) <u>Revenue</u>	(4) <u>O&M</u>	(5) <u>Deprec Amort</u>	(6) <u>Other Taxes</u>	(7) <u>SIT</u>	(8) <u>FIT</u>	(9) <u>IOCD</u>	(10) <u>Total Expense</u>	(11) <u>Earnings</u>
1	Weather Normalization	\$ (3,730,274)			\$ (10,669)	\$ (334,764)	\$ (1,184,694)		\$ (1,530,127)	\$ (2,200,146)
2	Proform Customer Count and Customer Usage as of January 2018	\$ (244,537)			\$ (699)	\$ (21,945)	\$ (77,662)		\$ (100,307)	\$ (144,230)
3	Adjust Declining Revenue in Rate Effective Period	\$ (4,337,075)			\$ (12,404)	\$ (389,220)	\$ (1,377,408)		\$ (1,779,032)	\$ (2,558,043)
4	Annualize Wage and FICA changes through April 2018		\$ 2,543,462			\$ (228,912)	\$ (810,093)		\$ 1,504,458	\$ (1,504,458)
5	Proform Wage Rate Changes for Rate Effective Period		\$ 209,841			\$ (18,886)	\$ (66,834)		\$ 124,121	\$ (124,121)
6	Annualize Benefit changes through July 2018		\$ 342,013			\$ (30,781)	\$ (108,931)		\$ 202,300	\$ (202,300)
7	Regulatory Commission Expense Adjustment		\$ (121,849)			\$ 10,966	\$ 38,809		\$ (72,074)	\$ 72,074
8	Include Pension Asset and Return Related Expense		\$ (4,436,873)			\$ 399,319	\$ 1,413,144		\$ (2,624,410)	\$ 2,624,410
9	Include OPEB Liability and Return Related Expense		\$ (889,451)			\$ 80,051	\$ 283,290		\$ (526,110)	\$ 526,110
10	Adjust Pension Service Related Expense		\$ 174,752			\$ (15,728)	\$ (55,658)		\$ 103,366	\$ (103,366)
11	Adjust OPEB Service Related Expense		\$ (21,817)			\$ 1,964	\$ 6,949		\$ (12,905)	\$ 12,905
12	Remove Executive Incentive Expense		\$ (1,808,595)			\$ 162,774	\$ 576,038		\$ (1,069,784)	\$ 1,069,784
13	Adjust January 2017 Nor'easter Storm		\$ 554,453			\$ (49,901)	\$ (176,593)		\$ 327,959	\$ (327,959)
14	Bow Echo & Jonas Storm Adjustment		\$ 381,501			\$ (34,335)	\$ (121,508)		\$ 225,658	\$ (225,658)
15	Adjust June 2016 Storm		\$ 518,430			\$ (46,659)	\$ (165,120)		\$ 306,652	\$ (306,652)
16	Normalize Injury & Damage Expense		\$ 1,818,614			\$ (163,675)	\$ (579,229)		\$ 1,075,710	\$ (1,075,710)
17	Mays Landing Complex Rent		\$ -			\$ -	\$ -		\$ -	\$ -
18	Annualize Depreciation Expense @ YE December 2016 Plant			\$ 1,225,770		\$ (110,319)	\$ (390,408)		\$ 725,043	\$ (725,043)
19	Servco Assets @ ACE Approved Depreciation Rates			\$ (414,014)		\$ 37,261	\$ 131,863		\$ (244,889)	\$ 244,889
20	Annualize BSC Depreciation Expense			\$ 7,498		\$ (675)	\$ (2,388)		\$ 4,435	\$ (4,435)
21	Reflect Plant Additions from August 2017 through January 2018			\$ 1,101,464		\$ (99,132)	\$ (350,816)		\$ 651,516	\$ (651,516)
22	Reflect Plant Additions from February and March 2018			\$ 104,016		\$ (9,361)	\$ (33,129)		\$ 61,526	\$ (61,526)
23	Credit Facilities Fee		\$ 654,783			\$ (58,930)	\$ (208,548)		\$ 387,304	\$ (387,304)
24	Interest on Customer Deposit					\$ (8,480)	\$ (30,009)	\$ 94,218	\$ 55,730	\$ (55,730)
25	Adjust Cost To Achieve (CTA)		\$ (4,597,248)			\$ 413,752	\$ 1,464,223		\$ (2,719,272)	\$ 2,719,272
26	Reflect ACE Revenue Change ER16030252	\$ 2,782,258			\$ 7,957	\$ 249,687	\$ 883,615		\$ 1,141,259	\$ 1,640,999
27	Adjust Cash Working Capital					\$ -	\$ -		\$ -	\$ -
28	Interest Synchronization					\$ (230,965)	\$ (817,358)		\$ (1,048,323)	\$ 1,048,323
29										
30	Total	\$ (5,529,627)	\$ (4,677,983)	\$ 2,024,733	\$ (15,815)	\$ (496,895)	\$ (1,758,456)	\$ 94,218	\$ (4,830,197)	\$ (699,430)

Atlantic City Electric Company
5+7 Months Ending July 2017
Proforma Rate Base Adjustments

(1) <u>Line No.</u>	(2) <u>Adjustment</u>	(3) <u>Plant In Service</u>	(4) <u>Depreciation Reserve</u>	(5) <u>Net Plant</u>	(6) <u>Cash Working Capital</u>	(7) <u>Deferred SIT</u>	(8) <u>Deferred FIT</u>	(9) <u>Rate Base</u>
1	Weather Normalization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Proform Customer Count and Customer Usage as of January 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Adjust Declining Revenue in Rate Effective Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Annualize Wage and FICA changes through April 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Proform Wage Rate Changes for Rate Effective Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Annualize Benefit changes through July 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Regulatory Commission Expense Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Include Pension Asset and Return Related Expense	\$ -	\$ -	\$ -	\$ 70,865,425	\$ (6,377,888)	\$ (22,570,638)	\$ 41,916,899
9	Include OPEB Liability and Return Related Expense	\$ -	\$ -	\$ -	\$ (36,424,587)	\$ 3,278,213	\$ 11,601,231	\$ (21,545,143)
10	Adjust Pension Service Related Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Adjust OPEB Service Related Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Remove Executive Incentive Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Adjust January 2017 Nor'easter Storm	\$ -	\$ -	\$ -	\$ 1,386,133	\$ (124,752)	\$ (441,483)	\$ 819,898
14	Bow Echo & Jonas Storm Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Adjust June 2016 Storm	\$ -	\$ -	\$ -	\$ 1,420,128	\$ (127,812)	\$ (452,311)	\$ 840,006
16	Normalize Injury & Damage Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Mays Landing Complex Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Annualize Depreciation Expense @ YE December 2016 Plant	\$ -	\$ 1,225,770	\$ (1,225,770)	\$ -	\$ 110,319	\$ 390,408	\$ (725,043)
19	Servco Assets @ ACE Approved Depreciation Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Annualize BSC Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Reflect Plant Additions from August 2017 through January 2018	\$ 40,940,577	\$ (9,490,443)	\$ 50,431,019	\$ -	\$ -	\$ (1,691,177)	\$ 48,739,842
22	Reflect Plant Additions from February and March 2018	\$ 4,262,957	\$ (2,019,926)	\$ 6,282,883	\$ -	\$ -	\$ (911,581)	\$ 5,371,302
23	Credit Facilities Fee	\$ -	\$ -	\$ -	\$ 568,524	\$ -	\$ -	\$ 568,524
24	Interest on Customer Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Adjust Cost To Achieve (CTA)	\$ -	\$ -	\$ -	\$ 11,224,478	\$ (1,010,203)	\$ (3,574,996)	\$ 6,639,279
26	Reflect ACE Revenue Change ER16030252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Adjust Cash Working Capital	\$ -	\$ -	\$ -	\$ (12,516)	\$ -	\$ -	\$ (12,516)
28	Interest Synchronization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29								
30	Total	\$ 45,203,534	\$ (10,284,599)	\$ 55,488,133	\$ 49,027,586	\$ (4,252,123)	\$ (17,650,549)	\$ 82,613,047

Atlantic City Electric Company
5+7 Months Ending July 2017
5 Months Ending December 31, 2016 Test Year
Weather Normalization Adjustment
Adjustment No. 1

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Change in Distribution Revenue	\$ (3,730,274)
2		
3	Revenue Tax	\$ (10,669)
4		
5	State Income Tax	\$ (334,764)
6		
7	Federal Income Tax	\$ (1,184,694)
8		
9	Total Expense	<u>\$ (1,530,127)</u>
10		
11	Earnings	<u><u>\$ (2,200,146)</u></u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Proform Customer Count and Customer Usage as of January 31, 2018
Adjustment No. 2

(1) Line No.	(2) <u>Item</u>	(3) \$
1	Revenues from Customers as of July 31, 2017	\$ 776,495
2		
3	Revenue from Customers as of January 31, 2018	\$ (355,089)
4		
5	Revenue from Change Customer Usage as of January 31, 2018	<u>\$ (665,943)</u>
6		
7	Revenue	\$ (244,537)
8		
9	Revenue Tax	\$ (699)
10		
11	State Income Tax	\$ (21,945)
12		
13	Federal Income Tax	\$ (77,662)
14		
15	Total Expense	<u>\$ (100,307)</u>
16		
17	Earnings	<u><u>\$ (144,230)</u></u>

ATLANTIC CITY ELECTRIC
AVERAGE USE PER CUSTOMER BY CUSTOMER CLASS
2009-2016 Average Use & Year over Year Increases/Decreases

(1) Line No.	(2) Year	(3) <u>Average Use Per Customer (kWh/Customer)</u>			
		<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
1	2008	9,089	69,882	1,159,540	94,759
2	2009	9,052	68,048	1,000,734	93,448
3	2010	9,178	67,965	1,039,300	91,909
4	2011	9,177	66,022	960,062	91,700
5	2012	8,948	65,747	918,280	92,253
6	2013	8,794	64,527	892,911	92,127
7	2014	8,715	63,381	957,442	91,478
8	2015	8,823	64,253	865,428	83,706
9	2016	8,582	61,125	816,981	79,749
10					
11	<u>Year over Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
12	<u>Increase/Decrease</u>				
13					
14	2009	(37)	(1,834)	(158,806)	(1,311)
15	2010	126	(83)	38,566	(1,539)
16	2011	(1)	(1,943)	(79,237)	(209)
17	2012	(229)	(275)	(41,782)	553
18	2013	(154)	(1,219)	(25,369)	(126)
19	2014	(79)	(1,147)	64,530	(649)
20	2015	108	872	(92,014)	(7,772)
21	2016	(241)	(3,128)	(48,447)	(3,956)
22					
23	<u>Year over Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
24	<u>Increase/Decrease</u>				
25					
26	2009	-0.41%	-2.62%	-13.70%	-1.38%
27	2010	1.39%	-0.12%	3.85%	-1.65%
28	2011	-0.01%	-2.86%	-7.62%	-0.23%
29	2012	-2.50%	-0.42%	-4.35%	0.60%
30	2013	-1.72%	-1.85%	-2.76%	-0.14%
31	2014	-0.90%	-1.78%	7.23%	-0.70%
32	2015	1.23%	1.38%	-9.61%	-8.50%
33	2016	-2.73%	-4.87%	-5.60%	-4.73%

Atlantic City Electric Company
5+7 Months Ending July 2017
Impact of Declining Sales Revenue in Rate Effective Period (February 2018 - December 2018)

(1) Line <u>No.</u>	(2) <u>Item</u>	(3) <u>Amount (\$)</u>		
1	<u>ACE Distribution Revenues</u>			
2	2018 Forecasted Revenues - Net	\$ 321,509,637		
3	2017 Forecasted Revenues - Net	<u>\$ 326,240,992</u>		
4	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
5				
6	<u>Declining Revenue Adjustment Calculation</u>			
7	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
8	2018 vs. 2017 - Monthly Forecasted Distribution Revenue Variance	\$ (394,280)		
9	Number of applicable months	<u>11</u>		
10	Declining Sales Revenue (February 2018 - December 2018)	\$ (4,337,075)		
11				
12	Revenue tax	\$ (12,404)		
13	State Income Tax	\$ (389,220)		
14	Federal Income Tax	<u>\$ (1,377,408)</u>		
15	Total Expense	\$ (1,779,032)		
16				
17	Earnings	<u>\$ (2,558,043)</u>		
18				
19				
20				
21	<u>Revenue Forecast</u>			
22	<u>Item</u>	<u>2017</u>	<u>2018</u>	2018 vs. 2017 %
23	Total Revenues	\$ 365,567,771	\$ 360,836,416	
24	Realized Revenues - Docket No. ER16030252	<u>\$ 39,326,779</u>	<u>\$ 39,326,779</u>	
25	Net Revenues	<u>\$ 326,240,992</u>	<u>\$ 321,509,637</u>	
26				
27	Variance Versus Prior Year	\$ (3,548,011)	\$ (4,731,355)	-1.45%
28				
29	Usage/Customer/Load (1)	\$ 4,190,472	\$ 2,444,892	0.75%
30	Casinos (2)	\$ (1,026,518)	\$ (1,202,909)	-0.37%
31	Energy Efficiency/Demand Side Management (3)	\$ (2,335,508)	\$ (2,989,933)	-0.92%
32	Distributed Generation (4)	<u>\$ (4,376,458)</u>	<u>\$ (2,983,405)</u>	-0.91%
33	Total	<u>\$ (3,548,011)</u>	<u>\$ (4,731,355)</u>	<u>-1.45%</u>
34				
35	<u>Notes</u>			

36 (1): includes impact of economic conditions, price changes, customer growth and other load growth

37 (2): includes net impact of 2016 closure of Trump Taj Mahal and Casino as well as reopening of Showboat as a hotel only, including direct and indirect multiplier effects.

38 (3): estimates based on state level program spend allocated to Atlantic City Electric

39 (4): represents load changes from photovoltaic solar installations

Atlantic City Electric Company
5+7 Months Ending July 2017
Wage and FICA Adjustment
Proforma Wage Rate Changes effective within Nine Months of End of Test Year
(for changes effective by April 30, 2018)
Adjustment No. 4

(1) Line No	(2) <u>Item</u>	(3) <u>Total</u>
1	<u>Salary and Wage Adjustment</u>	
2	Change in Expense due to labor rate change	\$ 2,439,319
3		
4	State Income Tax	\$ (219,539)
5	Federal Income Tax	<u>\$ (776,923)</u>
6	Total Expense	\$ 1,442,857
7		
8	Earnings	<u>\$ (1,442,857)</u>
9		
10		
11	<u>FICA Adjustment</u>	
12	Change in FICA Expense due to labor rate change	\$ 104,143
13		
14	State Income Tax	\$ (9,373)
15	Federal Income Tax	<u>\$ (33,170)</u>
16	Total Expense	\$ 61,601
17		
18	Earnings	<u>\$ (61,601)</u>
19		
20	Total Earnings Adjustment	<u>\$ (1,504,458)</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Proform Wage Rate Changes effective for Rate Effective Period
(for changes effective by October 1, 2018)
Adjustment No. 5

(1) Line No	(2) <u>Item</u>	(3) <u>Total</u>
1	<u>Salary and Wage Adjustment</u>	
2	Change in Expense due to labor rate change	\$ 201,249
3		
4	State Income Tax	\$ (18,112)
5	Federal Income Tax	<u>\$ (64,098)</u>
6	Total Expense	\$ 119,039
7		
8	Earnings	<u>\$ (119,039)</u>
9		
10		
11	<u>FICA Adjustment</u>	
12	Change in FICA Expense due to labor rate change	\$ 8,592
13		
14	State Income Tax	\$ (773)
15	Federal Income Tax	<u>\$ (2,737)</u>
16	Total Expense	\$ 5,082
17		
18	Earnings	<u>\$ (5,082)</u>
19		
20	Total Earnings Adjustment	<u>\$ (124,121)</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Benefit Change Expense
Adjustment No. 6

(1) Line No.	(2) <u>Item</u>	(3) Medical \$	(4) Dental \$	(5) Vision \$	(6) Total \$
1	2016 Year Benefits - ACE	\$ 12,764,788	\$ 931,237	\$ 425,975	\$ 14,122,000
2					
3	Percent Increase - 3 Year Average	4.21%	1.19%	8.34%	
4					
5	Benefits Increase - Rate Effective Period	\$ 537,398	\$ 11,082	\$ 35,526	\$ 584,006
6					
7	Benefits Recorded to O & M	64.20%	64.20%	64.20%	
8					
9	Benefits Increase to ACE O & M	\$ 345,009	\$ 7,114	\$ 22,808	\$ 374,932
10					
11	Benefits Increase to Distribution Function	91.22%	91.22%	91.22%	
12					
13	O & M Expense	\$ 314,717	\$ 6,490	\$ 20,805	\$ 342,013
14					
15	State Income Tax	\$ (28,325)	\$ (584)	\$ (1,872)	\$ (30,781)
16					
17	Federal Income Tax	\$ (100,237)	\$ (2,067)	\$ (6,627)	\$ (108,931)
18					
19	Total Expense	\$ 186,155	\$ 3,839	\$ 12,306	\$ 202,300
20					
21	Earnings	\$ (186,155)	\$ (3,839)	\$ (12,306)	\$ (202,300)

Atlantic City Electric Company
5+7 Months Ending July 2017
Regulatory Commission Expense Adjustment
Adjustment No. 7

(1) Line No.	(2) Item	(3) \$			
1	<u>Normalized Regulatory Expense</u>				
2	Adjustment to Test Period	\$ 250,239			(1)
3	Company's cost of case	\$ 241,178			(2)
4	Total Regulatory Expense	<u>\$ 491,417</u>			
5					
6	Test Year Regulatory Expenses	<u>\$ 613,266</u>			
7					
8	Adjustment to O & M Expense	\$ (121,849)			
9					
10	Distribution Allocation	<u>100%</u>			
11					
12	Distribution Allocation Amount	\$ (121,849)			
13					
14	State Income Tax	\$ 10,966			
15					
16	Federal Income Tax	<u>\$ 38,809</u>			
17					
18	Total Expense	\$ (72,074)			
19					
20	Earnings	<u><u>\$ 72,074</u></u>			
21					
22					
23	(1)				
24	Account 928:				
25	12 me July 2015	\$ 3,598,638	Less BPU Assessments	\$ 3,255,796	Less Internal Expenses
26	12 me July 2016	\$ 3,898,003		\$ 809,265	Reg Expense to be Normalized
27	5+7 me July 2017	\$ 3,313,363		\$ 220,012	\$ 14,557
28	3 Year Average				\$ 122,893
29					<u>\$ 613,266</u>
30	(2)				<u>\$ 250,239</u>
31	Cost of outside counsel	\$ 580,000			
32	Return on Equity witness	\$ 90,035			
33	Public notices	\$ 15,000			
34	Court reporters	\$ 30,000			
35	Miscellaneous	\$ 8,500			
36	Total incremental costs	<u>\$ 723,535</u>			
37	3 Yr. Amortization - Current Base Rate Case	\$ 241,178			

Atlantic City Electric Company
5+7 Months Ending July 2017
Pension Balance and Return Related Expense Adjustment
Adjustment No. 8

(1) Line No.	(2) <u>Item</u>	(3) Return-Related Total \$	(4) Expense %	(5) ACE %	(6) ACE Dist %	(7) ACE Dist \$
	<u>Earnings</u>					
1	Pension Expense - Return Related					\$ (4,436,873)
2	State Income Tax					\$ 399,319
3	Federal Income Tax					\$ 1,413,144
4	Total Expense					<u>\$ (2,624,410)</u>
5						
6	Earnings					<u>\$ 2,624,410</u>
7						
8	<u>2017 Forecasted Actuary Report</u>					
9	<u>ACE</u>					
10	Service Cost					
11	Interest Cost					
12	Prior Service Credit					
13	Expected Return on Plan Assets	\$ (13,143,394)	46.14%	100.00%	91.22%	\$ (5,532,197)
14	(Gain)/Loss Amortization	\$ 9,370,408	46.14%	100.00%	91.22%	\$ 3,944,106
15	Total	<u>\$ (3,772,986)</u>	46.14%	100.00%	91.22%	<u>\$ (1,588,091)</u>
16						
17	<u>Service Company</u>					
18	Service Cost					
19	Interest Cost					
20	Prior Service Credit					
21	Expected Return on Plan Assets	\$ (28,314,799)	86.73%	25.39%	91.22%	\$ (5,686,955)
22	(Gain)/Loss Amortization	\$ 16,383,437	86.73%	25.39%	91.22%	\$ 3,290,572
23	Total	<u>\$ (11,931,362)</u>	86.73%	25.39%	91.22%	<u>\$ (2,396,384)</u>
24						
25	<u>Exelon Business Service Company</u>					
26	Service Cost					
27	Interest Cost					
28	Prior Service Credit					
29	Expected Return on Plan Assets	\$ (1,038,549)	86.73%	100.00%	91.22%	\$ (821,668)
30	(Gain)/Loss Amortization	\$ 466,740	86.73%	100.00%	91.22%	\$ 369,270
31	Total	<u>\$ (571,810)</u>	86.73%	100.00%	91.22%	<u>\$ (452,398)</u>
32						
33	<u>Total</u>					
34	Service Cost					
35	Interest Cost					
36	Prior Service Credit					
37	Expected Return on Plan Assets	\$ (42,496,742)				\$ (12,040,820)
38	(Gain)/Loss Amortization	\$ 26,220,585				\$ 7,603,948
39	Total	<u>\$ (16,276,158)</u>				<u>\$ (4,436,873)</u>
40						
41						
42	<u>Rate Base</u>					
43						
44	ACE - December 2016 Balance	\$ 77,686,281				
45						
46	ACE Distribution Allocation	91.22%				
47	Pension Balance - Dist	<u>\$ 70,865,425</u>				
48						
49	Deferred State Income Tax	\$ (6,377,888)				
50	Deferred Federal Income Tax	<u>\$ (22,570,638)</u>				
51	Rate Base	<u>\$ 41,916,899</u>				
52						
53						
54	<u>ACE Pension Balance</u>	<u>Total</u>	<u>Utility</u>	<u>Non-Utility</u>		
55	ACE Actual Balance 12/31/16	\$85,192,219	\$81,246,446	\$3,945,773		
56						
57	<u>Service Company Balance to ACE</u>					
58	Actual Balance 12/31/16		(\$3,560,165)			

Atlantic City Electric Company
5+7 Months Ending July 2017
OPEB Balance and Return Related Expense Adjustment
Adjustment No. 9

(1) Line No.	(2) Item	(3) Return-Related Total \$	(4) Expense %	(5) ACE %	(6) ACE Dist %	(7) ACE Dist \$
1	<u>Earnings</u>					
2	OPEB Expense - Return Related					\$ (889,451)
3	State Income Tax					\$ 80,051
4	Federal Income Tax					\$ 283,290
5	Total Expense					<u>\$ (526,110)</u>
6						
7	Earnings					<u>\$ 526,110</u>
8						
9	<u>2017 Forecasted Actuary Report</u>					
10	<u>ACE</u>					
11	Service Cost					
12	Interest Cost					
13	Prior Service Credit					
14	Expected Return on Plan Assets	\$ (4,579,877)	46.14%	100.00%	91.22%	\$ (1,927,720)
15	(Gain)/Loss Amortization	\$ 3,671,139	46.14%	100.00%	91.22%	\$ 1,545,222
16	Total	<u>\$ (908,738)</u>	46.14%	100.00%	91.22%	<u>\$ (382,498)</u>
17						
18	<u>Service Company</u>					
19	Service Cost					
20	Interest Cost					
21	Prior Service Credit					
22	Expected Return on Plan Assets	\$ (4,831,408)	86.73%	25.39%	91.22%	\$ (970,376)
23	(Gain)/Loss Amortization	\$ 2,712,894	86.73%	25.39%	91.22%	\$ 544,878
24	Total	<u>\$ (2,118,514)</u>	86.73%	25.39%	91.22%	<u>\$ (425,498)</u>
25						
26	<u>Exelon Business Service Company</u>					
27	Service Cost					
28	Interest Cost					
29	Prior Service Credit					
30	Expected Return on Plan Assets	\$ (132,721)	86.73%	100.00%	91.22%	\$ (105,005)
31	(Gain)/Loss Amortization	\$ 29,766	86.73%	100.00%	91.22%	\$ 23,550
32	Total	<u>\$ (102,955)</u>	86.73%	100.00%	91.22%	<u>\$ (81,455)</u>
33						
34	<u>Total</u>					
35	Service Cost					
36	Interest Cost					
37	Prior Service Credit					
38	Expected Return on Plan Assets	\$ (9,544,006)				\$ (3,003,101)
39	(Gain)/Loss Amortization	\$ 6,413,799				\$ 2,113,650
40	Total	<u>\$ (3,130,207)</u>				<u>\$ (889,451)</u>
41						
42	<u>Rate Base</u>					
43						
44	ACE - December 2016 Balance	\$ (39,930,483)				
45						
46	ACE Distribution Allocation		91.22%			
47	OPEB Balance	<u>\$ (36,424,587)</u>				
48						
49	Deferred State Income Tax	\$ 3,278,213				
50	Deferred Federal Income Tax	<u>\$ 11,601,231</u>				
51	Rate Base	<u>\$ (21,545,143)</u>				
52						
53						
54	<u>ACE OPEB Balance</u>					
55	<u>ACE Actual Balance 12/31/16</u>	(\$33,628,919)	(\$32,118,430)	(\$1,510,485)		
56						
57	<u>Service Company Balance to ACE</u>					
58	<u>Actual Balance 12/31/16</u>		(\$7,812,053)			

Atlantic City Electric Company
5+7 Months Ending July 2017
Pension Expense Adjustment - Service Related
Adjustment No. 10

(1) Line No.	(2) Total \$ \$	(3) Expense %	(4) ACE %	(5) ACE Dist %	(6) ACE Dist \$
1	Adjustment				
2					\$ 174,752
3					\$ (15,728)
4					\$ (55,658)
5					<u>\$ (103,366)</u>
6					
7	<u>2017 Forecasted Actuary Report</u>				
8	<u>ACE</u>				
9	\$ 6,581,504	46.14%	100.00%	91.22%	\$ 2,770,226
10	\$ 7,804,050	46.14%	100.00%	91.22%	\$ 3,284,809
11	\$ (161,923)	46.14%	100.00%	91.22%	\$ (68,155)
12	Expected Return on Plan Assets				
13	(Gain)/Loss Amortization				
14	<u>\$ 14,223,631</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 5,986,881</u>
15					
16	<u>Service Company</u>				
17	\$ 20,104,629	86.73%	25.39%	91.22%	\$ 4,037,964
18	\$ 26,911,017	86.73%	25.39%	91.22%	\$ 5,405,009
19	\$ 1,268,029	86.73%	25.39%	91.22%	\$ 254,680
20	Expected Return on Plan Assets				
21	(Gain)/Loss Amortization				
22	<u>\$ 48,283,675</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 9,697,654</u>
23					
24	<u>Exelon Business Service Company</u>				
25	\$ 337,500	86.73%	100.00%	91.22%	\$ 267,019
26	\$ 700,314	86.73%	100.00%	91.22%	\$ 554,066
27	\$ (1,477)	86.73%	100.00%	91.22%	\$ (1,168)
28	Expected Return on Plan Assets				
29	(Gain)/Loss Amortization				
30	<u>\$ 1,036,337</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 819,918</u>
31					
32	<u>Total</u>				
33	\$ 27,023,633				\$ 7,075,210
34	\$ 35,415,381				\$ 9,243,885
35	\$ 1,104,629				\$ 185,357
36	\$ -				\$ -
37	\$ -				\$ -
38	<u>\$ 63,543,643</u>				<u>\$ 16,504,452</u>
39					
40	<u>5+7 M/E July 2017 Expense</u>				
41	<u>ACE</u>				
42	\$ 6,783,517	46.14%	100.00%	91.22%	\$ 2,855,256
43	\$ 7,780,208	46.14%	100.00%	91.22%	\$ 3,274,774
44	\$ (162,144)	46.14%	100.00%	91.22%	\$ (68,248)
45	Expected Return on Plan Assets				
46	(Gain)/Loss Amortization				
47	<u>\$ 14,401,581</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 6,061,782</u>
48					
49	<u>Service Company</u>				
50	\$ 20,721,723	86.73%	25.39%	91.22%	\$ 4,161,905
51	\$ 26,687,709	86.73%	25.39%	91.22%	\$ 5,360,159
52	\$ 1,269,762	86.73%	25.39%	91.22%	\$ 255,028
53	Expected Return on Plan Assets				
54	(Gain)/Loss Amortization				
55	<u>\$ 48,679,193</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 9,777,092</u>
56					
57	<u>Exelon Business Service Company</u>				
58	\$ 345,902	86.73%	100.00%	91.22%	\$ 273,667
59	\$ 717,748	86.73%	100.00%	91.22%	\$ 567,860
60	\$ (1,514)	86.73%	100.00%	91.22%	\$ (1,197)
61	Expected Return on Plan Assets				
62	(Gain)/Loss Amortization				
63	<u>\$ 1,062,137</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 840,329</u>
64					
65	<u>Total</u>				
66	\$ 27,851,142				\$ 7,290,828
67	\$ 35,185,666				\$ 9,202,792
68	\$ 1,106,104				\$ 185,583
69	\$ -				\$ -
70	\$ -				\$ -
71	<u>\$ 64,142,911</u>				<u>\$ 16,679,203</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
OPEB Expense Adjustment - Service Related
Adjustment No. 11

(1) Line	(2)	(3)	(4)	(5)	(6)
No.	Total \$	Expense	ACE	ACE Dist	ACE Dist
No.	\$	%	%	%	\$
1	Adjustment				
2					\$ (21,817)
3					\$ 1,964
4					\$ 6,949
5					<u>\$ 12,905</u>
6					
7	2017 Forecasted Actuary Report				
8	ACE				
9	\$ 1,011,071	46.14%	100.00%	91.22%	\$ 425,571
10	\$ 3,961,145	46.14%	100.00%	91.22%	\$ 1,667,289
11	\$ (2,200,963)	46.14%	100.00%	91.22%	\$ (926,409)
12	Expected Return on Plan Assets				
13	(Gain)/Loss Amortization				
14	<u>\$ 2,771,253</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 1,166,450</u>
15					
16	Service Company				
17	\$ 1,657,600	86.73%	25.39%	91.22%	\$ 332,925
18	\$ 5,269,946	86.73%	25.39%	91.22%	\$ 1,058,455
19	\$ (2,449,805)	86.73%	25.39%	91.22%	\$ (492,037)
20	Expected Return on Plan Assets				
21	(Gain)/Loss Amortization				
22	<u>\$ 4,477,741</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 899,343</u>
23					
24	Exelon Business Service Company				
25	\$ 83,393	86.73%	100.00%	91.22%	\$ 65,978
26	\$ 146,633	86.73%	100.00%	91.22%	\$ 116,012
27	\$ (153,977)	86.73%	100.00%	91.22%	\$ (121,822)
28	Expected Return on Plan Assets				
29	(Gain)/Loss Amortization				
30	<u>\$ 76,050</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 60,168</u>
31					
32	Total				
33	\$ 2,752,064				\$ 824,474
34	\$ 9,377,724				\$ 2,841,756
35	\$ (4,804,745)				\$ (1,540,268)
36	Expected Return on Plan Assets				
37	(Gain)/Loss Amortization				
38	<u>\$ 7,325,044</u>				<u>\$ 2,125,961</u>
39					
40	5+7 M/E July 2017 Expense				
41	ACE				
42	\$ 1,069,622	46.14%	100.00%	91.22%	\$ 450,216
43	\$ 3,944,738	46.14%	100.00%	91.22%	\$ 1,660,383
44	\$ (2,203,970)	46.14%	100.00%	91.22%	\$ (927,675)
45	Expected Return on Plan Assets				
46	(Gain)/Loss Amortization				
47	<u>\$ 2,810,390</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 1,182,924</u>
48					
49	Service Company				
50	\$ 1,753,592	86.73%	25.39%	91.22%	\$ 352,204
51	\$ 5,244,087	86.73%	25.39%	91.22%	\$ 1,053,262
52	\$ (2,453,152)	86.73%	25.39%	91.22%	\$ (492,709)
53	Expected Return on Plan Assets				
54	(Gain)/Loss Amortization				
55	<u>\$ 4,544,527</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 912,757</u>
56					
57	Exelon Business Service Company				
58	\$ 72,208	86.73%	100.00%	91.22%	\$ 57,129
59	\$ 126,967	86.73%	100.00%	91.22%	\$ 100,452
60	\$ (133,325)	86.73%	100.00%	91.22%	\$ (105,483)
61	Expected Return on Plan Assets				
62	(Gain)/Loss Amortization				
63	<u>\$ 65,850</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 52,098</u>
64					
65	Total				
66	\$ 2,895,422				\$ 859,549
67	\$ 9,315,791				\$ 2,814,096
68	\$ (4,790,447)				\$ (1,525,867)
69	Expected Return on Plan Assets				
70	(Gain)/Loss Amortization				
71	<u>\$ 7,420,767</u>				<u>\$ 2,147,778</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Remove Executive Incentive Expense
Adjustment No. 12

(1) Line No.	(2) <u>Item</u>	(3)
1	<u>Earnings:</u>	
2	O & M Expense	\$ (1,808,595)
3	State Income Tax	\$ 162,774
4	Federal Income Tax	\$ 576,038
5	Total Expense	<u>\$ (1,069,784)</u>
6		
7	Earnings	<u>\$ 1,069,784</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
January 2017 Nor'easter Storm Adjustment
Adjustment No. 13

(1) Line No.	(2) <u>Item</u>	(3) <u>Distribution</u>
1	<u>Earnings</u>	
2	Amortize January 2017 Nor'easter Storm Expenses	\$ 554,453 (1)
3	Total Operating Expense	<u>\$ 554,453</u>
4		
5	State Income Tax	\$ (49,901)
6	Federal Income Tax	<u>\$ (176,593)</u>
7	Total Expenses	\$ 327,959
8		
9	Earnings	<u><u>\$ (327,959)</u></u>
10		
11	<u>Rate Base</u>	
12	Average Amortizable Balance	\$ 1,386,133 (2)
13		
14		
15	Deferred State Income Tax	\$ (124,752)
16	Deferred Federal Income Tax	\$ (441,483)
17		
18	Total Rate Base	<u><u>\$ 819,898</u></u>
19		
20		
21	(1) Jan 2017 Nor'easter Storm O&M Deferral - Amortizable Base	\$ 1,663,359
22	Amortization Period (Years)	<u>3</u>
23	Amortization Expense	554,453
24		
25		
26	(2) Unamortized Balance - Beg. Of Period	\$ 1,663,359
27	Amortization Expense - 1st Year	<u>\$ 554,453</u>
28	Unamortized Balance - End Of Period	\$ 1,108,906
29	Average - Year 1	\$ 1,386,133

Atlantic City Electric Company
5+7 Months Ending July 2017
Bow Echo Storm & Winter Storm Jonas Adjustment
Adjustment No. 14

(1) Line No.	(2) Item	(3) Distribution
1	<u>Earnings</u>	
2	Expense	
3	Approved Annual Amount of Bow Echo Storm Amortization	\$ 4,441,298 (1)
4	Bow Echo Amortization in Cost of Service - (08/24/16-07/31/17)	<u>\$ 4,157,548</u>
5	Net Remaining Annual Amount of Bow Echo Amortization	<u>\$ 283,750</u>
6		
7	Approved Annual Amount of Jonas Storm Amortization	\$ 1,530,016 (2)
8	Jonas Amortization in Cost of Service - (08/24/16-07/31/17)	<u>\$ 1,432,265</u>
9	Net Remaining Annual Amount of Jonas Amortization	<u>\$ 97,751</u>
10		
11	Adjust to Test Year -Annualize Bow Echo & Jonas approved treatment	\$ 381,501
12		
13	State Income Tax	\$ (34,335)
14	Federal Income Tax	<u>\$ (121,508)</u>
15	Total Expenses	<u>\$ 225,658</u>
16		
17	Earnings	<u><u>\$ (225,658)</u></u>
18		
19		
20	(1) Dkt No 16030252 Effective August 24, 2016	
21	Bow Echo Cost Per Dkt No 16030252	\$ 13,323,894
22	Amortization Period (Years)	<u>\$ 3</u>
23	Amortization Expense	<u>\$ 4,441,298</u>
24		
25	(2) Dkt No 16030252 Effective August 24, 2016	
26	Jonas Cost Per Dkt No 16030252	\$ 4,590,047
27	Amortization Period (Years)	<u>\$ 3</u>
28	Amortization Expense	<u>\$ 1,530,016</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
June 2016 Storm Adjustment
Adjustment No. 15

(1) <u>Line</u> <u>No.</u>	(2) <u>Item</u>	(3) <u>\$</u>
1	<u>Earnings</u>	
2		
3	Remove Test Year June 2016 Storm Expense	\$ (49,621)
4	Amortize June 2016 Storm Expenses	<u>\$ 568,051</u> (1)
5	Total Operating Expense	\$ 518,430
6		
7		
8	State Income Tax	\$ (46,659)
9	Federal Income Tax	<u>\$ (165,120)</u>
10	Total Expenses	\$ 306,652
11		
12	Earnings	<u><u>\$ (306,652)</u></u>
13		
14		
15	<u>Rate Base</u>	
16	Average Amortizable Balance	\$ 1,420,128 (2)
17		
18	Deferred State Income Tax	\$ (127,812)
19	Deferred Federal Income Tax	\$ (452,311)
20		
21	Total Rate Base	<u><u>\$ 840,006</u></u>
22		
23		
24	(1) June 2016 Storm O&M Deferral - Amortizable Base	\$ 1,704,154
25	Amortization Period (Years)	<u>3</u>
26	Amortization Expense	568,051 (1)
27		
28	(2) Unamortized Balance - Beg. Of Period	\$ 1,704,154
29	Amortization Expense - 1st Year	<u>\$ 568,051</u>
30	Unamortized Balance - End Of Period	\$ 1,136,103
31	Average - Year 1	\$ 1,420,128 (2)

Atlantic City Electric Company
5+7 Months Ending July 2017
Normalize Injury & Damage Expense
Adjustment No. 16

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	<u>Normalized Injury & Damage Expense</u>	
2	Three year average Injury & Damage Expense	\$ 1,340,998 (1)
3	Test Period Injury & Damage Expense	<u>\$ (652,660)</u>
4	Adjustment to O & M Expense	<u>\$ 1,993,657</u>
5		
6	Distribution Allocation	<u>91.22%</u>
7		
8	Distribution Allocation Amount	\$ 1,818,614
9		
10	State Income Tax	\$ (163,675)
11		
12	Federal Income Tax	<u>\$ (579,229)</u>
13		
14	Total Expense	\$ 1,075,710
15		
16	Earnings	<u><u>\$ (1,075,710)</u></u>
17		
18		
19		
20	(1) Injury & Damage Expense	
21	12 me July 2015	\$ 4,100,870
22	12 me July 2016	\$ 574,783
23	5+7 me July 2017	<u>\$ (652,660)</u>
24	3 Year Average	<u>\$ 1,340,998</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Mays Landing Complex Rent - Lower of Cost vs. Market
Adjustment No. 17

(1) Line No.	(2) <u>Item</u>	(3) \$	(4) %	(5) \$
1	<u>Earnings</u>			
2	Expense	\$ -		
3				
4	State Income Tax	\$ -		
5	Federal Income Tax	\$ -		
6	Total Expenses	<u>\$ -</u>		
7				
8	Earnings	\$ -		
9				
10	<u>Lower of Cost vs. Market Analysis</u>			
11	<u>Finished Space</u>			
12	# of Square Feet - Mays Landing Complex	84,470		
13				
14	Market Cost/Square Foot	\$ 21.00	100%	\$1,773,866
15	ACE - Actual Cost/Square Foot	\$ 16.20	77%	\$1,368,515
16	Difference (no adjustment needed - cost < market)	<u>\$ 4.80</u>	23%	\$405,351
17				
18	<u>Unfinished Space</u>			
19	# of Square Feet - Mays Landing Complex	134,336		
20				
21	Market Cost Per Square Foot			
22	Triple Net Rate	\$ 5.00		
23	Common Area Maintenance Rate	<u>\$ 4.21</u>		
24	Total	\$ 9.21	100%	\$1,237,237
25	ACE - Actual Cost/Square Foot	\$ 10.50	114%	\$1,410,812
26	Difference	<u>\$ (1.29)</u>	-14%	(\$173,575)
27				
28				
29				
30	<u>Finished & Unfinished Space</u>			
31	Market Cost/Square Foot		100%	\$3,011,103
32	ACE - Actual Cost/Square Foot		92%	\$2,779,328
33	Total (no adjustment needed - cost < market)		<u>8%</u>	\$231,776

Atlantic City Electric Company
5+7 Months Ending July 2017
Annualization of Depreciation on Year-End Plant
Adjustment No. 18

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	<u>Plant Category</u>	<u>Annualized Depreciation Exp</u>	<u>12 ME Dec 2016 Depreciation Exp</u>	<u>Adjustment</u>	<u>ACE Distribution Allocator</u>	<u>\$</u>
1	Distribution	\$ 50,774,195	\$ 49,662,730	\$ 1,111,466	100.00%	\$ 1,111,466
2						
3	General	\$ 6,366,189	\$ 6,240,883	\$ 125,306	91.22%	\$ 114,304
4						
5	Total	<u>\$ 57,140,384</u>	<u>\$ 55,903,612</u>	<u>\$ 1,236,772</u>		<u>\$ 1,225,770</u>
6						
7						
8					Deferred State Income Tax	\$ (110,319)
9					Deferred Federal Income Tax	<u>\$ (390,408)</u>
10					Total Expense	<u>\$ 725,043</u>
11						
12					Earnings	<u>\$ (725,043)</u>
13						
14					Rate Base	<u>\$ (725,043)</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Depreciation On Service Company Assets Using ACE Depreciation Rates
Adjustment No. 19

(1) Line No.	(2) <u>Item</u>	(3) <u>ACE Total</u>	(4) <u>Distribution %</u>	(5) <u>\$</u>
1	<u>Earnings</u>			
2	Depreciation	\$ (453,863)	91.22%	\$ (414,014)
3				
4	State Income Tax			\$ 37,261
5	Federal Income Tax			\$ 131,863
6	Total Expense			<u>\$ (244,889)</u>
7				
8	Earnings			<u><u>\$ 244,889</u></u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Depreciation on EBSC (Exelon Business Service Company) Using ACE Depreciation Rates
Adjustment No. 20

(1)	(2)	(3)
Line		
No.	Item	Detail
1	<u>Impact to Operating Income:</u>	
2	Forecasted EBSC Depreciation expenses allocated to ACE	\$ (9,431)
3		
4	Depreciation on EBSC using ACE Depreciation Rates	<u>\$ (1,933)</u>
5		
6	Adjustment on EBSC Depreciation allocated to ACE	\$ 7,498
7	State Income Tax	\$ (675)
8	Federal Income Tax	<u>\$ (2,388)</u>
9	Total Expense	\$ 4,435
10	Earnings	<u><u>\$ (4,435)</u></u>

Atlantic City Electric Company
5+7 Months Ending July 2017
August 2017 - January 2018 Plant Closings
Adjustment No. 21

(1) Line No.	(2) <u>Item</u>	(3) Aug 2017 - Jan 2018 \$
1	<u>Earnings</u>	
2	Distribution	
3	Book Depreciation Expense	2.44% \$ 916,669
4		
5	State Tax Depreciation Expense - MACRS	3.75% \$ 1,653,735
6	Federal Tax Depreciation Expense - Bonus	50.00% \$ 16,898,706
7	Federal Tax Depreciation Expense - Bonus	40.00% \$ 4,120,878
8	Federal Tax Depreciation Expense - MACRS	3.75% \$ 865,501
9		
10	General	
11	Book Depreciation Expense	5.48% 184,794
12		
13	State Tax Depreciation Expense - MACRS	14.29% \$ 1,119,580
14	Federal Tax Depreciation Expense - Bonus	50.00% \$ 3,112,880
15	Federal Tax Depreciation Expense - Bonus	40.00% \$ 644,459
16	Federal Tax Depreciation Expense - MACRS	14.29% \$ 582,807
17		
18	Deferred State Income Tax	\$ 150,467
19	Deferred Federal Income Tax	\$ 8,740,655
20	State Income Tax	\$ (249,598)
21	Federal Income Tax	\$ (9,091,471)
22	Total Expense	\$ 651,516
23		
24	Earnings	<u>\$ (651,516)</u>
25		
26	<u>Rate Base</u>	
27	Plant in Service	
28	Distribution Plant Closings	\$ 44,099,606
29	Retirements	\$ (6,531,188)
30	Adjustment to Plant in Service	\$ 37,568,418
31		
32	General Plant Closings	\$ 8,591,215
33	Retirements	\$ (4,894,484)
34	Adjustment to General Plant Closings	\$ 3,696,731
35	Distribution Allocation Ratio	91.22%
36	Adjustment to General Plant Closings	\$ 3,372,158
37		
38	Depreciation Reserve	
39	Depreciation Expense	\$1,505,493
40	Retirements	\$ (10,995,936)
41	Adjustment to Depreciation Reserve	\$ (9,490,443)
42		
43	Net Plant	\$ 50,431,019
44		
45	Deferred State Income Tax	\$ - *
46	Deferred Federal Income Tax	\$ (1,691,177)
47		
48	Net Rate Base Adjustment	<u>\$ 48,739,842</u>

51	<u>Distribution Plant Closings</u>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
52		Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Total
53	Capacity Expansion	\$ 82,354	\$ 82,354	\$ 82,374	\$ 95,277	\$ 134,956	\$ 233,920	\$ 711,237
54	Corrective Capital Replacement	\$ 224,069	\$ 224,069	\$ 224,069	\$ 1,467,528	\$ 1,118,795	\$ 1,105,290	\$ 4,363,822
55	System Performance	\$ 1,227,558	\$ 987,575	\$ 916,684	\$ 4,063,944	\$ 6,550,558	\$ 3,069,245	\$ 16,815,564
56	T&D Automation	\$ 423,223	\$ 423,223	\$ 423,223	\$ 1,574,697	\$ 944,611	\$ 752,194	\$ 4,541,171
57	Emergency	\$ 433,502	\$ 433,502	\$ 433,502	\$ 3,189,683	\$ 3,516,401	\$ 3,400,031	\$ 11,406,618
58	Customer Driven	\$ 258,870	\$ 258,870	\$ 258,870	\$ 1,657,264	\$ 2,085,806	\$ 1,741,514	\$ 6,261,194
59	General Plant	\$ 506,857	\$ 506,857	\$ 606,857	\$ 1,785,499	\$ 3,418,923	\$ 1,766,221	\$ 8,591,215
60	Total	<u>\$ 3,156,434</u>	<u>\$ 2,916,451</u>	<u>\$ 2,945,580</u>	<u>\$ 13,833,892</u>	<u>\$ 17,770,050</u>	<u>\$ 12,068,415</u>	<u>\$ 52,690,821</u>

* Company is in State NOLC Position

** Company is projecting its Federal NOLC balance to be increasing in 2017 and decreasing in 2018. Deferred taxes related to Plant Closings in 2017 reflect an NOLC Deferred Tax Asset offset. Plant Closings in 2018 do not reflect an NOLC DTA offset.

**Atlantic City Electric Company
Forecasted Closings to Plant in Service**

(Dollar in Thousands)

Budget No.	Budget Description	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	
Capacity Expansion								
UDSALM76D	Court Substation 23 kV Retirement	43	43	43	43	43	-	217
UDLALPM1	Peermont - Reconfigure Feeders	1	1	1	1	1	176	181
UDSALM78M	DOROTHY SUBSTATION UPGRADE T1	33	33	33	33	33	-	167
UDLAPN7D	ACE Reg-Underbuilt Distribution Rebuild	-	-	-	-	40	40	80
UDLALM7P	Feeder Load Relief-P'ville	2	2	2	15	15	15	52
UDLALM7C	Feeder Load Relief-Capemay	3	3	3	3	3	3	15
Total Capacity Expansion Plant Closing		<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 95</u>	<u>\$ 135</u>	<u>\$ 234</u>	<u>\$ 711</u>
Corrective Capital Replacement								
UDLARM4E	Atlantic Reg - Dist Reject Pole Rplmt	163	163	163	714	714	725	2,641
UDLARM42	Differential Pole R/M Bell	-	-	-	399	-	-	399
UDLARM4GA	Misc Distr Blanket-Glassboro	8	8	8	53	53	54	183
UDLARM4WA	Misc Distr Blanket -Winslow	6	6	6	43	58	59	178
UDLARM4H	Avian Protection - Improvements	7	7	7	51	51	48	172
UDLARM4PA	Misc Distr Blanket-P'ville	7	7	7	48	48	49	166
UDSARD9D	IR ATL SUB DETERIORATE DIST BKRS REPLMNT	2	2	2	7	73	72	159
UDSARD8E	ATL BATTERY & CHARGER REPLMNT	15	15	15	52	19	15	130
UDLARM4CA	Misc Distr Blanket-Capemay -Capemay	4	4	4	30	30	30	103
UDSARD8F	ATLANTIC DIST SUBSTATION BUSHING REPLMNT	6	6	6	32	35	15	100
UDLARM4CC	Cape May-Replace Deteriorated BD Cable	1	1	1	10	10	10	33
UDLARM4GC	Glassboro-Replace Deteriorated BD Cable	1	1	1	10	10	10	33
UDLARM4PC	Pleasantville-Replace Deteriorated BD Ca	1	1	1	10	10	10	33
UDLARM4WC	Winslow - Replace Deteriorated BD Cable	1	1	1	10	10	10	33
Total Corrective Capital Replacement Plant Closing		<u>\$ 224</u>	<u>\$ 224</u>	<u>\$ 224</u>	<u>\$ 1,468</u>	<u>\$ 1,119</u>	<u>\$ 1,105</u>	<u>\$ 4,364</u>
System Performance								
UDLARM4A2	ACR Installatons - ACE	317	317	317	1,262	1,262	1,281	4,758
UDLARM4F	Priority Ckt Improve- Atl Reg	194	194	194	771	740	223	2,314
UDLARM63A	ATL Reg-Misc Reliability Improvements	89	89	89	617	622	270	1,776
UDSARD8S2	Scull: New Land	-	-	-	-	1,287	1	1,288
UDSARD8RB	Williamstown - Retire 69/34 kV equipment	-	-	-	-	854	-	854
UDSARD8G	ATLANTIC - PHI SPARE TRANSFORMERS	67	67	67	252	80	300	833
UDLARM4AD	Planned URD Cable Replacement	29	29	29	201	200	205	693
UDSARD8M	ADD SCADA/RTU CAPABILITY	16	16	16	243	239	106	636
UDLARM4A3	ACE - Single Phase Recloser Device	28	28	28	110	110	111	413
UDLARM4J	Atlantic Region - Recloser Replacements	17	17	17	116	116	118	399
UDLARM4N	AC Network Transformer Replacements	43	43	43	43	116	43	332
UDLARM4AQ	ACE-Upg for Multiple Device Operations	14	14	14	96	96	98	331
UDSARD8F2	Replace GE Type U Bushings	20	20	20	95	103	33	292
UDSALMH2	HIGH ST SUB - ESTABLISH 69/12kV 40MVA	252	14	5	9	6	-	285
UDSARD8A8	ACE: Water Detection Systems	-	-	-	-	272	-	272
UDSARD8J	Atlantic: Substation Animal Protection	15	15	15	59	59	59	222
UDSARD8A13	Relocate 12kV Feeder Arresters	29	29	29	29	29	29	171
UDLARM4AO	Padmount Transformer Replacements	7	7	7	49	49	50	169
UDLARM4M	Atlantic Reg - Customer Reliability Impr	7	7	7	48	48	49	166
UDSARD8A11	Scull T2: Replace LTC	-	-	-	-	150	-	150
UDLALMH1	High Street Sub-Reconf Mullica Hill	59	59	1	1	1	-	121
UDSARD8SC	ATLANTIC REG CKT SWITCHER UPGRADE	3	3	3	13	41	28	92
UDSARD8A	ATL - SUBSTATION PLANNED IMPROV	2	2	2	18	19	39	81
UDSARD8SE	ADD RECLOSE CONTROL CAPABILITY	5	5	5	20	20	20	75
UDLARM4A1	Relocate 12kV Feeder Arresters (LineSup)	1	1	1	7	7	7	26
UDLARM4GS1	Carneys Point to Churchtown Transfer	4	5	2	3	11	-	25
UDLALM7G6	High St - Distribution Underbuild	3	3	3	3	3	-	13
UDSARD8RH	PITMAN RETIRE SUBSTATION	-	-	-	-	10	-	10
UDSARD9SH	BEESEYS POINT - CONVERT 4 TO 12kV	4	3	2	-	-	-	9
UDLARM4GA1	Carneys Point Sub 4 kV to 12 kV	3	0	2	1	-	-	7
UDSARD8G1	ATLANTIC REG - 40MVA MOBILE TRANSFORMER	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total System Performance Plant Closing		<u>\$ 1,228</u>	<u>\$ 988</u>	<u>\$ 917</u>	<u>\$ 4,064</u>	<u>\$ 6,551</u>	<u>\$ 3,069</u>	<u>\$ 16,816</u>
T&D Automation								
UDLARDA1	DA ATL DISTRIBUTION AUTOMATION	170	170	170	665	170	170	1,513
UORAODA1G	GLASSBORO COM WRK-RADIOS INLINE EQUIPMNT	61	61	61	246	186	61	675
UORAODA1P	PVILL COMM WORK: RADIOS INLINE EQUIPMENT	61	61	61	246	125	61	614
UORAORCA	Install Radio Controllers	35	35	35	142	142	142	531
UDSARDA1	ATL REG SUB AUTOMATION-DOE REIMBURSABLE	32	32	32	42	103	107	349
UORAORCPP	PVILLE - RADIO CONTROL FOR CAP CNTRL	15	15	15	62	62	62	231
UORAORCPG	Install Radio-Control for Capacitor Cont	14	14	14	57	57	48	204
UDLARM4PT	P'ville Install Capacitor Bank Heads	10	10	10	49	49	50	177
UORAOR1G	COMM WORK-COLLECTOR DATA NETWK GL	16	16	16	16	16	16	94

UORAORBAG	Rplc Batteries-Devices & Radio-Glassboro	2	2	2	13	13	13	44
UORAORBAP	Rplc Batteries-Devices & Radio-PVile	2	2	2	13	13	13	44
UORAODA1W	WINSLOW COMM WORK-RADIOS INLINE EQUIPMNT	5	5	5	19	5	5	42
UORAORBTG	GLASSBORO COMM WORK - RADIO INLINE EQUIP	2	2	2	2	2	2	10
UORAORBAC	Replace Batteries in Auto Field Device	0	0	0	2	2	2	7
UORAORBAW	Replace Batteries in Automated Winslow	0	0	0	2	2	2	7
UORAORBR1P	PVILLE COMM WORK-COLL TO DATA NETWORK	0	0	0	0	0	0	0
UORAORBTP	PLEASANTVILLE COMM WORK-RADIO INLN EQUIP	0	-	-	-	-	-	0
Total T&D Automation Plant Closing		\$ 423	\$ 423	\$ 423	\$ 1,575	\$ 945	\$ 752	\$ 4,541

Emergency

UDLARM3G1	Glassboro-Emergency Restoration Blanket	175	175	175	1,310	1,382	1,340	4,557
UDLARM3P1	Pville-Emergency Restoration Blanket	103	103	103	772	939	995	3,016
UDLARM3W1	Winslow-Emergency Restoration Blanket	64	64	64	460	516	475	1,643
UDLARM3C1	Capemay-Emergency Restoration Blanket	61	61	61	428	450	443	1,504
UDSARD71	ATLANTIC DISTRIBUTION SUBST EMERGENCY	11	11	11	85	88	80	286
UORAOR1	ATL REGION UNSCHEDULED RADIO	11	11	11	79	79	11	202
UDLARM40	Atlantic Reg-Repace Failed Submarine/ Ne	8	8	8	56	64	56	199
Total Emergency Plant Closing		\$ 434	\$ 434	\$ 434	\$ 3,190	\$ 3,516	\$ 3,400	\$ 11,407

Customer Driven

UDLACS1G	Glassboro - New Services & Street Light	59	59	59	467	510	484	1,638
UDLACS1P	Pville - New Services & Street Light	50	50	50	376	440	410	1,375
UDLACS1W	Winslow - New Services & Street Light	21	21	21	156	181	162	563
UDLACS1C	Cape May - New Services & Street Light	21	21	21	151	164	159	537
UDLACMR1	Atlantic Meter Blanket	37	37	37	54	279	43	487
UDLACS2P	New Load-PVile-Res Infrastructure	20	20	20	77	88	83	308
UDLACH0G	Glassboro - Highway Relos Blanket	12	12	12	83	85	84	286
UDLACH0P	Pville - Highway Relos Blanket	8	8	8	58	69	63	213
UDLACS3P	Pville - Facility Relocations -Non Hwy	6	6	6	44	54	50	165
UDLACS2G	New Load-Glassboro-Infrastructure	6	6	6	45	47	47	157
UDLACH0C	Capemay - Highway Relocations	5	5	5	37	41	39	134
UDLACH0W	Winslow - Highway Relos Blanket	4	4	4	29	32	30	104
UDLACSOL	Solar Projects - Dist Line Upgrades	3	3	3	19	22	20	68
UDLACS3G	Glassboro - Facility Relocations -Non Hwy	2	2	2	17	22	19	63
UDLACS2W	New Load-Winslow-Res Infrastructure	2	2	2	14	17	14	50
UDLACS3C	Capemy - Facility Relocations -Non Hwy	2	2	2	12	14	13	45
UDLACS3W	Winslow - Facility Relocations -Non Hwy	1	1	1	10	13	11	38
UDLACS2C	New Load-Capemay-Res Infrastructure	1	1	1	9	9	9	30
Total Customer Driven Plant Closing		\$ 259	\$ 259	\$ 259	\$ 1,657	\$ 2,086	\$ 1,742	\$ 6,261

General

UOICONS	North Star Blanket (UOICONS)	383	383	383	1,148	1,148	1,148	4,593
CMP163	Atlantic Region: Upgrade Fuel Island	-	-	-	-	1,442	-	1,442
UOICO	Technology Blanket (UOICO)	20	20	20	143	146	148	498
UOICO055	PD IT Hardware Blanket - PHI (UOICO055)	16	16	16	109	109	109	374
UOFAOF32	ACE ROUTER BINARY UPGRADES	14	14	14	85	85	85	297
UOFAOF33	ACE REG - IDS DESIGN BUILD INSTALL	19	19	19	78	78	78	292
UOTAOGT1	Att General Equipment Blanket	8	8	8	58	58	58	200
UOICBMR10	Smart Grid Services (UOICBMR10)	11	11	11	43	43	43	162
UOFAOSFE	Salem/Woodstown Sub Fiber Entrances	-	-	-	-	140	-	140
CMP76-2009	ACE Additions & Improvements	-	-	-	125	-	-	125
UOIAO001	Mobile Data Terminals ACE	4	4	4	29	29	29	100
CMP172	CP Roof top critical HVAC 4-65 ton units	-	-	100	-	-	-	100
CMP82-2010	ACE Office Furniture & Equipment	-	-	-	84	-	-	84
UORAO2015	ACE Telemetrics Replacement	13	13	13	13	13	13	80
CMP140	Att Reg:Electric Vehicles	4	4	4	17	17	17	63
CMP164	HVAC Replacement All OPS	-	-	-	-	58	-	58
CMP112	Green Initiatives	3	3	3	18	18	3	45
UOICOECH	Telecom Engineering Central Hardware (UOICOECH)	1	1	1	10	10	10	35
UOICOFCW	Centralized Firewall Clusters & Management Appliance (UC	1	1	1	10	10	10	34
UOICONOCH	PHI Network Operating Center Hardware (UOICONOCH)	2	2	2	8	8	8	30
UOTAOMR1	Meter - Tools for Atlantic Region	1	1	1	9	9	9	29
UOICOCS	Power Delivery Cyber Security Clusters (UOICOCS)	1	1	1	7	7	7	25
UORAORBSP	DA ATL PV Broadband Wireless Base Units	4	4	4	4	4	4	22
UOICBMR12	Enterprise Network Access Control System (UOICBMR12)	1	1	1	5	5	5	20
CMP83	Security Systems & Equip - ACE	2	2	2	2	2	2	13
UOICOCTC	Power Delivery Network Central Time Clocks (UOICOCTC)	1	1	1	3	3	3	12
UORAOR22	ACE REG - LAND MOBILE RADIO SYS REPLMNT	0	0	0	0	0	0	0
UJTA1	PJM JOINT OWNED FACILITIES - ACE	(0)	(0)	(0)	(0)	(0)	(0)	(0)
UDLAMS5	ACE-Removal & Salvage Capitalized Equip.	(0)	(0)	(0)	(12)	(1)	(1)	(16)
UDLAOSV5	Att Reg Salvage Scrap Wire/Cable'	(3)	(3)	(3)	(212)	(23)	(23)	(268)
Total General Plant Closing		\$ 507	\$ 507	\$ 607	\$ 1,785	\$ 3,419	\$ 1,766	\$ 8,591

Total Plant Closing		\$ 3,156	\$ 2,916	\$ 2,946	\$ 13,834	\$ 17,770	\$ 12,068	\$ 52,691
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Atlantic City Electric Company
5+7 Months Ending July 2017
August 2017 - January 2018 Plant Closings
Tax Calculation to Determine 2017 Portion of Deferred
Income Taxes That Do Defer Tax Due to NOLC in 2017

(1) <u>Line</u> <u>No.</u>	(2) <u>Item</u>	(3) Aug 2017 - Jan 2018 \$							
1	<u>Earnings</u>								
2	Distribution								
3	Book Depreciation Expense	2.44%	\$691,856						
4									
5	State Tax Depreciation Expense - MACRS	3.75%	\$1,267,403						
6	Federal Tax Depreciation Expense - Bonus	50.00%	\$16,898,706						
7	Federal Tax Depreciation Expense - Bonus	40.00%	\$0						
8	Federal Tax Depreciation Expense - MACRS	3.75%	\$633,701						
9									
10	General								
11	Book Depreciation Expense	5.48%	\$137,281						
12									
13	State Tax Depreciation Expense - MACRS	14.29%	\$889,412						
14	Federal Tax Depreciation Expense - Bonus	50.00%	\$3,112,880						
15	Federal Tax Depreciation Expense - Bonus	40.00%	\$0						
16	Federal Tax Depreciation Expense - MACRS	14.29%	\$444,706						
17									
18	Deferred State Income Tax		\$119,491						
19	Deferred Federal Income Tax		\$7,049,478						
20	State Income Tax		(\$194,113)						
21	Federal Income Tax		(\$7,313,558)						
22	Total Expense		<u>\$490,435</u>						
23									
24	Earnings		<u>(\$490,435)</u>						
25									
26	<u>Rate Base</u>								
27	Plant in Service								
28	Distribution								
29	Distribution Plant Closings		33,797,412						
30	Retirements		(\$5,442,656)						
31	Adjustment to Plant in Service		<u>\$28,354,755</u>						
32									
33	General								
34	General Plant Closings		\$6,824,994						
35	Retirements		(\$4,078,736)						
36	Adjustment to General Plant Closings		<u>\$2,746,258</u>						
37	Distribution Allocation Ratio		91.22%						
38	Adjustment to General Plant Closings		\$2,505,136						
39									
40	Depreciation Reserve								
41	Depreciation Expense		\$1,165,828						
42	Retirements		(\$9,163,280)						
43	Adjustment to Depreciation Reserve		(\$7,997,451)						
44									
45	Net Plant		\$38,857,343						
46									
47	Deferred State Income Tax		\$0 *						
48	Deferred Federal Income Tax		<u>(\$7,049,478) **</u>						
49									
50	Net Rate Base Adjustment		<u>\$31,807,865</u>						
51									
52	<u>Plant Closings</u>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
53		Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Total	
54	Capacity Expansion	82,354	82,354	82,374	95,277	134,956	-	477,317	
55	Corrective Capital Replacement	224,069	224,069	224,069	1,467,528	1,118,795	-	3,258,532	
56	System Performance	1,227,558	987,575	916,684	4,063,944	6,550,558	-	13,746,319	
57	T&D Automation	423,223	423,223	423,223	1,574,697	944,611	-	3,788,977	
58	Emergency	433,502	433,502	433,502	3,189,683	3,516,401	-	8,006,588	
59	Customer Driven	258,870	258,870	258,870	1,657,264	2,085,806	-	4,519,680	
60	General Plant	506,857	506,857	606,857	1,785,499	3,418,923	-	6,824,994	
61	Total	3,156,434	2,916,451	2,945,580	13,833,892	17,770,050	-	40,622,406	
62									
63	* Company is in State NOLC Position, all Plant Closing adjustments state deferred income taxes show \$0								
64	** Company is projecting its Federal NOLC balance to be increasing in 2017 and decreasing in 2018. Deferred taxes related to								
65	Plant Closings in 2017 reflect an NOLC Deferred Tax Asset offset. Plant Closings in 2018 do not reflect an								
66	NOLC DTA offset.								

Atlantic City Electric Company
5+7 Months Ending July 2017
February and March 2018 Plant Closings
Adjustment No. 22

(1) Line No.	(2) Item	(3) Feb - Mar 2018 \$		
1	Earnings			
2	Distribution			
3	Book Depreciation Expense	2.44%		\$ 104,016
4				
5	State Tax Depreciation Expense - MACRS	3.75%	\$ 241,501	
6	Federal Tax Depreciation Expense - Bonus	40.00%	\$ 2,576,008	
7	Federal Tax Depreciation Expense - MACRS	3.75%	\$ 144,900	
8				
9	Deferred State Income Tax			\$12,374
10	Deferred Federal Income Tax			\$911,581
11	State Income Tax			(\$21,735)
12	Federal Income Tax			(\$944,711)
13	Total Expense			<u>\$ 61,526</u>
14				
15	Earnings			<u>\$ (61,526)</u>
16				
17	Rate Base			
18	Plant in Service			
19	Distribution Plant Closings			\$ 6,440,020
20	Retirements			<u>\$ (2,177,063)</u>
21	Adjustment to Plant in Service			\$ 4,262,957
22				
23	Depreciation Reserve			
24	Depreciation Expense			\$ 157,136
25	Retirements			<u>\$ (2,177,063)</u>
26	Adjustment to Depreciation Reserve			\$ (2,019,926)
27				
28	Net Plant			\$ 6,282,883
29				
30	Deferred State Income Tax			\$ - *
31	Deferred Federal Income Tax			<u>\$ (911,581) **</u>
32				
33	Net Rate Base Adjustment			<u>\$ 5,371,302</u>
34				
35				
36	Distribution Plant Closings	Forecast	Forecast	
37		Feb-18	Mar-18	Total
38	Capacity Expansion	\$ 20,807	\$ 20,807	\$ 41,613
39	Corrective Capital Replacement	\$ 292,369	\$ 292,369	\$ 584,738
40	System Performance	\$ 1,008,702	\$ 1,715,143	\$ 2,723,846
41	T&D Automation	\$ 169,876	\$ 169,876	\$ 339,752
42	Emergency	<u>\$ 1,375,036</u>	<u>\$ 1,375,036</u>	<u>\$ 2,750,071</u>
43	Total	<u>\$ 2,866,789</u>	<u>\$ 3,573,230</u>	<u>\$ 6,440,020</u>
44				

* Company is in State NOLC Position, all Plant Closing adjustments state deferred income taxes show \$0

** Company is projecting its Federal NOLC balance to be decreasing in 2018. Thus, there is no Federal NOLC offset for 2018 Plant Closing adjustments.

**Atlantic City Electric Company
Forecasted Closings to Plant in Service**

(Dollar in Thousands)

Budget No.	Budget Description	Forecast	Forecast	Total
		Feb-18	Mar-18	
<u>Capacity Expansion</u>				
UDLAPN7D	ACE Reg-Underbuilt Distribution Rebuild	10	10	20
UDLALM7P	Feeder Load Relief-P'ville	6	6	11
UDLALM7G	Feeder Load Relief-Glassboro	4	4	7
UDLALM7C	Feeder Load Relief-Capemay	2	2	4
Total Capacity Expansion Plant Closing		\$ 21	\$ 21	\$ 42
<u>Corrective Capital Replacement</u>				
UDLARM4E	Atlantic Reg - Dist Reject Pole Rplmt	167	167	333
UDLARM4GA	Misc Distr Blanket-Glassboro	23	23	45
UDLARM4WA	Misc Distr Blanket -Winslow	21	21	43
UDLARM4PA	Misc Distr Blanket-P'ville	21	21	42
UDSARD9D	IR ATL SUB DETERIORATE DIST BKRS REPLMNT	13	13	26
UDLARM4H	Avian Protection - Improvements	13	13	26
UDLARM4CA	Misc Distr Blanket-Capemay -Capemay	13	13	26
UDSARD8V	ACE - DIST SUBST NERC PHYSICLE SECURITY	6	6	12
UDSARD8F	ATLANTIC DIST SUBSTATION BUSHING REPLMNT	3	3	7
UDLARM4CC	Cape May-Replace Deteriorated BD Cable	3	3	6
UDLARM4GC	Glassboro-Replace Deteriorated BD Cable	3	3	6
UDLARM4PC	Pleasantville-Replace Deteriorated BD Ca	3	3	6
UDLARM4WC	Winslow - Replace Deteriorated BD Cable	3	3	6
UDSARD8E	ATL BATTERY & CHARGER REPLMNT	1	1	3
Total Corrective Capital Replacement Plant Closing		\$ 292	\$ 292	\$ 585
<u>System Performance</u>				
UDLARM4A2	ACR Installatons - ACE	480	480	960
UDLARM4GB	Penns Grove Sub-4kV to 12kV	-	706	706
UDLARM63A	ATL Reg-Misc Reliability Improvements	107	107	213
UDLARM4F	Priority Ckt Improve- Atl Reg	84	84	167
UDSARD8G	ATLANTIC - PHI SPARE TRANSFORMERS	65	65	130
UDLARM4AD	Planned URD Cable Replacement	51	51	102
UDLARM4A3	ACE - Single Phase Recloser Device	42	42	84
UDLARM4AQ	ACE-Upg for Multiple Device Operations	42	42	83
UDLARM4N	AC Network Transformer Replacements	30	30	59
UDLARM4M	Atlantic Reg - Customer Reliability Impr	21	21	42
UDLARM4J	Atlantic Region - Recloser Replacements	17	17	34
UDSARD8A	ATL - SUBSTATION PLANNED IMPROV	17	17	33
UDSARD8J	Atlantic: Substation Animal Protection	15	15	30
UDLARM4AO	Padmount Transformer Replacements	13	13	27
UDSARD8M	ADD SCADA/RTU CAPABILITY	7	7	15
UDSARD8SE	ADD RECLOSE CONTROL CAPABILITY	7	7	15
UDSARD8F2	Replace GE Type U Bushings	6	6	12
UDSARD8SC	ATLANTIC REG CKT SWITCHER UPGRADE	3	3	7
UDLARM4A1	Relocate 12kV Feeder Arresters (LineSup)	2	2	4
Total System Performance Plant Closing		\$ 1,009	\$ 1,715	\$ 2,724
<u>T&D Automation</u>				
UORAORCA	Install Radio Controllers	50	50	100
UDSARDA1	ATL REG SUB AUTOMATION-DOE REIMBURSABLE	41	41	83
UORAORCPP	PVILLE - RADIO CONTROL FOR CAP CNTRL	23	23	45
UDLARM4PT	P'ville Install Capacitor Bank Heads	20	20	40
UORAORCPG	Install Radio-Control for Capacitor Cont	14	14	29
UORAORBAG	Rplc Batteries-Devices & Radio-Glassboro	4	4	7
UORAORBAP	Rplc Batteries-Devices & Radio-P'ville	4	4	7
UDLARM4CT	Cape May: Install Capacitor Bank Head	3	3	6
UDLARM4GT	Glassboro Install Capacitor Bank	3	3	6

UDLARM4WT	Winslow Install Capacitor Bank	3	3	6
UORAORCPC	Install Radio-Control for Capacitor Cont	2	2	3
UORAORCPW	Install Radio-Control for Capacitor Cont	2	2	3
UORAORBAC	Replace Batteries in Auto Field Device	1	1	1
UORAORBAW	Replace Batteries in Automated Winslow	1	1	1
UORAODA1P	PVILL COMM WORK: RADIOS INLINE EQUIPMENT	(0)	(0)	(0)
Total T&D Automation Plant Closing		<u>\$ 170</u>	<u>\$ 170</u>	<u>\$ 340</u>

Emergency

UDLARM3G1	Glassboro-Emergency Restoration Blanket	567	567	1,134
UDLARM3P1	P'ville-Emergency Restoration Blanket	398	398	796
UDLARM3W1	Winslow-Emergency Restoration Blanket	185	185	370
UDLARM3C1	Capemay-Emergency Restoration Blanket	177	177	354
UDSARD71	ATLANTIC DISTRIBUTION SUBST EMERGENCY	24	24	48
UDLARM40	Atlantic Reg-Repac Failed Submarine/ Ne	24	24	47
Total Emergency Plant Closing		<u>\$ 1,375</u>	<u>\$ 1,375</u>	<u>\$ 2,750</u>

Total Plant Closing		<u>\$ 2,867</u>	<u>\$ 3,573</u>	<u>\$ 6,440</u>
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Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Credit Facilities Cost
Adjustment No. 23

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>	
1	<u>Earnings</u>		
2	Expense	\$ 654,783	(1)
3			
4	State Income Tax	\$ (58,930)	
5	Federal Income Tax	<u>\$ (208,548)</u>	
6	Total Expense	<u>\$ 387,304</u>	
7			
8	Earnings	<u><u>\$ (387,304)</u></u>	
9			
10	<u>Rate Base</u>		
11	Amortizable Balance	<u><u>\$ 568,524</u></u>	(2)
12			
13			
14			
15	(1) Annual amortization of start-up costs	\$ 186,973	
16	Annual cost of maintaining credit facility	\$ 530,833	
17	Total ACE expense	<u>\$ 717,807</u>	
18			
19	ACE System	\$ 717,807	
20	Allocation to Distribution	<u>91.22%</u>	
21	ACE Distribution	<u>\$ 654,783</u>	
22			
23			
24	(2) Amortizable Balance	\$ 623,245	
25	Allocation to Distribution	<u>91.22%</u>	
26	ACE Distribution	<u>\$ 568,524</u>	

Atlantic City Electric Company
5+7 Months Ending July 2017
Interest on Customer Deposits
Adjustment No. 24

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Customer Deposit Balance at December 2016	\$ 33,133,624
2		
3	2017 Interest Rate	<u>0.40%</u>
4		
5	Annual Interest Expense	\$ 132,534
6		
7	12 ME December 2016 Interest Expense	<u>\$ 38,316</u>
8		
9	IOCD Expense	\$ 94,218
10		
11	Distribution Allocation	<u>100%</u>
12		
13	Distribution Allocation Amount	\$ 94,218
14		
15	State Income Tax	\$ (8,480)
16		
17	Federal Income Tax	<u>\$ (30,009)</u>
18		
19	Total Expense	\$ 55,730
20		
21	Earnings	<u><u>\$ (55,730)</u></u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Adjust Cost To Achieve (CTA)
Adjustment No. 25

(1) Line No.	(2) Item	(3) Detail
1	<u>Earnings</u>	
2	Remove 5+7 July 2017 Test Period Costs to Achieve	\$ (5,039,737)
3	Distribution Allocation	<u>91.22%</u>
4	Adjustment to Cost To Achieve - Distribution	\$ (4,597,248)
5		
6	State Income Tax	\$ 413,752
7	Federal Income Tax	<u>\$ 1,464,223</u>
8	Total Expense	\$ (2,719,272)
9		
10	Earnings	<u><u>\$ 2,719,272</u></u>
11		
12	<u>Rate Base</u>	
13		
14	Regulatory Asset - CTA Balance	\$ 12,304,843 (1)
15	Distribution Allocation	<u>91.22%</u>
16	CTA Balance - Distribution	\$ 11,224,478
17		
18	Deferred State Income Tax	\$ (1,010,203)
19	Deferred Federal Income Tax	\$ (3,574,996)
20		
21	Total Rate Base	<u><u>\$ 6,639,279</u></u>
22		
23		
24	(1) Pre Test Period Cost To Achieve Expense	\$ 7,265,107
25	Test Period Cost To Achieve Expense	<u>\$ 5,039,737</u>
26	Total Cost To Achieve	\$ 12,304,843

**Atlantic City Electric Company
5+7 Months Ending July 2017
Revenue Annualization
Resulting from Docket No. 16030252
Adjustment No. 26**

(1) Line No.	(2) Item	(3) \$
1	Docket No. ER16030252 Approved - Effective 08/24/16	
2	Distribution Sales Revenues	\$ 45,000,000
3	Adjustment to Annualize Revenues	
4	Distribution Sales Revenues	\$ 2,782,258
5	<u>Expenses</u>	
6	Revenue Tax	\$ 7,957
7	State Income Tax	\$ 249,687
8	Federal Income Tax	\$ 883,615
9	Total Expense	<u>\$ 1,141,259</u>
10	Earnings	<u><u>\$ 1,640,999</u></u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Cash Working Capital on Proforma Adjustments
Adjustment No. 27

(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<u>Adjustment</u>	<u>Revenue</u>	<u>O&M</u>	<u>Deprec/Amort</u>	<u>Other Taxes</u>	<u>SIT</u>	<u>DSIT</u>	<u>FIT</u>	<u>DFIT</u>	<u>IOCD</u>	<u>Total Expense</u>	<u>Earnings</u>
Weather Normalization	\$ (3,730,274)			\$ (10,669)	\$ (334,764)		\$ (1,184,694)			\$ (1,530,127)	\$ (2,200,146)
Reflect Customer Count as of July 2017	\$ (244,537)			\$ (699)	\$ (21,945)		\$ (77,662)			\$ (100,307)	\$ (144,230)
Proform Customer Count and Customer Usage as of January 2018	\$ (4,337,075)			\$ (12,404)	\$ (389,220)		\$ (1,377,408)			\$ (1,779,032)	\$ (2,558,043)
Annualize Wage and FICA changes through April 2018		\$ 2,543,462			\$ (228,912)		\$ (810,093)			\$ 1,504,458	\$ (1,504,458)
Proform Wage Rate Changes for Rate Effective Period		\$ 209,841			\$ (18,886)		\$ (66,834)			\$ 124,121	\$ (124,121)
Annualize Benefit changes through July 2018		\$ 342,013			\$ (30,781)		\$ (108,931)			\$ 202,300	\$ (202,300)
Regulatory Commission Expense Adjustment		\$ (121,849)			\$ 10,966		\$ 38,809			\$ (72,074)	\$ 72,074
Include Pension Asset and Return Related Expense		\$ (4,436,873)			\$ 399,319		\$ 1,413,144			\$ (2,624,410)	\$ 2,624,410
Include OPEB Liability and Return Related Expense		\$ (889,451)			\$ 80,051		\$ 283,290			\$ (526,110)	\$ 526,110
Adjust Pension Service Related Expense		\$ 174,752			\$ (15,728)		\$ (55,658)			\$ 103,366	\$ (103,366)
Adjust OPEB Service Related Expense		\$ (21,817)			\$ 1,964		\$ 6,949			\$ (12,905)	\$ 12,905
Remove Executive Incentive Expense		\$ (1,808,595)			\$ 162,774		\$ 576,038			\$ (1,069,784)	\$ 1,069,784
Adjust January 2017 Nor'easter Storm		\$ 554,453			\$ (49,901)		\$ (176,593)			\$ 327,959	\$ (327,959)
Bow Echo & Jonas Storm Adjustment		\$ 381,501			\$ (34,335)		\$ (121,508)			\$ 225,658	\$ (225,658)
Adjust June 2016 Storm		\$ 518,430			\$ (46,659)		\$ (165,120)			\$ 306,652	\$ (306,652)
Normalize Injury & Damage Expense		\$ 1,818,614			\$ (163,675)		\$ (579,229)			\$ 1,075,710	\$ (1,075,710)
Mays Landing Complex Rent		\$ -			\$ -		\$ -			\$ -	\$ -
Annualize Depreciation Expense @ YE December 2016 Plant			\$ 1,225,770		\$ -	\$ (110,319)	\$ -	\$ (390,408)		\$ 725,043	\$ (725,043)
Servco Assets @ ACE Approved Depreciation Rates			\$ (414,014)		\$ 37,261		\$ 131,863			\$ (244,889)	\$ 244,889
Annualize BSC Depreciation Expense			\$ 7,498		\$ (675)		\$ (2,388)			\$ 4,435	\$ (4,435)
Reflect Plant Additions from August 2017 through January 2018			\$ 1,101,464		\$ (249,598)	\$ 150,467	\$ (9,091,471)	\$ 8,740,655		\$ 651,516	\$ (651,516)
Reflect Plant Additions from February and March 2018			\$ 104,016		\$ (21,735)	\$ 12,374	\$ (944,711)	\$ 911,581		\$ 61,526	\$ (61,526)
Credit Facilities Fee		\$ 654,783			\$ (58,930)		\$ (208,548)			\$ 387,304	\$ (387,304)
Interest on Customer Deposit					\$ (8,480)		\$ (30,009)		\$ 94,218	\$ 55,730	\$ (55,730)
Adjust Cost To Achieve (CTA)		\$ (4,597,248)			\$ 413,752		\$ 1,464,223			\$ (2,719,272)	\$ 2,719,272
Reflect ACE Revenue Change ER16030252	\$ 2,782,258			\$ 7,957	\$ 249,687		\$ 883,615			\$ 1,141,259	\$ 1,640,999
Interest Synchronization					\$ (230,965)		\$ (817,358)			\$ (1,048,323)	\$ 1,048,323
Total	\$ (5,529,627)	\$ (4,677,983)	\$ 2,024,733	\$ (15,815)	\$ (549,416)	\$ 52,521	\$ (11,020,284)	\$ 9,261,829	\$ 94,218	\$ (4,830,197)	\$ (699,430)
Cash Working Capital Ratio		6.723%	15.052%	17.488%							
Cash Working Capital Requirement		\$ (314,514)	\$ 304,764	\$ (2,766)					\$ -		\$ (12,516)

Atlantic City Electric Company
5+7 Months Ending July 2017
Interest Synchronization
Adjustment No. 28

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Adjusted Rate Base	\$ 1,370,621,016
2		
3	Weighted Cost Rate	
4	Long Term Debt	2.77%
5		
6	Proforma Interest Expense	<u>\$ 37,966,202</u>
7		
8	Test Year Interest Expense	\$ 35,399,929
9		
10	Change in Interest Expense	<u>\$ 2,566,273</u>
11		
12	Taxable Income	\$ (2,566,273)
13		
14	Operating Expense	
15	State Income Tax	\$ (230,965)
16	Federal Income Tax	<u>\$ (817,358)</u>
17	Total Expense	<u>\$ (1,048,323)</u>
18		
19	Earnings	<u><u>\$ 1,048,323</u></u>

PEPCO HOLDINGS LLC
TAXABLE INCOME BY AFFILIATE - 2011 - 2015

<u>BUS. ACTIVITY</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>SUM</u>	<u>POSITIVE</u>	<u>NEGATIVE</u>
REGULATED UTILITIES								
	\$ 5,793,650	\$ (113,463,532)	\$ (7,575,416)	\$ 37,603,785	\$ 71,275,990	\$ (6,365,523)		\$ (6,365,523)
	\$ (114,122,698)	\$ (98,298,322)	\$ (122,070,189)	\$ (120,265,313)	\$ (67,016,071)	\$ (521,772,593)		\$ (521,772,593)
	\$ (166,147,942)	\$ (353,893,083)	\$ (158,297,949)	\$ (146,949,046)	\$ 10,151,429	\$ (815,136,591)		\$ (815,136,591)
OTHER (*)								
	\$ (1,927,759)	\$ (163,912)	\$ (149,208)	\$ (78,841)	\$ (92,614)	\$ (2,412,334)		\$ (2,412,334)
	\$ (1,713,590)	\$ (1,366,055)	\$ (1,165,945)	\$ (1,017,386)	\$ (1,000,740)	\$ (6,263,716)		\$ (6,263,716)
	\$ (372,406)	\$ 91,143	\$ (54,694)	\$ 139,535	\$ 183,908	\$ (12,514)		\$ (12,514)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 138,758	\$ 609,074	\$ 357,192	\$ 710,711	\$ 1,254,095	\$ 3,069,830	\$ 3,069,830	
	\$ (433)	\$ (746)	\$ (22,630)	\$ 8,228	\$ 1,141,512	\$ 1,125,931	\$ 1,125,931	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 7,874,323	\$ 3,392,581	\$ 6,592,209	\$ 7,370,494	\$ (307,992)	\$ 24,921,615	\$ 24,921,615	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 86,326	\$ (38,520)	\$ 79,444	\$ 140,708	\$ (45,963)	\$ 221,995	\$ 221,995	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 76,550	\$ 356,514	\$ 338,967	\$ 363,869	\$ 389,686	\$ 1,525,586	\$ 1,525,586	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 266,790	\$ 404,219	\$ (56,247)	\$ 13,989	\$ 73,522	\$ 702,273	\$ 702,273	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ (85,804,224)	\$ 1,272,277	\$ 546,701	\$ (3,243,178)	\$ (33,031)	\$ (87,261,455)		\$ (87,261,455)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ 1,877,950	\$ 1,273,532	\$ 717,245	\$ (260,689)	\$ 201,032	\$ 3,809,070	\$ 3,809,070	
	\$ 162,650	\$ 46,553	\$ (14,612)	\$ (13,849)	\$ 47,625	\$ 228,367	\$ 228,367	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
	\$ (66,342,975)	\$ (31,087,486)	\$ (66,092,728)	\$ (69,377,199)	\$ (56,530,742)	\$ (289,431,130)		\$ (289,431,130)

PEPCO HOLDINGS LLC
TAXABLE INCOME BY AFFILIATE - 2011 - 2015

BUS. ACTIVITY	2011	2012	2013	2014	2015	SUM	POSITIVE	NEGATIVE
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ (19,089,396)	\$ (48,803,725)	\$ 14,348,960	\$ 23,644,684	\$ 2,678,998	\$ (27,220,479)		\$ (27,220,479)
	\$ 188,252,401	\$ 98,156,152	\$ 161,660,800	\$ (24,204,708)	\$ (23,970,958)	\$ 399,893,687	\$ 399,893,687	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ (27,493)	\$ (37,551)	\$ (21,202)	\$ -	\$ 72	\$ (86,174)		\$ (86,174)
	\$ (77,952)	\$ (107,753)	\$ (61,244)	\$ -	\$ 227	\$ (246,722)		\$ (246,722)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 845	\$ 382	\$ 20	\$ 1,514	\$ (1,355)	\$ 1,406	\$ 1,406	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ (767,942)	\$ (803,545)	\$ -	\$ -	\$ -	\$ (1,571,487)		\$ (1,571,487)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ (198,557)	\$ (135,157)	\$ (179,060)	\$ 8,754	\$ 149,711	\$ (354,309)		\$ (354,309)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 19,329,591	\$ 19,278,799	\$ 178,813,191	\$ 25,830,915	\$ 27,365,986	\$ 270,618,482	\$ 270,618,482	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 34,398,011	\$ (52,902,350)	\$ 367,260	\$ (24,748,089)	\$ (24,699,348)	\$ (67,584,516)		\$ (67,584,516)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 1,365,505	\$ 33,743	\$ 258,546	\$ (3,137)	\$ (4,955)	\$ 1,649,702	\$ 1,649,702	
	\$ 5,464,846	\$ 14,022,575	\$ 7,105,348	\$ 13,138,640	\$ 10,611,456	\$ 50,342,865	\$ 50,342,865	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ (210,982)	\$ (62,450)	\$ -	\$ -	\$ -	\$ (273,432)		\$ (273,432)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL	\$ (191,716,153)	\$ (562,226,643)	\$ 15,424,759	\$ (281,185,609)	\$ (48,178,520)	\$ (1,067,882,166)	\$ 758,110,809	\$ (1,825,992,975)

(*) Note: All companies are regulated in some fashion e.g., SEC, IRS and State taxing authorities, etc.

Item	2011	2012	2013	2014	2015	SUM
Cumulative Losses	\$ (416,612,255)	\$ (699,761,501)	\$ (340,404,714)	\$ (304,282,294)	\$ (64,932,211)	\$ (1,825,992,975)
Cumulative Gains	\$ 224,896,102	\$ 137,534,858	\$ 355,829,473	\$ 23,096,685	\$ 16,753,691	\$ 758,110,809
Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	
Tax Benefit	\$ (145,814,289)	\$ (244,916,525)	\$ (119,141,650)	\$ (106,498,803)	\$ (22,726,274)	\$ (639,097,541)
AMT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Tax Benefit	\$ (145,814,289)	\$ (244,916,525)	\$ (119,141,650)	\$ (106,498,803)	\$ (22,726,274)	\$ (639,097,541)
ACE's % of Total Taxable Income						0.00%
CTA Balance						\$0

Gross Plant in Service

Generation	\$ 10,110,124	\$ 10,110,124	\$ 10,110,124	\$ 10,110,124	\$ -
Transmission	\$ 687,826,305	\$ 739,385,155	\$ 787,143,444	\$ 838,506,779	\$ 967,555,316
Distribution	\$ 1,590,964,185	\$ 1,706,475,357	\$ 1,821,464,405	\$ 1,930,544,115	\$ 2,012,376,878
Total	\$ 2,288,900,614	\$ 2,455,970,636	\$ 2,618,717,973	\$ 2,779,161,018	\$ 2,979,932,194
Generation	0.44%	0.41%	0.39%	0.36%	0.00%
Transmission	30.05%	30.11%	30.06%	30.17%	32.47%
Distribution	69.51%	69.48%	69.56%	69.46%	67.53%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Exhibit G

ATLANTIC CTY ELECTRIC COMPANY
5 MONTHS ENDED DECEMBER 2016
PAYMENTS OR ACCRUALS TO AFFILIATES
(\$000)

<u>DELMARVA POWER & LIGHT COMPANY</u>	<u>TOTAL</u>
Materials & Stores	129
Meter Services	111
Engineering Services	28
Vehicle Services	27
Lease of office facilities	12
Drafting Services	9
Energy Supply Administration Services	7
Field Training Services	4
Analyst Services	2
Construction and Maintenance Services	1
Total Delmarva Power & Light Company	330
<u>POTOMAC ELECTRIC POWER COMPANY</u>	
Engineering Services	54
Shops Department Fabrication Services	38
Materials & Stores	34
Construction and Maintenance Services	5
Communication Services	2
Safety Services	1
Total Potomac Electric Power Company	134
<u>PECO ENERGY COMPANY</u>	
Transmission Agreement-Electric High Voltage (EHV) Rental costs	45
Total PECO Energy Company	45
<u>ATLANTIC SOUTHERN PROPERTIES, INC.</u>	
Lease of Mays Landing	903
Facility Services	5
Total Atlantic Southern Properties, Inc.	908
<u>CONNECTIV SOLUTIONS LLC</u>	
MILLENNIUM ACCOUNT SERVICES LLC -Meter Reading Services	1,804
Total Conectiv Solutions LLC	1,804
<u>CONSTELLATION ENERGY COMMODITIES GROUP</u>	
Purchased Power	18,229
Total Constellation Energy Commodities Group	18,229
<u>EXELON BUSINESS SERVICES COMPANY</u>	
Financial Services	2,413
Non-IT Telecommunication Services	1,837
Exelon Utilities Governance Services	1,278
Legal Governance Services	1,169
Executive Services	1,001
Human Resources Services	528
Supply Services	448
Security Services	433
Communication Services	349
Regulatory and Government Affairs Services	335
Other Services	294
Real Estate Services	5
Total Exelon Business Services Company	10,090
<u>PHI SERVICE COMPANY</u>	
Customer Services	20,663
Regulated Electric Delivery Services	15,798
Information Technology Services	5,554
Cost of ACE Benefits	3,669
Financial and Corporate Services	3,616
Executive Management Services	2,751
Procurement and Administrative Services	1,786
Human Resources Services	1,386
External Affairs Services	1,146
Environmental Services	885
Legal Services	439
Insurance Coverage Services	218
Safety Services	194
Internal Consulting Services	141
Miscellaneous Services	50
Building Services	48
Total PHI Service Company	58,344

ATLANTIC CITY ELECTRIC COMPANY

BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF KEVIN M. MCGOWAN
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Kevin M. McGowan. I am Vice President, Regulatory Policy &
3 Strategy for Pepco Holdings LLC. (PHI), formerly Pepco Holdings, Inc., a subsidiary
4 of Exelon Corporation. I am testifying on behalf of Atlantic City Electric Company
5 (ACE or the Company).

6 **Q2. What are your responsibilities as Vice President, Regulatory Policy & Strategy?**

7 A2. I am responsible for regulatory and energy acquisition matters for PHI and its
8 three regulated utility subsidiaries, ACE, Potomac Electric Power Company (Pepco),
9 and Delmarva Power & Light Company. In this capacity, I am responsible for
10 regulatory affairs related to PHI's utility business before the New Jersey Board of
11 Public Utilities (the Board or BPU), the Maryland Public Service Commission, the
12 Delaware Public Service Commission, the Public Service Commission of the District
13 of Columbia, and the Federal Energy Regulatory Commission. I also participate in
14 PHI's analysis of regulatory issues and the development of positions on those issues.

15 **Q3. Please state your educational background and professional experience.**

16 A3. I hold a Bachelor of Business Administration degree in both Accounting and
17 Business Data Systems from the University of Texas at San Antonio and a Masters of
18 Business Administration in Finance from the University of Chicago Booth School of
19 Business. I am also a Certified Public Accountant.

1 In 1998, I joined Potomac Capital Investments, a subsidiary of Pepco, as the
2 Vice President and Treasurer. In 2004, I transferred to PHI's Power Delivery group
3 and eventually to PHI, where I managed various financial functions including
4 Strategic Planning, Financial Planning, Treasury, and Corporate Risk. In March
5 2009, I was promoted to Vice President and Treasurer of PHI. In November 2012, I
6 became Vice President, Regulatory Affairs and upon closing of the merger between
7 Exelon and PHI, I was named Vice President, Regulatory Policy & Strategy. Prior to
8 joining Potomac Capital Investments, I worked for Duty Free International, an
9 international retail company, and prior to that I worked for Ernst & Young.

10 **Q4. What is the purpose of your Direct Testimony?**

11 A4. The purpose of my Direct Testimony is to (a) provide an overview of the
12 Company and the importance of ACE in the southern New Jersey economy; (b)
13 provide an overview of the base rate increase request; (c) summarize the significant
14 value ACE provides to its customers; (d) indicate the Company's intention to put
15 interim rates into effect nine months from the date of this application; (e) review the
16 Company's chronic under-earning and its proposal to partially address the issue in
17 this proceeding through a capital investment tracker for system renewal expenditures;
18 (f) discuss ACE's proposed capital structure and proposed rate of return and explain
19 why it is important for ACE's customers that the Company is financially healthy and
20 has access to capital on reasonable terms; (g) discuss the Company's proposal to
21 address declining sales in the Company's service territory; (h) summarize the merger
22 synergy savings and costs to achieve; (i) recap the Company's pre-filing requirements
23 and (j) summarize the testimony of the Company's witnesses.

1 This testimony was prepared by me or under my direct supervision and
2 control. The source documents for my testimony are Company records and public
3 documents. I also rely upon my personal knowledge and experience.

4 **I. Overview of the Company & Southern New Jersey Economy**

5 **Q5. Please provide an overview of the Company.**

6 A5. ACE was incorporated in 1924, and for decades has played a vital role in the
7 economy of southern New Jersey. Today, we provide reliable electric service to
8 approximately 550,000 residential, commercial, and industrial customers. Our
9 service territory is spread out over 2,800 square miles located in all, or parts, of eight
10 counties in the southern one-third of the State. We serve our customers through a
11 complex distribution system that includes 10,304 circuit miles of distribution lines
12 and 91 substations. ACE also owns 1,123 circuit miles of transmission facilities. In
13 2016, with the consummation of the merger between PHI and Exelon, ACE became
14 an indirect subsidiary of Exelon Corporation and one of the Exelon Utilities.

15 **Q6. Please summarize ACE's role in the economy of southern New Jersey?**

16 A6. ACE, and its parent, PHI, employ a workforce of over 1,000 people within
17 New Jersey in a variety of managerial and bargaining unit positions. Our employees
18 contribute their skills to support the Company in its mission to provide significant
19 value to customers in the form of safe and reliable electric service. ACE is also an
20 important partner in the economy of southern New Jersey and is committed to
21 investing in the region. As reported in the Company's 2016 Form 10-K, ACE made
22 total transmission and distribution capital investments of approximately \$311 million,
23 which further highlights the Company's importance to the regional economy. Over

1 the past six years (2011 - 2016), ACE has invested 100% of its earnings back into the
2 business, in addition to receiving additional equity contributions from its parent
3 company.¹ This financial commitment has sustained the continued capital
4 investments to improve reliability for the benefit of our customers, support
5 employment in the region, and contribute to the region's and the State's economy.

6 ACE also supports the economy of New Jersey, as well as the surrounding
7 regions, through corporate philanthropy, and many programs which help to advance
8 public policy and help those individuals in the community who are struggling to make
9 ends meet. We work with several organizations including, United Way, Latin
10 American Economic Development, Community Food Bank of NJ – Southern Branch,
11 NJ SHARES, Meals on Wheels, Ranch Hope and Gateway Community Partnership.
12 These programs and other similar initiatives helped struggling individuals and
13 families with over \$270,000 in support during 2016, and are part of the over \$1
14 million of charitable contributions ACE made in 2016. Support for these types of
15 programs will continue in the future, as the Company will continue to provide at least
16 an annual average of \$709,000 of charitable contributions for 10 years and will
17 provide \$4 million (\$1 million for each of the next four years) to assist low-income
18 customers, both commitments as a result of the Exelon merger. Moreover, the
19 Company and its employees are heavily involved in giving back to our communities
20 by volunteering thousands of hours of personal time to various philanthropic
21 organizations.

¹ ACE's ultimate parent company was Pepco Holdings, Inc. from 2011 through March 23, 2016, and is now PHI which is a wholly-owned subsidiary of Exelon Corporation.

1 The consummation of the merger between PHI and Exelon has already
2 provided very significant direct benefits to customers through bill credits, and will
3 continue to provide benefits as the Company meets its merger commitments,
4 including providing \$126 million in total financial benefits in New Jersey.

5 **Q7. Describe the Company's overall sales trend and the economy of southern New**
6 **Jersey.**

7 A7. One factor influencing the timing of this filing is declining sales in the ACE
8 service territory. Over the 2011-2016 period, total calendar sales for ACE fell by a
9 total of -6.2%, and are forecasted to decline by a total of -2.0%, over the 2017-2018
10 period. This trend is partly explained by a weakness in economic conditions in
11 southern New Jersey, exacerbated by the closure of four casinos in 2014 and the
12 recent closing of a fifth casino, the Taj Mahal Casino Resort, in 2016. While there is
13 hope that there will be a casino revival under new ownership, the negative impact on
14 the economy of southern New Jersey is expected to continue for several years.

15 As further discussed by Company Witness Tanos, the impact of solar and
16 energy efficiency initiatives has also caused ACE to experience lower sales and
17 revenues. Declining sales are clearly problematic when making significant
18 investments to improve system reliability and resiliency, and attempting to recover
19 the costs of a predominately fixed cost distribution system. ACE believes that this
20 sales trend reflects broader challenges in the regional economy.

21 Generally, the economy in southern New Jersey remains weak with
22 unemployment in our service territory² of approximately 7.5% in December 2016, as
23 compared to the national average of 4.7%. Helping to partially off-set the declines in

² Territory represented by the Atlantic City, Vineland, and Ocean City metropolitan statistical areas.

1 the hospitality and gaming industry are positive trends along the I-295 corridor in
2 Gloucester and Salem counties. Multiple large-scale logistics and food processing
3 operations, including Jet.com, and Five Below have opened or expanded in the last
4 18-months creating new jobs and electrical load. However, these gains are not
5 enough to offset the overall downward trend in customer usage and challenges to the
6 regional economy.

7 **Q8. Please describe efforts the Company has undertaken to support economic**
8 **development in southern New Jersey.**

9 A8. The Company contributes to economic development in a variety of ways
10 beyond providing reliable electric service. For example as noted above, ACE made
11 direct corporate charitable contributions of over \$1 million in 2016, and as part of its
12 merger commitment, will continue to make at least \$709,000 of contributions on an
13 average annual basis through 2026. ACE is also a supporter and active participant in
14 economic development and non-profit organizations focused on improving the
15 communities served by the Company. ACE is a founding and current board member
16 of Choose NJ (CNJ). CNJ is New Jersey's economic development marketing branch
17 of the Partnership for Action group established by Governor Christie in 2010 and led
18 by Lieutenant Governor Guadagno. CNJ has been instrumental in bringing new jobs
19 and several businesses to Gloucester, Atlantic and Cumberland Counties. In addition,
20 the Company has provided Economic Development Riders in its last base rate case to
21 encourage new or incremental business growth in southern New Jersey. I would also
22 note that as part of its merger commitment, the Company will fund over \$6.5 million
23 of workforce development programs in southern New Jersey.

1 Performance improvements, however, require significant and sustained
2 investments in both capital projects and in Operations and Maintenance (O&M)
3 activities. It is those investments, combined with declining sales, that are driving the
4 need to make this filing. Specifically, ACE is seeking to recover the costs of the
5 investments the Company has made, and will continue to make, in the electric system
6 in order to meet its obligation to provide safe and reliable utility service. These costs
7 were prudently incurred to meet increasing customer and BPU expectations
8 surrounding reliability, including new vegetation management requirements,
9 enhanced reliability requirements, and increased feeder remediation requirements
10 approved by the BPU.

11 **Q10. Please summarize the Company's rate increase request.**

12 A10. The Company is requesting a \$70.2 million (excluding Sales and Use Tax)
13 increase in base distribution-related revenue based on a July 31, 2017 test period
14 consisting of five months of actual results and seven months of forecast data.

15 The Company is requesting recovery of its expenses, and recovery of and on
16 its investments, through the end of the test year of July 31, 2017, and recovery of
17 certain expenses and investments that extend beyond the test year consistent with
18 prior decisions of the BPU. As further explained by Company Witness Ziminsky, the
19 Company is also seeking recovery of certain capital expenses through March 31,
20 2018 that will either be spent or will be in-service providing benefits to our customers
21 prior to the estimated rate effective period of January 2018. In addition, the
22 Company's request reflects a rate of return on equity (ROE) of 10.10%, which

1 represents the Cost of Equity that Company Witness Hevert found reasonable and
2 appropriate.

3 Since ACE competes with other companies when raising capital, it is
4 important for the Company to be able to demonstrate to its investors that there is a
5 realistic opportunity to earn a rate of return that is commensurate with the rate of
6 return earned by other companies of similar risks. The low ROE ACE has earned
7 over the past several years must be addressed considering the environment in which
8 ACE is operating. In order to attract future capital on reasonable terms, the Company
9 must begin to recover the cost of the investments it has incurred and have a
10 reasonable opportunity to earn the authorized return on its investments. This can only
11 be accomplished through an increase in base rates through efficient regulatory
12 process.

13 **Q11. What is the impact of this increase to the typical residential customer bill?**

14 A11. Under the proposed rates, a typical residential customer using 716 kilowatt-
15 hours (kWh) per month will see a total monthly bill increase of \$9.00, or 6.57%.

16 **III. Summary of the Significant Value Provided to Customers**

17 **Q12. Please describe the nature and magnitude of the capital investments ACE has**
18 **made in recent years to enhance distribution service.**

19 A12. As Company Witness Sullivan discusses, over the past five years, the
20 Company has invested more than \$476.3 million to improve system reliability and
21 enhance the customer experience. In 2016 the Company spent \$24.4 million in
22 Vegetation Management (VM) to meet the BPU's new VM requirements. This
23 significant commitment to allocate more O&M to VM has advanced the service

1 reliability that customers are experiencing. Those investments and other expenditures
2 to enhance distribution service have improved safety, reliability and customer service
3 levels. Notably, the Company is planning to invest an additional \$491.0 million over
4 the next five years to continue to improve reliability. In addition, the Company is
5 hopeful that the PowerAhead program will be approved by the BPU to further
6 strengthen and modernize its electric system, making it more resilient to storms.

7 **Q13. Has the Company been successful in improving service reliability?**

8 A13. Yes. First and foremost, as a result of the Company's investments in its
9 distribution system, customers have experienced fewer service disruptions and shorter
10 outage durations. Indeed, as demonstrated by Company Witness Sullivan, since the
11 Company implemented its RIP in 2011, ACE's average number of service
12 interruptions has decreased by 33% and the average time customers are without
13 power has declined 35% as measured by System Average Interruption Frequency
14 Index (SAIFI) and System Average Interruption Duration Index (SAIDI) metrics,
15 respectively.

16 Second, the Company's investments have enhanced its distribution system's
17 resistance to and recovery from storms. The Company has integrated the Exelon
18 Utilities (EU) Lock Out Tag Out (LOTO) safety procedure for all switching and
19 clearance work. As Company Witness Sullivan points out, this safety protocol
20 enables more efficient mutual assistance across the EU utility companies by allowing
21 crews to begin restoration work soon after they arrive in our service territory. This
22 will lead to customers getting their power restored faster during major storm events
23 when mutual assistance is required.

1 In addition, the installation of approximately 56 reclosers in 2016 will
2 minimize the impact of outage events on the system. It will also allow for more
3 Distribution Automation (DA) schemes to enable the Company to handle more
4 complicated outage events. The installation of reclosers and DA technology and the
5 potential future deployment of other innovative technologies will help satisfy the
6 evolving needs of today's customers.

7 In sum, the Company's reliability and storm restoration improvements have
8 contributed significantly to the 88% customer satisfaction score for reliability for
9 2016. As part of its commitment to deliver a high quality of service to New Jersey
10 customers, ACE will continue to invest in its system and provide reliability benefits
11 to customers in 2017 and well beyond.

12 **Q14. Is the current reliability good enough such that the Company should reduce its**
13 **capital spending?**

14 A14. The Company is very proud of the work it has done and the investments it has
15 made to improve reliability and customer service over the past several years.
16 Although the Company's reliability results demonstrate that its investments have
17 delivered significant reliability improvements and increased the value of service,
18 which customers acknowledge and appreciate, there are still areas within the system
19 that require continued and additional investment. Moreover, even maintaining
20 existing levels of reliability requires sustained effort and continuing investment.

21 It is also important to remember that although reliability performance remains
22 strong, the Company's reliability metrics today have not yet achieved the enhanced
23 levels the Company agreed it would reach in 2020, as part of the merger Stipulation

1 of Settlement. Thus, while the Company's Customer Average Interruption Duration
2 Index (CAIDI) and SAIFI indices in 2016 were 106 and 1.18, respectively, the BPU,
3 in its order approving the Exelon merger, directed the Company to achieve CAIDI
4 and SAIFI targets of 100 and 1.05, respectively. The Company can only reach these
5 more rigorous standards, which the Board and customers expect, by sustaining its
6 investments in reliability, technology upgrades and operational improvements.

7 The Company also appreciates that, as part of the merger approval process,
8 the parties sought to ensure that ACE continued to invest in its service territory post-
9 merger. As such, the merger order includes a requirement for ACE to spend at least
10 90% of its aggregate RIP budget over the 2016-2021 time frame.⁴ This requirement
11 would prevent ACE from making any significant reductions to its capital budget in
12 that timeframe, and ACE fully intends to comply with this and all other merger
13 commitments.

14 **Q15. What other steps has ACE taken in recent years to improve overall customer**
15 **service?**

16 A15. The Company has implemented several call center improvements, which have
17 yielded shorter wait times, fewer dropped calls and a more positive customer
18 experience. In fact, the Company's major call center metrics have improved across
19 the board, and in 2016, the Company answered more calls within thirty seconds
20 (service level), reduced the time customers are waiting in queue (average speed of
21 answer), and reduced the percentage of customers who hang up while in queue
22 (abandon rate).

⁴ See Paragraph 16 of the Stipulation of Settlement approved in the Merger Order, at page 37.

1 **Q16. What energy efficiency programs does the Company provide to help customers**
2 **reduce their energy usage?**

3 A16. On July 31, 2009, the Board authorized ACE to commence deployment of the
4 Residential Controllable Smart Thermostat Program (RCSTP) and determined that
5 the program was cost-effective under two widely regarded and utilized tests, the Total
6 Resource Cost test and Ratepayer Impact Measure. The RCSTP has helped, and
7 continues to help, more than 45,000 participants reduce energy usage by cycling their
8 air conditioners during peak periods. This has lowered the Company's demand for
9 electric capacity to meet its customers' energy requirements by approximately 51
10 MW in 2016. The RCSTP also enabled ACE to participate in available PJM energy
11 and capacity auctions and earn revenue to offset the costs for the RCSTP. As of May
12 31, 2016, the Company has received PJM revenue credits associated with the RCSTP
13 totaling over \$8,695,092 million which were fully applied to the cost of the RCSTP
14 program. Based on the results of the 2016/2017 Base Residual Auction (BRA), the
15 2017/2018 BRA, the 2018/2019 BRA, and the 2019/2020 BRA, the Company is
16 expected to receive an additional \$11 million to fund the RCSTP program.

17 In addition, the merger commitment provides \$15 million of funding for
18 energy efficiency programs within the ACE service territory.

19 **Q17. How can lower energy consumption affect a customer's bill?**

20 A17. Several distribution rate increases in the past five years have been necessary to
21 recover the costs of the investments that have brought significant value to customers,
22 but those investments have also increased the overall bill. By pursuing programs that
23 help customers reduce their usage, customers will reduce the cost of not only

1 distribution service, but transmission service and generation service as well. Under
2 existing ACE rates, the distribution charge under ACE's current rates is
3 approximately 26% of the customer's total bill. If the customer reduces its usage,
4 then the customer's savings would reduce all usage-based distribution, transmission,
5 generation costs and surcharges (and not just the 26% portion related to the
6 distribution charge).

7 **Q18. Should the BPU simply focus on the amount of the distribution bill increase**
8 **when reviewing this case?**

9 A18. No. The vast majority of costs related to the Company's investments appear
10 in the distribution portion of the customer's bill. However the vast majority of the
11 value related to improved reliability and lower usage through energy efficiency
12 programs provide value to customers in areas outside of the distribution portion of the
13 bill.

14 **Q19. What else is the Company doing to provide better value to customers?**

15 A19. The Company continues to advance initiatives and promote new technologies
16 that will allow it to more efficiently manage and operate its distribution system,
17 increase reliability, and empower customers to better manage their energy use and, in
18 that way, reduce their total electric bill. Consistent with its role as an innovation
19 leader that understands the challenges and opportunities the future evolution of
20 energy production and delivery will create, ACE is exploring new, exciting
21 technologies that promote the use of distributed energy resources (DER), electric
22 vehicles, microgrids, and energy storage. Specifically, the Company continues to
23 improve the application process for Net Energy Metered (NEM) customers and has

1 recently converted the application to an on-line process to make it simpler and faster
2 for customers. ACE has also streamlined engineering requirements for NEM
3 applicants and will soon become one of the first utilities on the East Coast to provide
4 DER Hosting Capacity information to its customers. Improved Hosting Capacity
5 information will allow customers to see remaining capacity for DER on the actual
6 circuit that serves them. With respect to electric vehicles, the Company continues to
7 support the Board's desire to develop electric vehicle charging infrastructure in the
8 State and intends to submit a filing for a pilot program in support of this goal. ACE
9 further supports the Board's interest in microgrids, including the Town Center
10 Distributed Energy Resource Microgrid Feasibility Study Incentive Program (the TC-
11 DER Program). The Company has met with several entities that are interested in
12 participating in the TC-DER Program, and has submitted Letters of Support of their
13 applications. PHI and Exelon are actively supporting microgrid projects across the
14 combined service territories. ACE will be able to leverage that experience to provide
15 industry best practices, knowledge, and experience in support of any future
16 developments in New Jersey as the TC-DER Program matures.

17 **Q20. Please summarize the value provided to customers.**

18 A20. Over the last several years, the Company has worked extremely hard to
19 provide customers with better customer service, greater reliability, and increased
20 options to reduce energy usage. Since the RIP was implemented in 2011, the average
21 number of service interruptions (SAIFI) has decreased by 33% and the average time
22 customers are without power (SAIDI) has declined 35%. The results of the
23 Company's efforts are reflected in its improving customer satisfaction survey results

1 which have been consistent over the past several years and was 88% for reliability
2 performance in 2016. The Company has done much to improve its service and
3 provide better value to customers and continues to work hard to achieve further
4 improvements in these areas. At the same time, consistent with its goal of being a
5 good neighbor and responsible corporate citizen, the Company is making a positive
6 impact on the communities it serves through volunteerism, philanthropic efforts, and
7 economic investment.

8 **Interim Rates**

9 **Q21. Does the Company intend to put rates into effect, subject to refund and interest,**
10 **in nine months from the date of this Petition?**

11 A21. Yes. The Company intends to put the full amount of its proposed rates into
12 effect, in the manner in which it filed those rates, in nine months from the date of this
13 Petition. The rates would be subject to refund, with interest, based on the rates
14 ultimately authorized by the Board. As noted in the Petition, implementing the
15 Company's proposed rates on an interim basis, subject to refund and interest, is a
16 remedy for regulatory lag that is available to ACE. The Company intends to exercise
17 its right to this remedy.

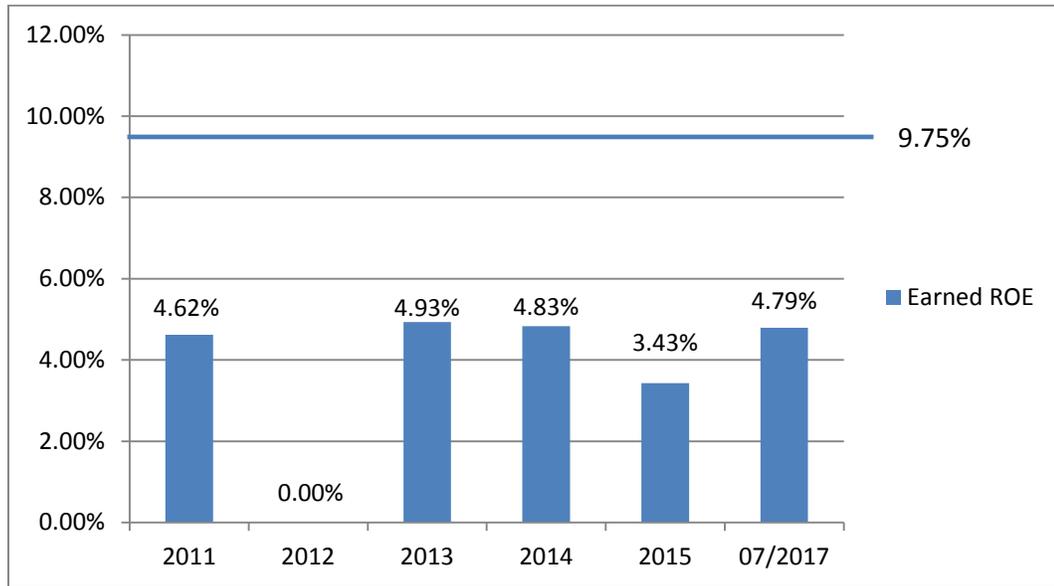
18 **System Renewal Recovery Charge**

19 **Q22. Please describe the Company's financial condition as it relates to this filing.**

20 A22. The Company has a well-documented history of under-earning its authorized
21 ROE which is due to a variety of different factors discussed later in my testimony. As
22 detailed in Figure 1 below, the Company has realized lower equity returns compared
23 to the authorized return set by the Board over each of the last five years. With the

1 exception of 2012, the Company’s average earned ROE has been approximately
 2 4.52% which is 523 basis points below its authorized ROE.

3 **Figure 1**



4

5 **Q23. What is the primary cause of the Company’s under earning?**

6 A23. Over the last few decades, the utility industry, and specifically the ACE
 7 service territory, has undergone significant evolution while the regulatory framework
 8 has essentially remained the same. While in decades past, utility companies were
 9 vertically integrated and were able to cover a significant portion of their additional
 10 infrastructure spending through new load or sales growth; that is not the case today.
 11 Today’s utility companies, including ACE, have divested or separated their
 12 generation assets and are focused on the goal of delivering higher levels of service
 13 reliability while accommodating the proliferation of technology and electronics over
 14 recent decades, the changing needs of customers who are installing more distributed
 15 generation such as solar panels, and the important public policy goal of energy
 16 efficiency. Today, ACE is striving to meet the evolving needs of its customers with

1 an eye towards the future, but the regulatory framework remains anchored to a
2 concept of the utility industry that no longer exists.

3 **Q24. Can you be more specific in describing the causes of the Company's under-**
4 **earning?**

5 A24. Yes. In New Jersey, rates are set using historic test periods. Even if the utility
6 files a partially forecasted test period, as the Company has done in this application, by
7 the time rates actually go into effect, the partially forecasted test period will be a
8 historic test period. In other words, the Company's partially forecasted test period in
9 this application ends on July 31, 2017. Any BPU decision in this case after August 1,
10 2017, which is most certainly the case, will be primarily based on costs in the test
11 period prior to July 31, 2017 and will only include a minimal amount of forecasted
12 expenses in the rate effective period. Also, as noted earlier, the Company's sales
13 have declined by -6.2% over the period 2011-2016, and are forecasted to decline by
14 another -2.0% over the 2017-2018 period due to the promotion of energy efficiency
15 and overall economic conditions. The current regulatory framework of recovering
16 costs on an historic basis requires the Company to file frequent rate cases on an
17 annual basis and does not provide the Company the opportunity to earn its authorized
18 ROE, especially in the current environment of required reliability investments and
19 declining sales. To partially mitigate the impact of this issue, as described further
20 below, the Company is proposing a System Renewal Recovery Charge.

1 **Q25. Is the Company seeking BPU approval of any alternative rate-making**
2 **mechanisms?**

3 A25. Yes. ACE is proposing a System Renewal Recovery Charge (the tracker) to
4 recover its spending on non-incremental reliability and emergency capital projects,
5 which I will discuss in further detail below. The total cost of the projects subject to
6 the System Renewal Recovery Charge is \$376 million, and a listing of these projects
7 is shown in Exhibit (MJS)-1 of the Direct Testimony of Company Witness Sullivan.
8 Given the Company's chronic under-earning, ACE must seek this remedy to mitigate
9 the impact of delays in cost recovery.

10 **Q26. Can you please explain why ACE is proposing a System Renewal Recovery**
11 **Charge?**

12 A26. As I have previously explained, ACE is making significant capital
13 investments to provide improved service to customers. With a very few exceptions,
14 ACE can only recover the costs of these investments when it files a base rate case, the
15 projects are deemed prudent and are included in rate base, and new rates are
16 determined using that new rate base. This process results in significant cost-recovery
17 delay for the Company and the need to file frequent annual base rate cases. The
18 System Renewal Recovery Charge would allow for contemporaneous cost-recovery
19 for certain assets while still including important customer safeguards. I would also
20 note that implementation of this tracker will help to lengthen the time period between
21 the Company's requests to increase base rates—resulting in more gradual rate
22 changes over time, and less time and lower costs for all parties due to less frequent
23 base rate cases.

1 **Q27. When is it appropriate for customers to pay for the cost of the Company's**
2 **investments?**

3 A27. The Company believes that customers should begin paying for the cost of
4 investments once the investments are placed in service and customers begin receiving
5 the benefits of those investments, and not months or even years later. In addition, to
6 the extent an investment is placed in service and not recovered in rates until a later
7 period, by the time the investment is approved for recovery in a base rate case, the
8 Company can only request recovery of the undepreciated value of the asset at that
9 time, which is less than the full cost of the investment. The Company's proposed
10 System Renewal Recovery Charge addresses these issues and allows the Company to
11 recover the full cost of these investments and adjust rates so that customers begin
12 paying for these improvements once they begin receiving the benefits of the
13 investments.

14 **Q28. How would the System Renewal Recovery Charge work?**

15 A28. Company Witness Sullivan has provided a capital budget plan covering the
16 period 2018 through 2021 in his Direct Testimony which includes approximately
17 \$376 million in reliability and emergency capital spending that would be included in
18 the System Removal Recovery Charge (Exhibit (MJS)-1). This exhibit also includes
19 detailed information regarding the specific projects that are included in that plan. If
20 the Board authorizes ACE to implement a System Renewal Recovery Charge in this
21 case, then within 30 days after the Board's Order authorizing use of the tracker, ACE
22 will make a detailed filing setting out those projects that are expected to be placed
23 into service during the annual period beginning April 1, 2018 through March 31,

1 2019 (or if the 30 days falls within this annual period, then a detailed filing setting out
 2 those projects that have been placed in service or are expected to be placed into
 3 service during the annual period beginning April 1, 2018 through March 31, 2019).⁵
 4 That initial filing will also include a calculation of the System Renewal Recovery
 5 Charge for the first annual period running from April 1, 2018 to March 31, 2019. The
 6 revenue requirement associated with the projects that will be placed into service in
 7 the annual period will go into effect within 90 days of the filing of the annual report.
 8 The Company will make a similar annual filing each year of the program as described
 9 in the following calendar:

Filing Schedule for the System Renewal Recovery Charge

Annual Period	Description	Report Filed	Rates in Effect
4/1/18 – 3/31/19	Initial Filing	30 days after Order	90 days After Initial Filing
4/1/19 – 3/31/20	Annual Filing & True-up	1/1/19	4/1/19
4/1/20 – 3/31/21	Annual Filing & True-up	1/1/20	4/1/20
4/1/21 – 12/31/21	Annual Filing & True-up	1/1/21	4/1/21

11 In the second annual filing on January 1, and every annual filing thereafter,
 12 the Company will provide information about the projects that are expected to be
 13 placed in service for the upcoming annual period with a calculation of the rate for that
 14 next annual period. In addition, the Company will include detail on all assets placed
 15 in service and forecasted to be placed in service during the remaining term of the
 16 current annual period (which will end on March 31 of that year). The Company will
 17

⁵ The Company recognizes it has requested recovery for certain post-test year reliability related capital investments in this case as a part of RMA 21 and RMA 22. To the extent any 2018 reliability-related investments are ultimately reflected in base rates in this proceeding, the Company will adjust the specific reliability-related projects to be recovered in the 2018 charge to ensure that there is no double-recovery of investment costs.

1 calculate a true-up for any over or under-recovery based on the amount and timing of
2 assets actually placed in service, or forecasted to be in service, versus the original
3 forecasted amounts and timing included in the prior annual filing. The Company will
4 adjust the rates accordingly and incorporate such adjustment for the over or under-
5 recovery, with interest as appropriate, in the next annual period. To the extent the cost
6 of the assets included in an annual report are significantly different, in total, from the
7 forecast provided in Company Witness Sullivan's Exhibit (MJS)-1, then the
8 Company will include a detailed explanation of the variance in that annual report for
9 consideration by the Board. The revenue requirement associated with the projects
10 that will be placed into service in the annual period will go into effect within 90 days
11 after the filing of the annual report.

12 **Q29. How will the System Renewal Recovery Charge be determined, and what will be**
13 **the impact of the charge on customers' bills?**

14 A29. The System Renewal Recovery charge will be determined based on the net
15 investment projected to be placed in service for the upcoming annual reporting
16 period. The net investment reflects the amount of the investment on those specific
17 projects filed in the annual plan that are expected to be placed into service in the
18 period, less the per-book accumulated depreciation amount recorded for the specific
19 projects during the annual period, further adjusted for the accumulated deferred
20 income tax amount for the specific projects.

21 The net investment shall be multiplied by the pre-tax adjusted weighted
22 average cost of capital authorized in the Company's most recent base rate case, plus
23 depreciation expense, the sum of which shall be multiplied by the revenue factor (to

1 gross-up the rate for statutory taxes), to arrive at the System Renewal Recovery
 2 Charge revenue requirement amount.

3 With respect to rate impacts, using the specific projects included in Company
 4 Witness Sullivan’s Direct Testimony, the Company’s analysis shows the revenue
 5 requirement and residential bill impact of the System Renewal Recovery charge to be
 6 estimated in the following chart. The impact of the proposed charge will have less
 7 than a 1% increase on the typical residential customer’s bill each year over the 4 year
 8 program.

9 **Estimated Incremental Annual Increase:**

	2018	2019	2020	2021
Revenue Requirement (\$M)	\$6.3	\$12.0	\$12.0	\$12.5
Typical Residential Bill Impact (716 kwh):				
Dollars per month	\$0.67	\$1.28	\$1.28	\$1.06
Percentage of total bill	0.49%	.93%	.94%	.77%

10

11 **Q30. Are the costs for the System Renewal Recovery Charge incremental costs?**

12 A30. No. Recovery of the projects included in the System Renewal Recovery
 13 Charge would have been recovered through the traditional rate case process in future
 14 rate case filings. If the tracker is approved by the Board, the amount of future rate
 15 increases requested through the traditional rate case process will not include these
 16 investments (since they will be recovered through the tracker) and therefore the
 17 amount of the requested increases in the future base rate case filings will be lower,
 18 and as mentioned earlier, filings will be less frequent.

1 **Q31. Have you proposed any safeguards to insure ACE does not over-earn and that**
2 **projects are placed into service as projected?**

3 A31. Yes. ACE would be subject to an earnings test so that the Board can confirm
4 that the Company has not over-earned as a result of the System Renewal Recovery
5 Charge. Also, as referenced above, ACE would make an annual filing that would
6 include actual revenues recovered through the tracker, along with information
7 regarding the in-service dates and costs of the projects included in the tracker for the
8 preceding annual period. Any over or under-recovery would be reflected, with
9 interest as appropriate, to be applied in the next annual period. Any failure to place a
10 project into service as forecasted would also be reflected in the annual filing and
11 would result in a credit to customers through the true-up charge in the next annual
12 filing. The annual filings would also provide information about the plant forecasted
13 to be placed in service for the upcoming annual period with a calculation of the rate
14 for that next annual period.

15 In addition, the amount of the charge would be capped so that the maximum
16 average annual rate increase due to the tracker in a single year would not exceed five
17 percent of the average monthly bill for the typical residential customer over the
18 annual period. Lastly, the System Renewal Recovery Charge would be interim,
19 subject to refund and interest, until the execution of the related projects is reviewed in
20 a future base rate case and the projects are moved to rate base. The Company
21 proposes that the System Renewal Recovery Charge, with annual true-ups, would
22 continue for a period of four years, through the end of 2021.

1 **Q32. Please explain the earnings test the Company is proposing as part of the System**
2 **Renewal Recovery Charge.**

3 A32. The annual true-up filing will include an earnings test. If the calculated ROE
4 exceeds the allowed ROE, as set in the Company's last base rate case, by more than
5 fifty (50) basis points on an annual basis, a regulatory liability will be established to
6 defer any annual excess earnings for reconciliation in the Company's next base rate
7 case. The reconciliation process will compare the Company's cumulative actual
8 earnings results to the cumulative authorized earnings since the last base rate case, to
9 determine whether the Company over-earned over the System Renewal Recovery
10 Charge period. For purposes of the earnings test, the Company will calculate the ROE
11 consistent with the method used to calculate return on equity in its base rate case
12 filings.

13 **Q33. Does the Company's capital budget include other capital projects that will not be**
14 **included in the System Renewal Recovery Charge?**

15 A33. Yes. As shown in the Direct Testimony of Company Witness Sullivan, the
16 System Renewal Reliability Charge spending represents approximately 60% of the
17 total capital budget over the 2018-2021 time period. The Company will continue to
18 invest in other capital projects such as customer driven, load and general plant of
19 approximately \$60 million per year which is approximately equal to the current
20 annual depreciation expense of all distribution assets. As a result, investments not
21 included in the System Renewal Recovery Charge will continue to maintain and grow
22 the Company's net plant balance each year, significantly reducing the risk that the
23 charge will result in the Company over-earning its authorized ROE. This will also

1 provide assurance that ACE continues to invest capital and is not allowing the system
2 to deteriorate.

3 **IV. Company's Capital Structure and Rate of Return Request**

4 **Q34. What overall rate of return is ACE requesting?**

5 A34. As shown in Schedule (KMM)-1, the Company is requesting an overall rate of
6 return (ROR) of 7.83% on its distribution rate base.

7 **Q35. On what capital structure is the overall ROR based?**

8 A35. The overall ROR is the weighted average cost of capital, based on the
9 Company's forecasted December 31, 2016 capital structure ratios of 50.14%
10 common equity and 49.86% long-term debt, its embedded long-term debt cost of
11 5.56% (*see* Schedule (KMM)-1), and its proposed return on common equity of
12 10.10%, as determined by Company Witness Hevert.

13 **Q36. Has the capital structure been calculated in a way previously accepted by the**
14 **Board?**

15 A36. Yes, the capital structure has been calculated in the same manner accepted by
16 the BPU in the past several rate cases, including the most recent decision in BPU
17 Docket No. ER16030252 and Jersey Central Power & Light's 2015 rate case decision
18 in BPU Docket No. ER12111052.

19 **Q37. Is the capital structure consistent with the Company's goals and objectives**
20 **regarding capital structure?**

21 A37. This capital structure is consistent with ACE's goals and objectives to
22 maintain the Company's credit ratings and a target equity ratio at least in the range of
23 49-50%. In addition, the Company's current credit ratings are based on its

1 commitment to maintain a minimum capital structure consistent with these
2 percentages.

3 **Q38. Are there other reasons this capital structure is appropriate for use in this**
4 **proceeding?**

5 A38. Yes. As discussed in the Direct Testimony of Company Witness Hevert, the
6 Company's recommended capital structure is reasonable given a mean common
7 equity ratio of 51.94% (range between 45.50% to 58.48%) for the companies
8 comprising the proxy group used by Company Witness Hevert for the purpose of
9 determining his recommended ROE in this proceeding.

10 **Q39. Has the Company also submitted an alternative capital structure using the PHI**
11 **data in compliance with the BPU's Order approving the Stipulation of**
12 **Settlement in the Exelon merger (Docket No. EM14060581)?**

13 A39. Yes. These data are contained in Schedule (KMM)-2. Although submitted in
14 accordance with the terms of the Exelon merger, this capital structure has not been
15 adopted over the past 15 years and it should not be used for rate-setting purposes for
16 ACE in this matter. The capital structure that should be used to set rates for ACE is the
17 one used to develop the Company's requested overall ROR, which is the Company's
18 own capitalization.

19 **Q40. Why is PHI's consolidated capital structure inappropriate for use in setting**
20 **rates for ACE?**

21 A40. The PHI consolidated capital structure reflected in KMM-2 is inappropriate in
22 this regard because it contains debt obligations of other subsidiaries that obtain capital
23 on their own merits and invest those proceeds in their own operations. Further, the PHI

1 capital structure must be adjusted to remove the debt related to the Transitional
2 Funding Obligations of ACE because their sole purpose is to finance ACE's stranded
3 costs which are not included in rate base. The PHI capital structure data presented on
4 Schedule (KMM)-2 does not provide a reasonable basis to calculate the ROR for ACE,
5 and are submitted solely to comply with the terms of the BPU's merger Order
6 referenced above. The alternative capital structure has not been adopted since its
7 inception.

8 **Q41. What are the Company's credit ratings by the major rating agencies?**

9 A41. ACE's long-term corporate credit ratings (unsecured debt ratings) are BBB+
10 from Standard and Poor's, Baa2 from Moody's Investors Service, and BBB from
11 Fitch Ratings.

12 **Q42. Please briefly describe the importance of the Company's credit ratings.**

13 A42. The Company's credit ratings indicate the rating agencies' assessment of
14 ACE's ability to meet its obligations to its long-term debt holders. The higher the
15 credit rating, the greater the perceived likelihood that debt investors will receive their
16 interest and principal payments as expected. As such, a company with a higher credit
17 rating may have access to a larger investor base, may face fewer restrictive covenants,
18 and may issue long-term debt at a lower cost. A higher credit rating at this time is
19 particularly advantageous, given the Company's plans to continue to invest a
20 significant amount of capital in system reliability. In addition, given the significant
21 credit commitments associated with the Basic Generation Service (BGS) procurement
22 process, a high credit rating furthers the Company's ability to obtain favorable

1 pricing, terms and conditions from wholesale suppliers. These benefits ultimately
2 inure to ACE's customers.

3 Conversely, lower credit ratings reflect increased investor risk. As a result,
4 investors and lenders expect to be paid more to provide funds to such an issuer. In
5 addition to paying a higher interest rate to issue new debt, the Company would be
6 required to pay higher annual fees on its Credit Facility if its credit rating were to fall
7 to lower levels than it is today. In addition, lower credit ratings typically result in
8 investors demanding more restrictive terms and covenants from the issuer. Lower
9 credit ratings also limit the pool of investors that may otherwise invest in the
10 Company due to ratings restrictions imposed by some institutional investors. These
11 additional costs associated with lower credit ratings will only increase the costs to
12 ACE's customers.

13 **Q43. How does ACE fund its capital expenditures while maintaining its capital**
14 **structure as noted above?**

15 A43. ACE uses three principal sources to finance its capital expenditures:
16 internally-generated cash flows, externally-raised debt financing, and equity
17 contributions from the parent company. Given the Company's significant capital
18 spending program, ACE's internally-generated cash flows are insufficient alone to
19 fund them. As a result, the Company must raise funds from the capital markets and/or
20 receive equity contributions from its parent to bridge the gap. Long-term debt and
21 equity are used to finance the Company's rate base, which is itself comprised of long-
22 term assets on a net basis. The Company utilizes short-term debt to fund changes in
23 working capital and temporarily fund its construction requirements. In other words,

1 short-term debt is generally used as a stop gap to provide for temporary financing
2 needs. As utilization of short-term debt increases to such a level where longer-term,
3 permanent financing is better suited as a financing mechanism, the short-term debt is
4 retired and replaced with long-term securities. This method is a cost-effective, risk
5 averse means of financing the Company's construction plan as opposed to solely
6 issuing long-term securities and holding large amounts of unproductive cash.
7 Temporarily financing the construction plan with short-term debt also provides the
8 Company with the wherewithal to continually assess market conditions and take
9 advantage of opportunities to secure favorable terms and conditions for any potential
10 long-term debt issuances. Accordingly, ACE's ratemaking cost of capital reflects the
11 Company's permanent sources of funding, i.e. long-term debt and equity.

12 As noted above, ACE's capital structure is managed consistent with its goals
13 and objectives. The Company's policy is to make equity contributions into ACE and
14 make dividend payments from ACE to PHI to ensure ACE maintains a minimum
15 equity ratio in the 49-50% range.

16 **V. Proposed Adjustment of Declining Sales**

17 **Q44. Please summarize the sales and revenue trend in southern New Jersey over the**
18 **past five years.**

19 A44. As previously mentioned, the Company's sales have declined by -6.2% over
20 the 2011-2016 time period and are forecasted to decline by another -2.0% over the
21 2017-2018 period While customer growth has continued over this same period, it has
22 not outpaced the decline in sales due to the reduced usage by customers. The impact
23 of solar and energy efficiency has caused the Company to experience lower sales and

1 revenues. The weak economic conditions in southern New Jersey have exacerbated
2 the issue.

3 **Q45. Given the expected 2.0% decline in sales over the 2017 and 2018 time periods,**
4 **will the Company realize the full increased revenues of \$45 million per year,**
5 **based on the August 2016 Settlement reached in BPU Docket No. ER16030252 ?**

6 A45. No. In fact, the forecasted sales for the August 1, 2016 through July 31, 2017
7 period are expected to be -2.9% less than the sales in the December 31, 2015 test
8 period in that case. Due to declining sales, the Company estimates that total weather-
9 normalized revenues only increased by approximately \$38 million between the two
10 test periods including the \$45 million approved by the Board in August 2016.
11 Therefore, the additional \$45 million of revenues approved in the last rate case has
12 been eroded by approximately \$7 million due to overall usage between the test
13 periods.

14 **Q46. Is the Company addressing the forecasted sales decline in this case?**

15 A46. Yes, the Company is proposing a \$4.3 million adjustment to the revenue
16 requirement to reflect a customer count and average customer usage more reflective
17 of the rate effective period. Company Witnesses Ziminsky will discuss in further
18 detail the specifics of these rate making adjustments.

1 of the Stipulation of Settlement as Company Witness Masters will discuss in more
2 detail in his Direct Testimony.

3 **VII. Pre-Filing Requirements**

4 **Q50. Please detail the merger-related pre-filing requirements.**

5 A50. See Schedule (KMM)-3.

6 **Q51. Has the Company complied with Paragraph 10 (regarding the acquisition
7 premium and push down accounting) of the Stipulation of Settlement Agreement
8 related to the Exelon merger?**

9 A51. Yes, Paragraph 10 includes a commitment that ACE will not seek recovery in
10 rates of the acquisition premium or goodwill associated with the Merger. In addition,
11 Exelon will not record any of the impacts of purchase accounting at ACE, thereby
12 maintaining historical cost accounting at ACE. The Company has complied with this
13 commitment and is not seeking recovery in this rate case, or in a future rate case, of the
14 acquisition premium or goodwill associated with the Merger and has maintained its
15 historical cost accounting at ACE.

16 **Q52. Please detail the non-merger pre-filing requirements.**

17 A52. See Schedule (KMM)-4.

18 **VIII. Overview of Company's Application**

19 **Q53. Please summarize the Company's Petition.**

20 A53. This filing consists of the Verified Petition for an increase in base distribution
21 rates, together with my Direct Testimony and the Direct Testimony of six other
22 witnesses. Those witnesses and the topics they address are as follows:

- 23 • Mr. Michael J. Sullivan, Senior Vice President, Electric and Gas Operations
24 for PHI, provides testimony and exhibits on the Company's distribution

1 system and ACE's significant electric system investments program, including
2 an update on the Company's RIP requirements and the System Renewal
3 Recovery Charge.

- 4 • Mr. Robert B. Hevert, Managing Partner, Scott Madden Inc., provides
5 testimony and exhibits in support of the Company's proposed cost of equity.
- 6 • Mr. Jay C. Ziminsky, Director, Regulatory Strategy & Revenue Policy,
7 provides testimony and exhibits in support of the Company's revenue
8 requirement, the test year selection, Consolidated Tax Adjustment calculation,
9 and proposed ratemaking adjustments.
- 10 • Ms. Kristin M. McEvoy, Manager, Revenue Performance, provides testimony
11 and exhibits in support of certain ratemaking adjustments in conjunction with
12 the development of the Distribution-Related Revenue Requirement.
- 13 • Joshua L. Masters, Senior Manager, Controller's Department of Exelon
14 Business Service Company (EBSC), provides testimony and exhibits in
15 support of certain accounting matters.
- 16 • Mr. Elliot P. Tanos, Manager, Rate Administration, provides testimony and
17 exhibits in support of the Company's cost of service studies and proposed rate
18 design.

19 **Q54. Do you have any additional observations?**

20 A54. ACE is safely and reliably serving its customers. This is the Company's top
21 priority. However, there are many challenges ahead to address the realities of
22 necessary infrastructure replacement and the maintenance of the electric reliability
23 improvements benefitting ACE's customers. Meeting those needs involves

1 significant costs and a financially healthy utility is better positioned to navigate
2 through the changes ahead. The proposed rate request will allow ACE to recover the
3 cost of investments it has already made to serve customers, the opportunity to
4 continue to invest in the electric distribution system, the opportunity to earn a
5 reasonable ROE, and the opportunity to contribute economic value to the southern
6 New Jersey economy.

7 **Q55. Does this conclude your Direct Testimony?**

8 A55. Yes, it does.

Schedule (KMM)-1

Atlantic City Electric Company
Overall Rate of Return
December 31, 2016
Excludes ACE Transition Funding LLC

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	49.86%	5.56%	2.77%
Common Equity	<u>50.14%</u>	10.10%	<u>5.06%</u>
Total	<u>100.00%</u>		<u>7.83%</u>

Atlantic City Electric Company
Cost of Debt
December 31, 2016

Type of Capital	Actual 12/30/16	
	Amount (\$)	Ratios
Long-Term Debt	1,037,015,000	
Unamortized Net Discount	(692,034)	
Unamortized Debt Issuance Costs	(5,578,423)	
Unamortized Debt Reacquisition Costs	(6,020,831)	
Total Long-Term Debt	1,024,723,712	49.86%
Common Equity	1,030,301,074 (1)	50.14%
Total	2,055,024,786	100.00%

Notes:

(1) Excludes \$2.960 million common equity balance of ACE Transition Funding LLC

Atlantic City Electric Company
Cost of Debt
Long-Term Debt
December 31, 2016

Issue	Coupon Rate	Maturity	Offering Date	Current			Net Amount Outstanding	Effective Cost Rate	Annual Net Cost
				Principal Amount Outstanding	Unamortized Debt Issuance Expense	Unamortized (Premium)/Discount			
<u>First Mortgage Bonds</u>									
	7.75%	11/15/2018	11/14/2008	\$250,000,000	\$485,937	\$282,754	\$249,231,308	7.93%	\$19,775,499
	4.35%	4/1/2021	4/1/2011	\$200,000,000	\$801,478	\$145,332	\$199,053,190	4.47%	\$8,905,046
	3.375%	8/15/2024	8/25/2014	\$150,000,000	\$1,096,995	\$51,366	\$148,851,639	3.49%	\$5,194,103
	3.500%	12/1/2025	12/8/2015	\$150,000,000	\$1,137,115		\$148,862,885	3.60%	\$5,359,442
Total First Mortgage Bonds				<u>\$750,000,000</u>	<u>\$3,521,526</u>	<u>\$479,452</u>	<u>\$745,999,022</u>		<u>\$39,234,090</u>
<u>Senior Notes</u>									
	5.80%	5/15/2034	4/8/2004	\$120,000,000	\$963,942	\$212,582	\$118,823,475	5.91%	\$7,027,606
	5.80%	3/1/2036	3/15/2006	\$105,000,000	\$522,373		\$104,477,627	5.85%	\$6,111,191
Total Senior Notes				<u>\$225,000,000</u>	<u>\$1,486,315</u>	<u>\$212,582</u>	<u>\$223,301,103</u>		<u>\$13,138,796</u>
<u>Tax Exempt Fixed Rate Bonds</u>									
	6.80%	3/1/2021	3/1/1991	\$38,865,000	\$142,886		\$38,722,114	7.01%	\$2,715,421
	4.875%	6/1/2029	3/15/2010	\$23,150,000	\$427,696		\$22,722,304	5.08%	\$1,153,627
Total Tax Exempt Fixed Rate Bonds				<u>\$62,015,000</u>	<u>\$570,582</u>	<u>\$0</u>	<u>\$61,444,418</u>		<u>\$3,869,048</u>
Unamortized Debt Reacquisition Cost							(6,020,831)		\$765,816
Total Long-Term Debt Balance				<u>\$1,037,015,000</u>	<u>\$5,578,423</u>	<u>\$692,034</u>	<u>\$1,024,723,712</u>	5.56%	<u>\$57,007,750</u>

Atlantic City Electric Company
Calculation of the Effective Cost Rate of Long-Term Debt
December 31, 2016

Issue	Coupon Rate	Maturity	Offering Date	Original			Net Amount to Company	Net Amount Per Unit	Effective Cost Rate
				Principal Amount Issued	Debt Issuance Expense	(Premium)/Discount			
<u>First Mortgage Bonds</u>									
	7.75%	11/15/2018	11/14/2008	\$250,000,000	\$1,999,135	\$1,147,500	\$ 246,853,365	\$ 98.74	7.93%
	4.35%	4/1/2021	4/1/2011	\$200,000,000	\$1,673,220	\$304,000	\$ 198,022,780	\$ 99.01	4.47%
	3.375%	9/1/2024	8/25/2014	\$150,000,000	\$1,376,973	\$64,500	\$ 148,558,527	\$ 99.04	3.49%
	3.500%	12/1/2025	12/8/2015	\$150,000,000	\$1,252,365	\$0	\$ 148,747,635	\$ 99.17	3.60%
<u>Senior Notes</u>									
	5.80%	5/15/2034	4/8/2004	\$120,000,000	\$1,558,257	\$368,400	\$ 118,073,343	\$ 98.39	5.91%
	5.80%	3/1/2036	3/15/2006	\$105,000,000	\$730,537	\$0	\$ 104,269,463	\$ 99.30	5.85%
<u>Tax Exempt Fixed Rate Bonds</u>									
	6.80%	3/1/2021	3/1/1991	\$38,865,000	\$1,029,173	\$0	\$ 37,835,827	\$ 97.35	7.01%
	4.875%	6/1/2029	3/15/2010	\$23,150,000	\$571,443	\$0	\$ 22,578,557	\$ 97.53	5.08%

Schedule (KMM)-2

Pepco Holdings Inc. (Consolidated)
Capitalization and Related Capital Structure Ratios
Actual at December 31, 2016

	<u>Actual at December 31, 2016</u>	
	Amount	
	<u>Outstanding</u>	<u>Ratios</u>
	(\$ millions)	
Long-Term Debt	5,696 (1)	41.55%
Common Equity	8,013 (2)	58.45%
Total Permanent Capital	<u>13,709</u>	<u>100.00%</u>

Notes: (1) Excludes unamortized debt issuance costs, discount, premium, reacquired debt cos
ACE Transition Bonds, and Pepco lease obligations.
(2) Excludes \$2.960 million common equity balance of ACE Transition Funding LLC

Schedule (KMM)-3

Reference	Docket No. EM14060581 Base Rate Case Requirements	Witness
Stipulation of Settlement, p. 6. Item 9	Rate Case proceeding in the first three years post PHI/Exelon Merger close	N/A
Stipulation of Settlement, p. 6. Item 10	Maintain historical cost accounting at each PHI Utility	Ziminsky
Stipulation of Settlement, p. 6. Item 10	Acquisition premium or goodwill related to the Exelon/PHI Merger not in rates	McGowan
Stipulation of Settlement, p. 6. Item 10	Transaction costs related to the Exelon/PHI Merger not in rates	Ziminsky
Stipulation of Settlement, p. 6. Item 10	No fair value adjustments	McGowan
Stipulation of Settlement, p. 7. Item 12	File two alternative capital structures	McGowan
Stipulation of Settlement, p. 7 & 8. Item 14	Achieve reliability performance levels by 2020 (SAIFI/CADI)	Sullivan
Order Approving Joint Recommendation for Settlement of the MFN Issue, p. 11 item 9	Costs related to migration from Solution One to Oracle-based system not in rates	Ziminsky
Stipulation of Settlement, p. 25. Item 74	Allocation of costs under the Exelon General Services Agreement	Masters
Stipulation of Settlement, p. 26. Item 76	Exelon Business Service Company cost charging	Masters
Stipulation of Settlement, p. 27-28. Item 85	Right of Board Staff and Rate Counsel to review the GSA	Masters
Stipulation of Settlement, p. 27. Item 80	Accounting for assets acquired by EBSC on behalf of ACE	Ziminsky/McEvoy
Stipulation of Settlement, p. 27. Item 81	Accounting for depreciable assets acquired by EBSC on behalf of ACE	Ziminsky/McEvoy
Stipulation of Settlement, p. 27. Item 82	Rate of Return for assets acquired by EBSC on behalf of ACE	Ziminsky/McEvoy

Schedule (KMM)-4

Reference	Pre-filing Requirements (Other than Merger)	Witness
Dkt. No. ER16030252 (Para. 10), Dated 8-24-16	Tariff update	Case Manager
N.J.A.C. 14: 1-5.12 (Item 1), Dated 3-16-15	Comparative Balance Sheets	Masters
N.J.A.C. 14: 1-5.12 (Item 2), Dated 3-16-15	Comparative Income Statement	Masters
N.J.A.C. 14: 1-5.12 (Item 3), Dated 3-16-15	Most recent Balance Sheet	Masters
N.J.A.C. 14: 1-5.12 (Item 4), Dated 3-16-15	Statement of the amount of revenue	Janocha
N.J.A.C. 14: 1-5.12 (Item 5), Dated 3-16-15	Pro Forma Income Statement	Ziminsky
N.J.A.C. 14: 1-5.12 (Item 9), Dated 3-16-15	Itemized schedule showing all payments or accruals to affiliated companies or organizations	Masters
N.J.A.C. 14: 1-5.12 (Item 10), Dated 3-16-15	Form of notice to customers	Case Manager
Dkt. No. 822-116, Dated December 6, 1982	Minimum data in support of the revenue requirements	Ziminsky/McEvoy
Dkt. No. WR8504330 (Para. 4), Dated 5-23-85	Full test year must be submitted by the time of a Board decision.	Ziminsky
Dkt. No. WR8504330 (Para. 5), Dated 5-23-85	Six months actual test year data and six months estimated data	Ziminsky/McEvoy
Dkt. No. WR8504330 (Para. 8), Dated 5-23-85	Known and measurable changes for income and expenses beyond the test year	Ziminsky/McEvoy
Dkt. No. WR8504330 (Para. 8), Dated 5-23-85	Changes to rate base	Ziminsky/McEvoy
Dkt. No. WR8504330 (Para. 8), Dated 5-23-85	Changes to capitalization	Ziminsky/McEvoy
Dkt. No. ERO3020110 (Para. 10) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Cost of Service Study and Rate Design (two methodologies)	Tanos
Dkt. No. ERO3020110 (Para. 12. d, e, and f—See Other Section – Item 2) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Rate making adjustment for Service Company assets	Ziminsky/McEvoy
Dkt. No. ERO3020110 (Para. 12 a) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Direct charging of costs	Masters
Dkt. No. ERO3020110 (Para. 3, 4) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Depreciation - track annual net salvage allowance separately	Ziminsky/McEvoy
Dkt. No. ERO3020110 (Para. 12 d) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Rate making adjustment - Capitalization/expense policies	Ziminsky/McEvoy
Dkt. No. ERO3020110 (Para. 12 e) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Rate making adjustment (Depreciation) - Assets that the Service Company acquires	Ziminsky/McEvoy
Dkt. No. ERO3020110 (Para. 12 f) OAL Dkt. No. PUCO6061-2003S, Dated 5-26-05	Rate making adjustment (ROR) - Assets that the Service Company acquires	Ziminsky/McEvoy
Dkt. No. EM01050308 (Para. 20, pg. 26), Dated 6-19-02	Two alternative capital structures	McGowan
Dkt. No. ER12121071; OAL Dkt. No. PUC 00617-2013 (Para.7), Dated 6-20-13	Depreciation and Deprecation Study	Ziminsky/McEvoy
Dkt. No. ER12121071; OAL Dkt. No. PUC 00617-2013 (Para.2), Dated 6-20-13	Allowance for Funds Used During Construction ("AFUDC")	N/A
Dkt. No. E012121072 (Pg. 12), Dated 10-22-14	Consolidated Tax Adjustment	Ziminsky/McEvoy

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF MICHAEL J. SULLIVAN
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Michael J. Sullivan. I am Vice President, Electric and Gas
3 Operations of Pepco Holdings LLC (PHI). I am testifying on behalf of Atlantic City
4 Electric Company (ACE or the Company).

5 **Q2. What are your responsibilities as Vice President, Electric and Gas Operations?**

6 A2. I am responsible for the oversight of a number of operations and engineering-
7 related activities across the ACE, Potomac Electric Power Company (Pepco), and
8 Delmarva Power & Light Company (Delmarva Power) service territories. This includes
9 the Overhead and Underground Distribution Systems, Gas Operations and Engineering,
10 Asset Management, including Engineering and Reliability programs, and Emergency
11 Preparedness.

12 **Q3. Please describe your educational and professional background and experience.**

13 A3. I earned a Bachelor of Science degree in Electrical Engineering Technology from
14 Pennsylvania State University in 1980 and a Masters in Business Administration from
15 Marymount University in 1987. I joined Pepco in 1980 and advanced through a number
16 of management positions, including Manager of System Operations, General Manager of
17 Transmission Operations and Maintenance, and Vice President of Customer Care. In
18 2008, I was promoted to Senior Vice President, Operations and in October 2012, I was
19 promoted to Senior Vice President, Operations and Engineering. Upon completion of the

1 merger with Exelon Corporation (Exelon) in 2016, I was named to my current position of
2 Vice President, Electric and Gas Operations of PHI.

3 During my career with PHI, I also have served on the boards of the Better
4 Business Bureau for Washington, D.C. and Philadelphia, Pennsylvania metro areas, the
5 Electrical Engineering Advisory Board at Pennsylvania State University Harrisburg, and
6 the Marketing Executives Conference. I am also a graduate of Leadership Greater
7 Washington.

8 **Q4. Please provide an overview of the issues discussed in your testimony.**

9 A4. Over the past five years, ACE has made capital investments of \$767.4 million in
10 the Company's distribution system with the goal of improving system performance and
11 reliability. Since the first year of the Reliability Improvement Plan (RIP) in 2011, ACE
12 has seen a 33 percent improvement in System Average Interruption Frequency Index
13 (SAIFI), a 35 percent improvement in System Average Interruption Duration Index
14 (SAIDI), and a four percent improvement in Customer Average Interruption Duration
15 Index (CAIDI) through the end of 2016. Customers have deservedly benefitted from the
16 results of these efforts, and ACE should receive full and timely recovery of the costs it
17 has incurred to achieve these results.

18 ACE will continue these efforts in order to yield even better reliability results in
19 future years, and it is on course to exceed the merger commitment standards of 1.05
20 SAIFI and 100 CAIDI by 2020 (based on a three-year average),¹ thanks to the
21 continuation of the RIP and investment in the Distribution Construction Program. (The
22 Distribution Construction Program will be discussed at length in succeeding pages of my
23 Direct Testimony.) In addition, reliability is improving as a result of enhanced vegetation

¹ BPU Docket No. EM14060581, p. 7 - 8.

1 management (VM) work in order to meet new standards issued by the New Jersey Board
2 of Public Utilities (BPU) that went into effect in 2016. With new operational benefits
3 being forged out of the merger with Exelon, ACE is looking to further improve upon its
4 power delivery to customers during both “blue sky” days and following major weather
5 events, such as storms and nor’easters.

6 **Q5. What is the purpose of your testimony?**

7 A5. The purpose of my testimony is to provide support for the important investments
8 in, and maintenance of, the Company’s electric distribution system. I will address the
9 following items which support ACE’s revenue requirement in this proceeding:

- 10 • the Company’s improved reliability resulting from its Distribution Construction
11 Program, and its progress toward meeting the BPU’s reliability standards;
- 12 • the restoration efforts for the January 2017 and June 2016 storm events and
13 Ratemaking Adjustments (RMA) proposed by Company Witness McEvoy;
- 14 • the Company’s planned investments in distribution assets to maintain system
15 reliability and fulfill all obligations created by the BPU’s reliability standards;
- 16 • operational benefits created out of the Exelon merger from 2016;
- 17 • the proposed System Renewal Recovery (SRR) mechanism; and
- 18 • the post-test year plant additions provided by Company Witness Ziminsky and
19 included in ACE’s revenue requirement.

20 **ACE’s Distribution Construction Program**

21 **Q6. Please discuss the Company’s Distribution Construction Program.**

22 A6. The Company’s Distribution Construction Program is the cornerstone of
23 maintaining ACE’s infrastructure and reliability efforts. To ensure its continuing

1 success, the Company will need to maintain investment in several areas in order to meet
 2 the standards applicable to ACE, meet new customer service requests, and maintain the
 3 performance levels required by the BPU. The Company’s Distribution Construction
 4 Program consists of distinct categories: projects needed to support the connection of new
 5 customers (customer driven), projects designed to maintain and increase the reliability of
 6 the electric system (reliability), projects needed to increase the capacity of the
 7 distribution system to support future load growth (load), and investments in upgrading
 8 supporting infrastructure to maintain service centers and buildings across the Company’s
 9 territory (other - general plant). These categories are described in greater detail in Table
 10 1.

11 **Atlantic City Electric Company**
 12 **Construction Categories**

13 **Table 1**

Distribution Categories	General Scope of Work
Customer Driven	Projects required by customers, including connecting them to the distribution system and work performed at the direction of government agencies, such as electric plant relocations that support highway construction projects.
Reliability	Projects to increase and maintain the reliability of the distribution system and electric facilities that provide service to the Company’s customers. These projects include replacement of existing infrastructure, upgrades to reduce outages and improve system performance, and cost of emergency replacement of failed equipment during storms and other events.
Load	Load projects are proactive additions or upgrades to the system in order to meet all levels of load in advance of those load conditions developing on the system. Load projects assure that the system continues to meet design criteria. This category of work does not include projects that are solely for the connection of new customers to the electric system.
Other	General Scope of Work
General Plant	Investments in upgrades supporting infrastructure to maintain service centers and buildings across the Company’s territory, new and upgraded Information Technology (IT) systems, transportation, mobile equipment, and support for the various communication systems needed for the operation of the electric system are all critical to ensuring the benefits of the Distribution Construction Program are realized.

1 **Q7. Please discuss the Company’s recent distribution capital investment in the**
 2 **categories listed above.**

3 A7. From 2012 - 2016, the Company made actual distribution system-related
 4 investments of \$767.4 million in New Jersey. That investment is summarized in Table 2:

5 **Atlantic City Electric Company**
 6 **2012 - 2016 Distribution Construction Spend**
 7 **Dollars in Millions**

8 **Table 2**

Budget Category	2012	2013	2014	2015	2016	Total
Customer Driven	\$18.2	\$19.2	\$17.0	\$18.9	\$18.4	\$91.7
Reliability – Total	\$128.8	\$93.1	\$67.5	\$80.7	\$106.2	\$476.3
Planned	\$49.6	\$37.5	\$30.8	\$17.9	\$43.3	\$179.1
Emergency	\$79.2	\$55.6	\$36.7	\$62.8	\$62.9	\$297.2
Load	\$40.1	\$49.6	\$22.3	\$7.5	\$23.6	\$143.1
General Plant²	\$14.6	\$16.9	\$6.1	\$7.5	\$11.2	\$56.3
Total	\$201.7	\$178.8	\$112.9	\$114.6	\$159.4	\$767.4

9
 10 **Q8. How is the Distribution Construction Program budget developed?**

11 A8. The Distribution Construction Program budget is developed based upon the needs
 12 of ACE’s customers, any regulatory requirements of the State, additional targets or
 13 commitments the Company has with the BPU, and the condition of the distribution
 14 system. Furnishing those needs and obligations with appropriate solutions given a
 15 limited amount of work and spending resources is a complex task. The Company
 16 therefore limits the program to these parameters.

² General Plant investments are allocated between transmission and distribution. This is the total General Plant amount.

1 To create the budget, ACE prepares a five year long range plan, the first year of
2 which becomes the annual budget. The plan consists of specific projects, with specific
3 need dates and scopes of work. It also consists of programs, which are numerous projects
4 with similarly related work that are implemented over a defined period of time. The
5 remaining part of the budget relates to blanket projects, which are annual, repeatable
6 scopes of work with short construction times. The first two years of the capital plan are
7 budgeted by month, and the remaining three years are budgeted annually.

8 **Q9. Is any part of the ACE Distribution Construction Program budget the result of any**
9 **Exelon Utilities (EU)-related budget?**

10 A9. No. ACE continues to focus on the needs of its customers, State requirements,
11 commitments made to the BPU, and the condition of its distribution system. It also
12 continues to develop the Distribution Construction Program budget using the same five
13 year plan to implement specific projects, programs, and blanket projects.

14 **Q10. Has the Company's reliability performance been improving since 2012?**

15 A10. Yes. Over the past five years, thanks to the tireless efforts and incredible work of
16 ACE employees, customers are experiencing significantly better reliability, and the
17 Company has exceeded every reliability goal established by the BPU. Since its inception
18 in 2011 and prior to the first full year of realized benefits in 2012 of the RIP, customers
19 have seen an improvement of 33 percent in SAIFI, 35 percent in SAIDI, and four percent
20 in CAIDI as of 2016. On a trailing 12 month (TTM) basis through March 13, 2017, the
21 Company's SAIFI is 1.04. ACE customers are experiencing fewer outages, and when
22 there is an outage, ACE has consistently achieved shorter duration times. The
23 Company's reliability performance as measured by the SAIFI, SAIDI, and CAIDI

1 performance statistics using the New Jersey major event exclusion criteria is shown in
 2 Table 3.

3 The Company will further improve upon its reliability indices in order to meet
 4 commitments stemming from the 2016 merger with Exelon. By 2020, ACE must meet a
 5 SAIFI standard of 1.05 and a CAIDI standard of 100, which will both be based upon a
 6 three-year historical average. If the commitment was applied today, ACE would meet the
 7 threshold for a CAIDI of 100 on a three-year historical average. The Company must
 8 make significant reliability efforts in the next four years to ensure its SAIFI performance
 9 also meets the standard by 2020.

10 **Atlantic City Electric Company**
 11 **System Reliability Performance 2011 - 2016**
 12 **New Jersey Major Event Exclusion Criteria³**

13 **Table 3**

Reliability Performance	2011	2016	N.J.A.C. Standard	2020 Standard
SAIFI	1.76	1.18	1.82	1.05
SAIDI	194	126	--	--
CAIDI	110	106	120	100

14
 15 **Q11. Were there any significant drivers of reliability indices in 2016?**

16 A11. Yes. In reconfiguring the Peermont Substation, the Company experienced
 17 numerous unplanned outages between November 2015 and April 2016. In multiple
 18 quarterly RIP meetings with Staff and Rate Counsel, ACE noted these outages as being a
 19 significant factor in its 2016 reliability indices, responsible for 0.07 of total SAIFI.

20 While the Peermont Substation outages were a setback to its reliability indices,
 21 ACE anticipates its 2017 reliability totals will more closely align with its 2015 reliability

³ In addition to the standard(s) set forth in the New Jersey Administrative Code, ACE, pursuant to BPU Docket No. ER09080664, agreed to achieve a SAIFI of 1.3 and a SAIDI of 160 minutes by 2016 (p.7 - 8).

1 performance now that this substation project is complete. The last 12 months indeed
 2 confirm that ACE is back on track toward lowering its SAIFI, with the TTM comparison
 3 aligning closely with 2015 reliability totals. From March 14, 2016 to March 13, 2017,
 4 the Company has had a total SAIFI of 1.04 (excluding major events), compared to the
 5 2015 SAIFI of 1.03. In fact, ACE would even be ahead of its 2015 total SAIFI under the
 6 TTM comparison if the remaining Peermont Substation outages occurring in that
 7 timeframe were excluded. The Company would have a SAIFI of 1.01 over the last 12
 8 months if the Peermont Substation outages were removed from its reliability indices.

9 **Q12. Have the Company’s capital investments improved reliability performance?**

10 Q12. Yes. Since 2012, the Company’s system has experienced decreasing frequency
 11 and duration of outages. Without ample investment into the distribution system to
 12 improve performance, the Company would not have achieved these results. The
 13 initiatives created out of these investments were designed to decrease the number of
 14 outages and to add system expansion work in anticipation of meeting customer load
 15 needs. From its inception, the RIP has been successful, providing proven benefits to
 16 ACE’s customers. The Company expects further improvement as a result of additional
 17 capital investment summarized in Table 4.

18 **Atlantic City Electric Company**
 19 **2017 - 2021 Distribution Construction Forecast**
 20 **Dollars in Millions**

21 **Table 4**

Budget Category	2017	2018	2019	2020	2021	Total
Customer Driven	\$20.0	\$19.9	\$20.8	\$21.8	\$21.8	\$104.3
Reliability – Total	\$115.2	\$112.7	\$90.3	\$87.0	\$85.8	\$491.0
Planned	\$80.6	\$78.5	\$55.8	\$52.6	\$51.4	\$318.9

Emergency	\$34.6	\$34.2	\$34.5	\$34.4	\$34.4	\$172.1
Load	\$10.9	\$13.5	\$22.2	\$23.6	\$16.8	\$87.0
General Plant⁴	\$16.4	\$13.2	\$24.6	\$26.9	\$10.4	\$91.5
Total	\$162.5	\$159.3	\$157.9	\$159.3	\$134.8	\$773.8

1
 2 **Q13. Is funding for the PowerAhead Program included in the distribution construction**
 3 **budget?**

4 A13. No. The budget includes funding for the RIP and other distribution construction
 5 projects, but it does not encompass spending for the PowerAhead Program, which is a
 6 grid resiliency program comprised of substation hardening, structural and electrical
 7 hardening, selective undergrounding, and other resiliency-related projects. The
 8 PowerAhead Program remains pending, and the Company will commence work on these
 9 programs at such time as they are approved by the BPU in Phase II of Docket No.
 10 ER16030252.

11 **Q14. How does the Company look to improve its capital investments?**

12 A14. ACE is always assessing new approaches to more effectively spend its budget in a
 13 way that will maximize its reliability improvement performance. The RIP helps the
 14 Company in this process. As part of the approval of the merger, ACE is required to
 15 spend at least 90 percent of its RIP capital budget as presented in the merger agreement.⁵

16 **Q15. Is ACE complying with the merger’s RIP spending requirement?**

17 A15. Yes. ACE met the 90 percent reliability spending threshold for the RIP in 2016
 18 and is on track for compliance with the merger commitment. In its semi-annual report

⁴ General Plant investments are allocated between transmission and distribution. This is the total General Plant amount.

⁵ BPU Docket No. EM14060581, pages 8 - 9.

1 filed with the BPU in February 2017, ACE reported an annual capital spend of \$56.2
 2 million against an original target of \$55.1 million in the merger commitment. For 2017,
 3 the Company has an original target of \$50.6 million, which is shown in Table 5.

4 **Atlantic City Electric Company**
 5 **2016 - 2020 RIP Original Forecast⁶**
 6 **Dollars in Millions**

7 **Table 5**

	2016	2017	2018	2019	Total
Capital	\$55.1	\$50.6	\$52.9	\$48.0	\$206.6

8
 9 **ACE's Distribution Construction Investments**

10 **Q16. Please discuss the Company's planned distribution construction investments.**

11 A16. In order for the Company to continue to improve its performance and achieve the
 12 required levels of system reliability as outlined in regulations and BPU orders, continued
 13 investments of at least the same levels to those that have occurred during the test year
 14 will be required.

15 The Company has committed to extending the RIP over the next four years at an
 16 average expenditure of \$51.7 million per year in capital projects, as outlined in Table 5
 17 above. Under the Company's total planned capital investments, the RIP is comprised of
 18 projects tailored directly to achieve a higher level performance of reliability on the
 19 distribution system. Along with other support projects working in conjunction with these
 20 RIP projects, I am confident the Company will make further strides in providing
 21 customers with superior service.

⁶ As approved in the Stipulation of Settlement in connection with BPU Docket No. EM14060581.

1 **Q17. How does the RIP budget differ from ACE's distribution reliability budget?**

2 A17. The RIP alone accounts for more than 50 percent of the total spend for
3 distribution construction investments listed in Table 4. While much of its funding is tied
4 to reliability projects, some projects designed to improve the system and service also fall
5 under the load and general plant budget categories. The Company's capital-related
6 reliability costs required to restore power after outages are not included in the RIP.
7 Additionally, the RIP budget includes VM-related Operations and Maintenance (O&M)
8 costs. The program is designed to examine the distribution system holistically and to
9 build an annual work plan, which enables ACE to maximize its reliability improvements
10 through the most effective approach possible.

11 **ACE's 2017 Construction Plan**

12 **Q18. Please describe the major activities that will be performed in 2017.**

13 A18. Several categories of projects are needed to maintain and enhance performance
14 within the Company's distribution system. Noted improvements in ACE's reliability as a
15 result of successful projects guide the Company in deciding which activities it will
16 choose in future years. The following categories of work include groups of related
17 individual projects that, when taken together, have improved performance for the
18 Company's customers:

- 19 • Customer Driven;
- 20 • Corrective Capital Replacement;
- 21 • Transmission and Distribution (T&D) Automation;
- 22 • System Performance;
- 23 • Emergency Restoration;

- 1 • Capacity Expansion;
- 2 • Load; and
- 3 • General Plant.

4 ACE's 2017 capital investment programs involve an array of projects of varying size
5 and scope, all working toward unique and common objectives, such as improving
6 reliability. The categories below represent groups of projects that, when viewed as a
7 whole, represent programs where major work was completed in 2016 and will be
8 performed in 2017:

9 CUSTOMER DRIVEN

- 10 • As described earlier in my Direct Testimony, these projects are required to
11 respond to customer requests for new service connections. This category also
12 includes costs for the relocation of electric facilities in order to support
13 jurisdictional road and highway construction where the Company is not
14 reimbursed directly by the jurisdiction.

15 RELIABILITY

16 Reliability projects increase and maintain the reliability of the electric system.

17 Projects include:

- 18 • Corrective Capital Replacement – This category of work has a major impact
19 on the long-term reliability of the electric system. Work performed within
20 this category directly benefits customers by identifying equipment in need of
21 replacement during maintenance inspections, which prevents future outages
22 from occurring. Such activities included within this group of projects include:

- 1 • Replacement of Substation Breakers, Transformers and Switchgear –
2 Substation equipment failures can impact multiple feeders and thousands of
3 customers. Transformers and breakers that are filled with oil are analyzed on
4 a regular basis to assess the condition of the equipment and to identify trends
5 indicating risks of equipment failure. In 2016, ACE completed nearly 30
6 separate projects under the Substation Reliability Improvement Program. This
7 work included switchgear and transformer upgrades as well as upgrading eight
8 deteriorated distribution breakers. In 2017, the Company will replace
9 padmount transformers at its Wenonah and Silver Lake Substations, which
10 together provide service to more than 12,000 customers.
- 11 • T&D Automation – Distribution Automation (DA) projects include the
12 installation of advanced technologies to automatically reconfigure distribution
13 feeders to restore service to customers after an interruption, thereby reducing
14 the number of related interruptions. The category also includes
15 telecommunications projects in support of DA. In 2016, ACE installed a net
16 total of 56 reclosers, which includes two reclosers to replace SF6 switches. In
17 2017, the Company is investing in Automatic Sectionalizing and Restoration
18 technology on the three feeders served out of Franklin Substation, which
19 provides service to more than 4,000 customers.
- 20 • System Performance – These projects are designed to maintain and increase
21 the performance of the existing distribution system and result in immediate
22 improvement for the customers served from these feeders. The program
23 improves performance through modifications to system design and application

1 of new technology and equipment to prevent outages, reduce outage
2 frequency, and reduce the number of customers impacted by an outage.
3 Reliability activities include installing new operating equipment, upgrading
4 existing feeders that have experienced repeat outages to prevent future
5 outages, and improving the quality of service to customers served by those
6 feeders. Specifically, distribution circuits with Multiple Device Operations
7 are targeted for improvement. Additional reliability is also obtained by
8 converting existing lower voltage lines to higher voltage lines with increased
9 capacity. In 2016, the Company completed improvements on 16 distribution
10 feeders. In 2017, ACE will convert existing lower voltage lines to higher
11 voltage lines with increased capacity at the Paulsboro, Carneys Point, and
12 Gibbstown Substations, which together provide service to more than 2,500
13 customers.

- 14 • Emergency Restoration – This category of work represents the Company’s
15 response to storms and other events where a customer is out of service or is at
16 risk of losing service. These events require immediate response by ACE and
17 result in a significant commitment to restore the system and minimize
18 customer outage duration. A timely response by the Company is required to
19 prevent customers from experiencing extended outages and associated
20 consequences. The Company’s response to the nor’easter occurring on
21 January 23, 2017, illustrates how effective its restoration procedures are,
22 provided it has adequate preparation time before a storm, and it shows the

1 time and resources ACE brings to efficiently restore service to critical
2 facilities and residential customers.

3 LOAD

4 Load projects increase the capacity of the distribution system to support current
5 pockets of load growth and potential future load growth. Projects include:

- 6 • Capacity Expansion – This work includes establishing new substation or
7 distribution feeder capacity to supply new load as well as supporting the
8 growth from existing customers that require increased energy for existing
9 facilities. The Company is reconfiguring four feeders and adding two new
10 feeders in 2017 and 2018 to integrate the new Peermont Substation into the
11 existing distribution system as well as reconfiguring or establishing new
12 feeders at the Mantua, Rio Grande, and High Street Substations. This work
13 also includes the installation of new transformers at the High Street, Rio
14 Grande, Fairton, Roadstown, and Mantua Substations. In addition, various
15 feeders will be upgraded across each of the operating districts to increase
16 capacity by replacing selected sections with higher capacity wire to serve
17 additional load in those areas.

18 GENERAL PLANT

19 General plant investments upgrade supporting infrastructure to maintain service
20 centers and buildings across the Company's territory. Projects include:

- 21 • Projects that support the overall operation of the transmission and distribution
22 systems. Without this work, the communication systems used to manage
23 crews or control the electric system and the IT systems that analyze outage

1 complaints, respond to customer inquiries or operate the electric system would
2 not be available or reliable. Activities included in this category of work
3 include construction and upgrades of infrastructure to maintain service centers
4 and buildings across ACE's territory, new and upgraded IT systems, vehicle
5 management, and substation security. These projects also support the fiber
6 optic, voice, and microwave systems needed to communicate with field crews,
7 as well as control the automated devices installed across the distribution
8 system.

9 **Q19. Please explain why the category designations differ from the Company's previous**
10 **rate case.**

11 A19. As a result of the merger with Exelon, the Company has now aligned its
12 construction work category designations with EU. Though projects with the category
13 classifications largely align with the category designations from prior years, there are a
14 small number of projects that have been reclassified under a new work category. On the
15 whole, however, the new work category designations largely retain the same types of
16 projects as the previous designations.

17 **Vegetation Management Costs**

18 **Q20. Please explain how the BPU's standards affected VM spending in 2016.**

19 A20. The rulemaking process associated with BPU Docket No. EX15010033
20 established new vegetation management standards for the electric distribution companies
21 that began in 2016. The standards added to N.J.A.C. in this rulemaking have required
22 ACE to increase substantially the VM activities performed on each applicable circuit,
23 such as obtaining "blue sky" clearance on all circuits from the substation to the first

1 protective device. Many trees have been significantly pruned to remove all overhanging
 2 branches over this section of the distribution circuit, and some tree removals have
 3 occurred in this zone as well. Also, ACE has more closely identified off-Right-of-Way
 4 (ROW) hazard trees, removing or mitigating them during scheduled maintenance. As a
 5 result of these regulations, the new standards in part annually increased VM spending by
 6 \$8.5 million from 2015 to 2016, as shown in Table 6 below. In spite of the new
 7 regulations ACE managed to trim all 1,902 scheduled trim miles for 2016.

8 **Atlantic City Electric Company**
 9 **2014 - 2020 Vegetation Management Spend and Forecast**
 10 **Dollars in Millions**

11 **Table 6**

2014 Actual	2015 Actual	2016 Actual	2017 Adj. Forecast	2018 Adj. Forecast	2019 Adj. Forecast	2020 Adj. Forecast
\$14.7	\$15.9	\$24.4	\$26.0	\$27.7	\$27.4	\$28.1

12
 13 **Q21. Were there other contributing factors to the increased VM costs?**

14 A21. Yes. As a result of the regulations last year, VM received more funding to
 15 comply with the regulations as well as to cover the increased routine scheduled
 16 maintenance and corrective maintenance (priority feeder work, customer tickets, etc.).
 17 The funds are being used to provide for more effective plan management and to more
 18 thoroughly prune all circuit miles.

19 **Ratemaking Adjustments for Storm Restoration Effort**

20 **Q22. Please discuss Company Witness McEvoy’s RMA No. 13, Q&A 12, in her Direct**
 21 **Testimony for the major event occurring on January 23, 2017.**

22 A22. RMA No. 13 addresses costs that the Company incurred for emergency
 23 preparations in connection with the January 23, 2017 nor’easter that impacted the ACE
 24 service territory. The weather forecasts in advance of the storm projected that the ACE

1 region would be impacted by the nor'easter. The storm hit the ACE region at 3 A.M., on
2 January 23, causing heavy winds and rain. Sustained winds of 40 miles per hour (mph)
3 developed, and wind gusts reached up to 60 mph in parts of the service territory.⁷

4 All four regions had extensive customer outages, though only Cape May and
5 Winslow hit the 10 percent population threshold qualifying as a major event in their
6 respective districts.⁸ The total number of customer outages for the event was 54,632,
7 with Winslow totaling 23,000 outages and the others reaching between 10,000 - 11,500
8 outages. Peak outages occurred in the last four-hour period on January 23, and 24 hours
9 later there were fewer than 50 customer outages on the system.

10 ACE had internal and contractor crews report to work at 7 A.M., on January 23,
11 and crews were able to immediately begin restoration work after the passage of the storm.
12 The Company had 63 mutual assistance (MA) crews to assist in the restoration efforts, 32
13 of which were MA resources from Delmarva Power and Pepco. In addition, ACE had
14 advance calls with State and local officials, conducted outreach to customers, and sent
15 out several news releases to inform customers of the potential storm impact.

16 ACE incurred actual, incremental storm costs to mobilize these additional MA
17 crews. These storm costs primarily consisted of crew drive-time to and from the crews'
18 home utilities, rest time upon arrival and for the duration of their stay, safety preparation,
19 and time spent performing all restoration work. Without this preparation, service
20 restoration to customers would not have been executed at the speed and efficiency seen
21 following the storm. In total, ACE incurred \$3.6 million in capital expenditures and
22 \$947,000 in O&M for the nor'easter occurring on January 23, 2017.

⁷ http://www.nj.com/weather/index.ssf/2017/01/worst_of_the_noreaster_yet_to_come_for_nj.html

⁸ As defined in N.J.A.C. 14:5-1.2

1 Based on the above information, the Company should be permitted to recover the
2 nor'easter costs set forth in Witness McEvoy's testimony, as it was essential to ensuring
3 the return of normal system operations and service to customers.

4 **Q23. Please discuss Company Witness McEvoy's RMA No. 15, Q&A 14, in her Direct**
5 **Testimony for the major event occurring on June 21, 2016.**

6 A23. RMA No. 15 addresses costs that the Company incurred for emergency
7 preparations in connection with the June 2016 storm that impacted the Cape May County
8 area. The storm hit the service territory at 3 P.M., with heavy straight line winds
9 approaching 70 mph. The Cape May District hit the 10 percent population threshold for
10 customer outages as a major event, reaching 19,351 at the peak between 4 P.M. and 8
11 P.M. Within 24 hours, ACE had 3,814 remaining customer outages, and by the end of
12 June 22, it had fewer than 1,000 outages.

13 The Company had 119 MA crews to assist in the restoration efforts, 61 of which
14 were mutual aid resources from PECO, Delmarva Power, and Pepco. In addition, ACE
15 had advance calls with State and local officials, conducted outreach to customers, and
16 sent out several press releases to inform customers of the potential storm impact.

17 ACE incurred actual, incremental storm costs to mobilize these additional MA
18 crews. These storm costs primarily consisted of crew drive-time to and from the crews'
19 home utilities, rest time upon arrival and for the duration of their stay, safety preparation,
20 and time spent performing all restoration work. Without this preparation, service
21 restoration to customers would not have been executed at the speed and efficiency seen
22 following the storm. In total, ACE incurred \$2.9 million in capital expenditures and \$2.0
23 million in operations and maintenance for the storm occurring on June 21, 2016.

1 single utility is considered the benchmark for the rest of Exelon, so all utilities are
2 considered to have best practices to contribute to the peer modeling process while
3 simultaneously being able to glean the best practices from it.

4 PHI has implemented various metrics that measure the performance across each
5 facet of the operations including areas such as safety, system reliability, and customer
6 satisfaction. Another best practice that has been instituted is a daily morning operational
7 call that provides a daily focus to system performance and key priorities. During this
8 call, reviews are done on causes of outages, including response actions and customer
9 contact issues and follow up. In addition, ACE has instituted Exelon's best practice
10 process improvements in several areas, such as corrective action programs, project
11 management, financial management, and work management.

12 The Company now works alongside three utilities that have achieved first quartile
13 service performance, and these interactions give ACE access to utility work practices and
14 reliability improvement strategies that have proven successful in achieving first quartile
15 performance.

16 **Q25. Please discuss any operational benefits ACE has had with respect to the 2016**
17 **merger with Exelon.**

18 A25. The 2016 merger with Exelon has produced several operational benefits, a
19 significant one being that ACE now has greater access to MA resources during storms.
20 Being an Exelon utility not only increases the number of MA resources available, it
21 allows work crews to come from nearby utilities, such as in PECO and BGE. This gives
22 ACE MA resource access to four separate utilities within 100 miles of the service
23 territory without having to participate in mutual assistance calls, reducing the amount of

1 time ACE would need to wait for resources to arrive. For the nor'easter occurring on
2 January 23, the Company was able to obtain eight line crews from Delmarva Power and
3 24 contractor crews from Pepco, and it obtained crews from PECO, Delmarva Power, and
4 Pepco for the June 2016 storm. ACE did not require mutual assistance from outside the
5 Exelon family of utilities, a process that would have led to longer restoration times. To
6 further capitalize on the benefit of added resources, Pepco field crews began using the
7 EU Lock Out Tag Out (LOTO) safety procedure for all switching and clearance work. A
8 common EU LOTO procedure enables more efficient mutual assistance across the EU
9 utility companies.

10 From an infrastructure perspective, ACE is now benefitting from a lower cost per
11 unit for the infrastructure it purchases as a result of being in a larger pool of utilities. For
12 2017, PHI restructured a long-term multi-million dollar contract and procured an overall
13 savings of 11.3 percent over the last pre-merger contract. It also saved 1.75 percent on
14 the purchase of trip savers over the last pre-merger contract. Being part of Exelon
15 significantly increases ACE's access to spare infrastructure from other utilities. Should
16 the need arise, ACE has the ability to draw from five other utilities for spare
17 infrastructure and common system components. This access enhances ACE's overall
18 flexibility with regard to supply availability.

19 With respect to specific infrastructure upgrades, ACE installed several reclosers
20 in 2016, with the objective of reaching a saturation point that will minimize the impact of
21 outage events on the system. The installations will also maximize the ability to
22 implement distribution automation schemes to handle both simple and complex outage

1 events. The Company also installed animal guards throughout all of its substations in the
2 service territory.

3 ACE has also increased its focus on VM to comply with the new regulations. It is
4 including more aggressive tree trimming cycles, which coincides with ACE having to
5 meet new regulations in 2016 and obtain “blue sky” clearances on circuits out to the first
6 protective device from substations. As mentioned above, ACE has also more closely
7 identified off-ROW hazard trees, removing or mitigating them during scheduled
8 maintenance.

9 **ACE System Renewal Recovery Mechanism**

10 **Q26. Please discuss the proposed System Renewal Recovery mechanism.**

11 A26. As discussed in Company Witness McGowan’s testimony, ACE can recover the
12 costs of investments only after it files a rate case, resulting in significant cost-recovery
13 delay for the Company and the need to file frequent annual base rate cases. The SRR
14 mechanism would allow for contemporaneous cost-recovery while still including
15 important customer safeguards. It would also help lengthen the time period between the
16 Company’s requests to increase base rates, resulting in more consistent base rate stability
17 for customers.

18 **Q27. How would the proposed SRR mechanism work?**

19 A27. As further detailed in the testimony of Witness McGowan, the SRR mechanism
20 would include all capital reliability-related projects to be performed from 2018 through
21 2021, which total \$376 million. See Table 7 for the total annual forecast for the SRR
22 mechanism, and see Schedule (MJS)-1 for the list of SRR projects and their respective
23 annual forecasts.

Atlantic City Electric Company
2018 - 2021 Reliability Capital Investment Forecast
Dollars in Millions

Table 7

2018	2019	2020	2021	Total
\$112.7	\$90.3	\$87.0	\$85.8	\$375.8

One portion of the SRR mechanism relates to specific reliability projects with particular closing dates, nearly all of which are categorized under system performance. Much of the work involves the specific replacement of major equipment, such as transformers, or the rebuilding or retirement of substations and their related feeders. These kinds of projects are major in nature and could not be encapsulated in a relatively constant annual spending forecast. Nonetheless, the need for these types of projects and the regularity with which they are required system-wide necessitates their inclusion into the SRR mechanism. The effectiveness of the reliability program projects and “blanket” projects would be compromised if these system performance projects were not contemporaneously funded alongside them as all of these projects work holistically to provide customers with better reliability. More than half of the capital investment tracker features a consistent amount of spending annually because it is related to particular reliability programs and annual blanket projects. While the spending for these two types of projects is not uniform year to year, most projects forecast a similar amount of spending each year through 2021. Such types of projects include programs for installation and replacement of specific infrastructure (capacitor banks, breakers, circuit switches, etc.), blanket spending for miscellaneous reliability projects, and blanket emergency spending related to major events. In its entirety, the SRR mechanism will

1 allow customers to receive the benefits of reliability-related investments instead of
2 having to wait for regulatory approval of these investments in a rate case filing.

3 **Q28. Are the projects in the SRR mechanism incremental to the capital budget?**

4 A28. No. These projects represent the total spending amount for reliability projects
5 from 2018 through 2021 listed in Table 4. All reliability spending from 2018 – 2021
6 would be included in the SRR mechanism. As such, it would supplant the need for
7 recovery of reliability capital investment in future rate cases for those years.

8 **Q29. Are these projects different from the projects proposed in the PowerAhead
9 Program?**

10 A29. Yes. The PowerAhead Program is wholly distinct from the SRR mechanism
11 because PowerAhead relates exclusively to resiliency work, such as substation hardening
12 and selective undergrounding. No work for these reliability projects would overlap with
13 the projects in PowerAhead.

14 **ACE's Post-Test Year Plant Adjustments**

15 **Q30. Please discuss the table below related to the Post-Test Year Adjustment Periods.**

16 A30. Table 8 summarizes the Company's 2017 distribution system construction
17 programs and sets out the amount of Construction Work in Progress (CWIP) expected to
18 close to electric plant in service during each of the two post-test year adjustment periods
19 (August 2017 – January 2018 and February – March 2018, respectively). The
20 distribution plant closings for the first and second half of the year are in Adj. 21.1 and
21 Adj. 22.1, respectively.

Atlantic City Electric Company
Planned Distribution Construction Projected CWIP Balances
Dollars in Thousands⁹

Table 8

Project Categories	Aug. 17-Jan. 18 CapEx & CWIP Closings	Feb.18-Mar. 18 CapEx & CWIP Closings
Capital Corrective Replacement	\$4,364	\$585
Customer Driven	\$6,261	--
T&D Automation	\$4,541	\$340
Emergency Restoration	\$11,407	\$2,750
System Performance	\$14,196	\$2,724
Capacity Expansion	\$711	\$42
General Plant	\$8,476	--
Total	\$49,956	\$6,440

ACE is presenting the planned expenditures in this manner in order to demonstrate that the Company is requesting recovery of only a portion of the amount being invested in the distribution system over the course of the two post-test year adjustment periods. As discussed in the Direct Testimony of Company Witness Ziminsky and my Direct Testimony, the Company is seeking recovery of the costs of capital project closings that are known and measurable, major in nature and consequence, and provide service to customers.

Q31. Please expand upon your statement that these projects are “major in nature and consequence.”

A31. The Company’s capital investment programs constitute major endeavors that are achieving substantial improvements in reliability for ACE’s customers or will prevent a reduction in reliability. The investment program is comprised of interconnected projects

⁹ All numbers are rounded.

1 that will further enhance reliability performance for customers. In addition, the new
2 projects will not compromise the system in providing new service to customers and
3 ensuring that it performs within design limits.

4 The individual projects are inextricable parts of an overall investment strategy,
5 but are not assigned importance by cost consideration or inherent function. Rather, these
6 capital investments work in tandem to replace aging infrastructure, expand system
7 capacity, and improve reliability. However, their successful implementation rests upon
8 the appropriate supporting infrastructure, including properly maintained buildings,
9 communications systems, and IT systems. Without this underlying support structure,
10 efficient management of data and information to respond to customers' needs is hindered,
11 and the safe system operation by ACE's work crews is compromised.

12 **Q32. Does this conclude your testimony?**

13 A32. Yes, it does.

Schedule (MJS)-1

Project ID	Items	Budget Category	Current Estimate Net 2018 (\$)	Current Estimate Net 2019 (\$)	Current Estimate Net 2020 (\$)	Current Estimate Net 2021 (\$)	Current Estimate (2018-2021) (\$)	Project Scope
UDLARCDD	ACE - Accrual for Reliability	System Performance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,000	Capture Accruals entered into General Ledger Accounts.
UDLAM55	ACE-Recycle & Salvage Capitalized Equip.	Other	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (100,000)	ACE Recycle and Salvage of Capitalized Equipment.
UDLARM4A2	ACR Installations - ACE	System Performance	\$ 11,500,000	\$ -	\$ -	\$ -	\$ 11,500,000	Install Automatic Circuit Reclosers (ACR) to sectionalize feeders and isolate faults.
UDSARD8SE	Add Reclose Control Capability	System Performance	\$ 199,921	\$ 203,218	\$ 170,000	\$ 170,000	\$ 743,139	Add Reclose Control Capability to ACE substations.
UDSARD8M	Add SCADA/RTU CAPABILITY	System Performance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000	Add SCADA/RTU to substations as required to provide remote information and control as per new standards, and meet Smart Grid initiatives.
UDSARD8R8	Anchor Hocking: Retire Substation	System Performance	\$ 377,211	\$ -	\$ -	\$ -	\$ 377,211	Distribution will rebuild the existing #1 Salem 34kV line as 12kV and provide a step-up transformer and tie into the existing line in-between Anchor Hocking Substation #1 and #2 (both Customer owned). The ACE owned substation will then be retired.
UDLARM4S8	Atl Reg: Line Work for Swtgr Upgrades	System Performance	\$ -	\$ 300,000	\$ 1,000,000	\$ 800,000	\$ 2,100,000	Replacement of switchgear at various locations.
UDLAD05V5	Atl Reg: Salvage Scrap Wire/Cable	Other	\$ (425,000)	\$ (425,000)	\$ (425,000)	\$ (425,000)	\$ (1,700,000)	Scrap/salvage wire refunds from reconductor projects in the Atlantic City Electric Region.
UDSARD8G	ATL Region: PHI Spare Distribution Transformers	System Performance	\$ 3,049,027	\$ 650,000	\$ 1,300,000	\$ 1,300,000	\$ 6,299,027	Purchase Distribution Class Spare Transformers for Atlantic Region.
UDSARD8B	Atlantic Distr. Sub Relay Blanket	System Performance	\$ 406,962	\$ 416,638	\$ 421,504	\$ 500,000	\$ 1,745,104	Atlantic Distribution Substation Replace Relays or scheme enhancement.
UDSARD71	Atlantic Distribution Substation Emergency	Corrective Capital Rplcmt.	\$ 510,954	\$ 600,000	\$ 550,000	\$ 550,000	\$ 2,210,954	At Distribution substations in the Atlantic region make emergency capital replacements as required to maintain service and safety.
UDSARD8A	Atlantic ECA: Misc Distribution Replacements	System Performance	\$ 502,390	\$ 626,243	\$ 610,243	\$ 526,243	\$ 2,265,119	At various distribution substations replace minor distribution assets as identified through ECA process. Items include, but are not limited to, instrument transformers, switches, and lightning arresters.
UDSARD9D	Atlantic ECA: Replace Distribution Breakers	Corrective Capital Rplcmt.	\$ 500,000	\$ 700,130	\$ 722,031	\$ 750,000	\$ 2,672,161	In the Atlantic Region Substations, replace breakers deemed deteriorated by the field and engineering groups.
UDSARD8SC	Atlantic ECA: Replace Distribution Circuit Switchers	System Performance	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000	Upgrade existing overstressed circuit switches in distribution substations as identified through ECA process.
UDSARD8I	Atlantic ECA: Replace Distribution Control House Roofs	Corrective Capital Rplcmt.	\$ 100,113	\$ 100,057	\$ 135,005	\$ 150,000	\$ 485,175	At Various Atlantic Region distribution substations, replace the control building roofs, which are beyond the end of useful life, have become unreparable, or have safety concerns or environmental concerns.
UDSARD8E	Atlantic ECA: Replace Distribution-Class Batteries & Chargers	Corrective Capital Rplcmt.	\$ 156,021	\$ 156,021	\$ 156,021	\$ 156,021	\$ 624,084	Atlantic distribution Substation battery & charger replacement projects.
UDSARD8F	Atlantic ECA: Replace Distribution-Class Bushings	Corrective Capital Rplcmt.	\$ 150,715	\$ 175,000	\$ 175,000	\$ 175,000	\$ 715,715	At various substations, replace bushings on substation equipment as determined through ECA process.
UDSARD9Y	Atlantic ECA: Replace Distribution-Class Substation Structures	Corrective Capital Rplcmt.	\$ -	\$ -	\$ 147,665	\$ -	\$ 147,665	At various substations, retire deteriorated structures.
UDLARM63A	Atlantic Feeder Reliability Improvements	System Performance	\$ 5,300,000	\$ 5,800,000	\$ 6,000,000	\$ 6,000,000	\$ 23,100,000	This blanket WBS is for any projects that have been identified for Feeder Reliability improvements in the ACE region. Projects can range from reconductorings to reliability improvements behind fuses.
UDLARM40	Atlantic Region - Submarine Cable Blanket	Corrective Capital Rplcmt.	\$ 569,710	\$ 569,710	\$ 600,000	\$ 600,000	\$ 2,339,420	Blanket project for less than 23kv/submarine faults.
UDSARD8P	Atlantic Region: Misc Distribution Substation Equipment Retirements	Corrective Capital Rplcmt.	\$ -	\$ -	\$ 53,050	\$ 53,050	\$ 106,100	At various substations, retire miscellaneous equipment and structures.
UDSARD8G1	Atlantic: PHI Mobile Transformer	System Performance	\$ -	\$ 600,000	\$ 2,000,000	\$ 2,000,000	\$ 4,600,000	Purchase 69/12 kv, 40 MVA or larger mobile substation.
UDSARD8J	Atlantic: Substation Animal Protection	System Performance	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,600,000	At various outdoor distribution substations, install animal protection. In most cases this will be in the form of guards to prevent animals from bridging phase-to-phase or phase-to-ground on substation equipment and bus. In some cases, special fences that prevent non-avian intrusion entirely will be installed where engineering deems guards will not be effective.
UDLARM4H	Avian Protection	Corrective Capital Rplcmt.	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,000,000	Blanket project to capture costs of retrofitting and correcting avian protection related line issues.
UDSARD8R5	Beach Haven Sub Retirement	Capacity Expansion	\$ 230,525	\$ 3,000	\$ -	\$ -	\$ 233,525	Retire Beach Haven Substation, including removing all the equipment, the structure, and the control house.
UDSALM79D	Cape May Sub: Add 2nd 42/45 MVA Transformer	Capacity Expansion	\$ 2,000,000	\$ 6,400,000	\$ 2,344,396	\$ -	\$ 10,744,396	For the Cape May Substation, add a second 69/12 kv, 42/45 MVA LTC Transformer This includes Breakers and Feeder Bays.
UDLALM7C9	Cape May Sub: Establish two new feeders	Capacity Expansion	\$ 489,892	\$ 1,010,697	\$ 1,039,735	\$ -	\$ 2,540,324	Establish 2 new feeders. Re-conduct and reconfigure existing feeder. Relocate and rebuild existing feeders to new switch gear.
UDLARM4CT	Cape May: Install Capacitor Bank Head on Dist Lines	T & D Automation	\$ 139,151	\$ 100,000	\$ 100,000	\$ 100,000	\$ 439,151	Installing two new feeders to relieve existing loads on existing feeders and re distribute loads between existing transformer and second, newly installed transformer
UDLARM4CC	CAPE MAY: REPLACE DETERIORATED UD CABLE	Corrective Capital Rplcmt.	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 275,000	blanket project for the replacement of failed URD cables, including emergency switching and temporary repairs associated with an outage that requires cable replacement.
UDSARD8R3	Carneys Point: Retire 69/4kV Substation	System Performance	\$ -	\$ -	\$ 25,000	\$ 100,000	\$ 125,000	Retire Carneys Point Substation, including T1 transformer (69/4 kv) and associated 4 kv equipment.
UDSARD8RG	Chestnut Neck - Retire 69/12 kv Substation	System Performance	\$ 181,106	\$ -	\$ -	\$ -	\$ 181,106	Chestnut Neck Substation is getting retired due to the new Moss Mill Substation.
UDSARD8A23	Churchtown Sub: Install 69/12 kv Transformer	System Performance	\$ 2,294,216	\$ -	\$ -	\$ -	\$ 2,294,216	At Churchtown Substation - Install second 69/12 kv, 40 MVA transformer with low-side circuit breaker and high-side airbreak switch. Add five (5) 12 kv feeder bays, with provision for two feeders and a maintenance terminal, consisting of three (3) 12 kv circuit breakers and disconnect switches. Add a 12 kv bus tie circuit breaker.
UDLARM4G5	Churchtown Sub: New Feeder & Reconfiguration	System Performance	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000	(1) Create a new feeder out of Churchtown Substation: 1) Reconducting: 2900' 954 AAC for feeder getaways, 5500' 954 AAC along Churchtown Road; 2) Volt/VAR Equipment: Three 1200 kVAR voltage-controlled capacitor banks, One 3-333 kVA voltage regulator; 3) Feeder Protection: Eight VIPER reclosers (2) Feeder Reconfiguration: 1) Clean up portions of de-energized 34 kv line; 2) Reconfigure existing feeder getaways at Churchtown
UDSARD8P2	Clayton Sub: Retire T1 TXF	System Performance	\$ 10,000	\$ 400,000	\$ 10,000	\$ -	\$ 420,000	Clayton T1 retirement includes the removal of: T1 69/34.5kV transformer, the Glassboro 34.5kV terminal, CB-C, associated 34.5kV steel structure, equipment and structure foundations. The station service on the 4kV secondary of T1 is to be removed, a new station service will be added to the 69kV structure in series with existing switch "L".
UDLARM4C51	Corson Sea Isle Swainton Distribution underbuild	System Performance	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 1,600,000	Transmission is to Rebuild Sections B & C of TSM 0717 Corson-Sea Isle-Swainton from the Sea Isle Tap at pole #W-26273 to Swainton Substation (4.22 miles long).
UDLARM4M	Customer Reliability Improvements	System Performance	\$ 500,000	\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ 5,000,000	This blanket project is to address any customer reliability concerns as well as identify work for customers that are on the CEMI list for the ACE region.
UDLARD1	DA ATL DISTRIBUTION AUTOMATION	T & D Automation	\$ 2,542,799	\$ 1,987,455	\$ 1,363,919	\$ 2,154,922	\$ 8,049,095	Approximately 50 reclosers to be completed per year.
UDSARD8P1	Deepwater Sub: Retire 34 kv Equipment	System Performance	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	Retire Deepwater 34 kv equipment (structures and associated breaker).
UDLARM42	Differential Pole R/M Bell	Corrective Capital Rplcmt.	\$ 399,320	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,599,320	This is a blanket project for the differential costs for pole removals from Bell.
UDLARM4E	Distr Reject Poles Replace/Reinforce	Corrective Capital Rplcmt.	\$ 4,499,370	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 17,999,370	This blanket project is for the repair and/or replacements of wood poles in Atlantic region that are deemed reject or emergency poles from the wood pole inspection program.
UDLARM3C1	Emergency Restoration Blanket - Cape May	Corrective Capital Rplcmt.	\$ 4,503,735	\$ 5,046,455	\$ 5,046,455	\$ 5,046,455	\$ 19,643,100	This is a blanket project where any capital work or project that is not planned and is considered an emergency to restore power will fall under. Capital work during storms also falls under this project.
UDLARM3G1	Emergency Restoration Blanket - Glassboro	Corrective Capital Rplcmt.	\$ 13,989,618	\$ 13,617,123	\$ 13,617,123	\$ 13,617,123	\$ 54,840,987	This is a blanket project where any capital work or project that is not planned and is considered an emergency to restore power will fall under. Capital work during storms also falls under this project.
UDLARM3P1	Emergency Restoration Blanket - Pleasantville	Corrective Capital Rplcmt.	\$ 9,823,943	\$ 9,822,871	\$ 9,822,871	\$ 9,822,871	\$ 39,292,556	This is a blanket project where any capital work or project that is not planned and is considered an emergency to restore power will fall under. Capital work during storms also falls under this project.
UDLARM3W1	Emergency Restoration Blanket - Winslow	Corrective Capital Rplcmt.	\$ 4,763,251	\$ 4,813,550	\$ 4,813,550	\$ 4,813,550	\$ 19,203,901	This is a blanket project where any capital work or project that is not planned and is considered an emergency to restore power will fall under. Capital work during storms also falls under this project.
UDSARD9AG	Fairton Sub: Replace T1 with 40 MVA	System Performance	\$ 1,583,000	\$ -	\$ -	\$ -	\$ 1,583,000	Replace Transformer T1 at Fairton with 69/12 kv 42/45 MVA 3-phase transformer. Auto switch "H" to be upgraded.
UDLARM4BG	Gibbstown Sub: 4 kv to 12 kv Feeder Re-insulation/Conversion	System Performance	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	Re-insulate and convert Gibbstown Substation Feeder NJ1301 (Gibbstown) from 4 kv to 12 kv.
UDSARD8R7	Gibbstown Sub: Retire 34/4 kv Substation	System Performance	\$ 10,000	\$ 630,000	\$ 10,000	\$ -	\$ 650,000	Complete retirement and disposal of 10'x14' asbestos building, including relaying and batteries. Demolition of 4 kv structure, including 4 kv station service and associated bus work.
UDSARD8R2	Glassboro Sub: Retire T2 TXF	System Performance	\$ -	\$ -	\$ 5,000	\$ 300,000	\$ 305,000	Retire Glassboro T2 69/34 kv and associated 34 kv equipment at Glassboro Substation. This is assuming no substantial 69kv or 12kv equipment or relay upgrades are required, other than the addition of a new 12kv station service pot.
UDLARM4GT	Glassboro: Install Capacitor Bank	T & D Automation	\$ 139,151	\$ 100,000	\$ 100,000	\$ 100,000	\$ 439,151	Glassboro District to install the Capacitor Bank for control program.
UDLARM4GC	GLASSBORO: REPLACE DETERIORATED UD CABLE	Corrective Capital Rplcmt.	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 275,000	This is a blanket project for the replacement of failed URD cables, including emergency switching and temporary repairs associated with an outage that requires cable replacement.
UDSARD8A4	Higbee Sub: 23 kv Switchgear Replacement	System Performance	\$ 2,405,478	\$ -	\$ -	\$ -	\$ 2,405,478	Replace (3) 23 kv Switchgear units and add (2) 23 kv Capacitory banks.
UDLARM8SH	Higbee Sub: Distribution Lines Modifications	System Performance	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	Modify Distribution Lines to accommodate substation upgrades at Higbee Substation.
UDLARWN3	Mantua Sub Line Work	System Performance	\$ 300,000	\$ 500,000	\$ -	\$ -	\$ 800,000	Construct new distribution lines to move Wenona to Mantua Substation.
UDSARWN2	Mantua Sub: Install 2nd 40 MVA transformer	System Performance	\$ 2,103,187	\$ -	\$ -	\$ -	\$ 2,103,187	Add second 69/12 kv 40 MVA transformer. Supporting modifications include a 69kv primary circuit breaker, 12kv secondary circuit breaker, 12kv bus-tie circuit breaker, and two 12kv feeder terminals.
UDLARM4GJ	Mickleton Sub: Feeder Reconfiguration	System Performance	\$ 240,000	\$ 160,000	\$ -	\$ -	\$ 400,000	Reconductor approximately 0.6 miles of two phase #4 Cu overhead wire with three phase 477 kcmil AAC overhead wire on Mickleton Substation feeder NU1162 from pole S18413 to S18090. Install one recloser.
UDLARM4GA4	Mickleton Sub: Establish New Feeder	System Performance	\$ -	\$ 50,000	\$ 450,000	\$ -	\$ 500,000	Create new feeder out of Mickleton Substation, which will be built as a distribution underbuild along TSM 0746 (Mickleton - Paulsboro). This feeder will serve load to Paulsboro East (NJ0442) after conversion. Install approximately 1700' of three-phase 954 AAC and 3700' of three-phase 477 AAC along 0746 underbuild.
UDLARM4GA5	Mickleton Sub: Establish New Feeder	System Performance	\$ -	\$ -	\$ 100,000	\$ 700,000	\$ 800,000	Create new feeder out of Mickleton Sub, which will be built as a distribution underbuild along TSM 0747 (Mickleton - River). This feeder will serve load to Gibbstown (NJ1301) and Paulsboro South (NJ0445) after conversion. Install approximately 11,000' of three-phase 477 AAC along 0747 underbuild.
UDLARM4CA	Misc Distr Blanket - Cape May	Corrective Capital Rplcmt.	\$ 311,308	\$ 317,534	\$ 367,534	\$ 373,884	\$ 1,370,260	Blanket project established for miscellaneous minor distribution line projects (pole replacements, circuit improvements, right of way or clearance mitigations, etc.) that do not fall under a specific project.

Project ID	Items	Budget Category	Current Estimate Net 2018 (\$)	Current Estimate Net 2019 (\$)	Current Estimate Net 2020 (\$)	Current Estimate Net 2021 (\$)	Current Estimate (2018-2021) (\$)	Project Scope
UDLARM4GA	Misc Distr Blanket - Glassboro	Corrective Capital Rplcmnt.	\$ 550,000	\$ 550,000	\$ 550,000	\$ 560,000	\$ 2,210,000	Glassboro blanket for miscellaneous distribution projects (i.e., pole replacements, switch/fuse replacements, line equipment replacements, etc.).
UDLARM4PA	Misc Distr Blanket - Pleasantville	Corrective Capital Rplcmnt.	\$ 500,000	\$ 550,000	\$ 550,000	\$ 600,000	\$ 2,200,000	Pleasantville blanket project for miscellaneous projects for replacement or upgrade (i.e., pole, switches/fuses, line equipment, etc.).
UDLARM4WA	Misc Distr Blanket - WINSLOW	Corrective Capital Rplcmnt.	\$ 468,935	\$ 472,040	\$ 480,000	\$ 490,000	\$ 1,910,975	Blanket project for miscellaneous capital construction projects in Winslow operations.
UDLARM4PS3	Motts Farm Sub: Dist Line Modifications for new SWGR	System Performance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	Modify distribution lines to accommodate new 15kV switchgear at Motts Farm.
UDSARD8AG	Motts Farm Sub: Upgrade 15 kV Switchgear	System Performance	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	Replace the existing 15 kV outdoor metal-clad switchgear. The existing switchgear consists of four (4) feeders in a breaker in a half scheme. In addition, two low side transformer breakers will be installed and included in the switchgear for optimal protection and to bring the station up to standard.
UDSARD8BV	NERC Physical Security- Atlantic Distribution Sub	Corrective Capital Rplcmnt.	\$ 293,633	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,193,633	Physical Security improvements for distribution substations in Atlantic Region.
UDLARM4N	NETWORK XFRM & PROT REPL PLANNED	System Performance	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 2,800,000	Planned replacement of two transformers.
UDSARD7S	Newport Sub: Establish New 69/12 kV Sub	System Performance	\$ 10,000	\$ 240,000	\$ 395,201	\$ 2,364,058	\$ 3,009,259	Establish 69 / 12 kV new Newport-area substation with 69 kV sources from Fairton and South Millville. Install 40 MVA transformer, two-stage 69kV capacitor bank, 12 kV feeder bay with three vacuum breakers.
UDLARM4PA2	NJ0153 & NJ2546 Distrib Upgrs	System Performance	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	Replacement of transformers, switches, cutouts and some streetlights. Also, replacement of 14,000 feet of open secondary wires with triplex or transformers. This work will follow TSOM 0796, Sections A-K, and will correspond with the Lewis- MottsFarm section of the BL England Rebuild project.
UDSARD8KC	Ocean City Substation: Upgrade 15 kV Switchgears	System Performance	\$ 20,342	\$ 663,632	\$ 1,284,297	\$ 1,250,000	\$ 3,218,271	Replace 15 kV Switchgear with new breaker-and-a-half lineups (vacuum breakers & SEL relays). Coastal area switchgear housing has reached end of useful life.
UDLARM4PA1	Ontario Sub: Dist Line Modifications New SWGR	System Performance	\$ 500,000	\$ 700,000	\$ -	\$ -	\$ 1,200,000	Modify distribution lines to accommodate new 12kV switchgear at Ontario.
UDSARD8AS	Ontario Sub: Replace 69/12 kV Transformers	System Performance	\$ 3,062,228	\$ 2,019,819	\$ -	\$ -	\$ 5,082,047	Replace both Ontario 69/12 kV transformers with two 3-phase, 40 MVA transformers.
UDSARD8KB	Ontario Sub: Upgrade 12 kV Switchgear	System Performance	\$ 3,802,679	\$ 4,038,499	\$ -	\$ -	\$ 7,841,178	Replace both 15 kV Switchgear with two new breaker-and-a-half lineups (vacuum breakers & SEL relays). Coastal area switchgear housing has reached end of useful life.
UDLARM4AO	Padmount Transformer Replacements	System Performance	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,750,000	Replace poor performing and/or aged padmount transformers.
UDLARM4AG	Paulsboro Sub: 4 kV to 12 kV Feeder Re-insulation/Conversion	System Performance	\$ 1,200,000	\$ 363,996	\$ 836,004	\$ -	\$ 2,400,000	(1) Re-insulate & convert Paulsboro Substation feeders NJ0442 and NJ0445 from 4 kV to 12 kV. (2) Install 3-4 500 kVA pole-mounted step-down transformers (12.47/4.16 kV). (3) Replace two (3) single-phase 114 kVA (2.4 kV) regulators on NJ0442 and NJ0445 feeders with two (3) single-phase 167 kVA (7.2 kV) regulators.
UDLARM4GA2	Paulsboro Sub: Install 12/34 kV Step-Up Transformers	System Performance	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000	There is a need for 3-2000 kVA 12 kV to 34 kV step-up transformers, three cut-out fuses, and 2.1 miles of #1/OAAC conductor.
UDSARD8RD	Paulsboro Sub: Retire Distribution Assets	System Performance	\$ -	\$ 5,000	\$ 200,000	\$ 45,000	\$ 250,000	At Paulsboro Substation, retire and remove T1 (34/4 kV), T2 (34/4 kV), T3 (69/34 kV), T4 (69/34 kV), and T5 (69/4 kV). Retire and remove associated buswork, switches, breakers, etc with 34 and 4 kV equipment.
UDLARM4GB	Penns Grove Sub: 4kV to 12kV Feeder Re-Insulation/Conversion	System Performance	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	Re-insulate and convert Penns Grove Sub. Feeders NJ1221 (Harmony), NJ1222 (Shell), and NJ1223 (Smith) from 4 kV to 12 kV.
UDSARD8R1	Penns Grove: Retire 69/4 kV Substation	System Performance	\$ -	\$ -	\$ 25,000	\$ 100,000	\$ 125,000	Retire Penns Grove Substation, including T1 TXF (69/4 kV) and associated 4 kV equipment.
UDLARM4AD	Planned URD Cable Replacement - Atlantic Region	System Performance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000	Planned replacement of poor performing and/or aged URD cables for the Atlantic Region.
UDLARM4PT	Pleasantville: Install Capacitor Bank	T & D Automation	\$ 258,424	\$ 100,000	\$ 100,000	\$ 100,000	\$ 558,424	Pleasantville District - install the Capacitor Bank for control program.
UDLARM4PC	PLEASANTVILLE: REPLACE DETERIORATED UD CABLE	Corrective Capital Rplcmnt.	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 275,000	This is a blanket project for the replacement of failed URD cables, including emergency switching and temporary repairs associated with an outage that requires cable replacement.
UDLARM4F	Priority Feeder Circuit Impr. - Atlantic Region	System Performance	\$ 5,000,000	\$ 6,000,000	\$ 6,800,000	\$ 7,000,000	\$ 24,800,000	This blanket project is for Priority Feeder improvement projects in ACE. Priority feeders are selected as the worst performing feeders for each district. Work is required for regulatory compliance.
UDLARM4J	Recloser Replacements	System Performance	\$ 500,084	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,084	This blanket project is for any work that is identified to install a new recloser in the Atlantic City Electric Region.
UDLARM4A1	Relocate 12kV Feeder Arresters - Line Support	System Performance	\$ 157,500	\$ 57,750	\$ -	\$ -	\$ 215,250	Outside various substations, install arresters on the first feeder pole. This is part of the relocation program. Some substations do not have adequate steel structure to relocate the feeder arresters inside the substations so the arresters will be moved to the first pole on the feeder outside the substation.
UDSARD8A13	Relocate 12kV Feeder Arresters	System Performance	\$ 378,000	\$ 346,500	\$ 315,000	\$ 220,500	\$ 1,260,000	At various substations, relocate 12 kV feeder lightning arresters. In most instances, the arresters will be relocated to where the feeder terminates on the steel structure, as is the current practice. In substations that do not have such a structure, the arresters will be relocated to another steel structure with the bay or removed entirely and arresters will be installed on the first feeder pole.
UDSARD8B2	Replace GE Type U Bushings	System Performance	\$ 450,000	\$ 400,000	\$ 15,000	\$ -	\$ 865,000	Replace all GE Type U bushings within 5 years.
UDSARD8AA	Rio Grande Substation Rebuild	System Performance	\$ 2,996,429	\$ 280,000	\$ -	\$ -	\$ 3,276,429	Replace Rio Grande T3 with 69/12 kV, 37 MVA Nameplate, 3-phase transformer.
UDLARM4CA1	Rio Grande: Dist Line Upgr for Substation Rebuild	System Performance	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,400,000	Distribution line upgrades for Rio Grande T3 replacement.
UDSARD8RG	River Sub: Substation Retirement	System Performance	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	Demolish 69 kV and 34 kV equipment. Install potential CVT, junction box, and 69 kV disconnect switch.
UDSARD9GB	Roadstown Sub: Replace #1 Transformer	System Performance	\$ 2,172,079	\$ -	\$ -	\$ -	\$ 2,172,079	At Roadstown Substation, remove existing T1A Transformer and foundation. Install a three phase, 40MVA Transformer and foundation. A containment pit will be constructed along with bus work and lighting arresters on either side of the transformer. A 69kV CB will be installed on the high side of the transformer.
UDLARM4GA3	Salem - Woodstown Distribution Underbuild	System Performance	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	Reconductor approximately 8,000 feet of three phase #4 Cu primary and neutral underbuilt on the Salem Woodstown 69 kV line to 477 AAC primary and 4/0 neutral (Pole S21289 to S37869). Replace/transfer existing transformers, switches, cutouts, etc as necessary along the distribution underbuilt on the Salem Woodstown 69 kV line.
UDSARDQU1	Salem-Retire 4kV, 34kV & Relay Enclosure	System Performance	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	Salem Substation - retire 4kV upgrade 34kV & relay enclosure.
UDLARM4P51	Scull Sub: Dist Line Modifications New SWGR	System Performance	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	Modify distribution lines to accommodate new 12kV switchgear at Scull Substation.
UDSARD8S2	Scull Sub: New Land	System Performance	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	Purchase land adjacent to Scull Substation.
UDSARD8KD	Scull Sub: Upgrade 15 kV Switchgears	System Performance	\$ -	\$ -	\$ -	\$ 379,179	\$ 379,179	Scull Substation - Upgrading of the 15kV switchgear. The existing outdoor metal clad switchgear and small control house are to be replaced with a new wind-resistant building. It will house the new 12kV switchgear and all the protective relaying equipment and controls.
UDSARD8A1	Scull T1 Replace Xfmr	System Performance	\$ -	\$ -	\$ -	\$ 440,261	\$ 440,261	Replace Scull T1 138/12 kV, 37 MVA 3-phase transformer.
UDSARD9S	Scull T2 Replace Xfmr	System Performance	\$ -	\$ -	\$ -	\$ 440,261	\$ 440,261	Replace Scull T2 138/12 kV, 37 MVA 3-phase transformer.
UDLARM4A3	Single Phase Recloser Device	System Performance	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	Install single phase reclosing devices (TripSavers) on fused taps and other locations.
UDSARD8A12	Stratford Sub: Replace T3 and both SWGR	System Performance	\$ -	\$ -	\$ 50,000	\$ 1,700,000	\$ 1,750,000	Remove T3 transformer, circuit switcher 'C' and both switchgear buildings and their foundations. Remove abandoned T1 69/4 kV transformer and related 4 kV equipment. Install new 69/12 kV, 40 MVA transformer with LTC as new T3 transformer. Install new fiberglass oil containment and foundation for transformer. Install 69 kV high-side disconnect switch for new transformer. Install two new 12 kV metal-clad switchgear buildings and foundations.
UDSARD17	Terrace Substation: Install SWGR and Upgrade XFMRs	System Performance	\$ 657,213	\$ 3,651,185	\$ 6,426,085	\$ 3,797,232	\$ 14,531,715	Install three (3) 69/12 kV 56 MVA transformers and three (3) 69 kV air break switches for transformers.
UDSARDA1	UF Atl Region: Distribution Automation	T & D Automation	\$ 406,593	\$ 1,016,185	\$ 1,743,444	\$ 1,323,514	\$ 4,489,736	UF Atlantic region: Distribution Automation:GlassboroLandisUpper Pittsgrove
UDLARM4AQ	Upgrades for Multiple Device Operations - Atlantic Region	System Performance	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 6,000,000	Circuit Improvements to mitigate multiple operations of major protective devices.
UDSARD8R	Valley - Retire 34/12 kV Substation	System Performance	\$ 14,220	\$ 525,000	\$ -	\$ -	\$ 539,220	This project is to retire the Valley Substation. The substation will no longer serve load once it is transferred to Churchtown.
UDSARDWN1	Wenonah Sub: Retire Substation	System Performance	\$ -	\$ -	\$ 131,600	\$ -	\$ 131,600	Retire Substation and related equipment.
UDLARM4WT	Winslow: Install Capacitor Bank	T & D Automation	\$ 139,151	\$ 100,000	\$ 100,000	\$ 100,000	\$ 439,151	Winslow District to install the Capacitor Bank for control program.
UDLARM4WC	WINSLOW: REPLACE DETERIORATED UD CABLE	Corrective Capital Rplcmnt.	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 275,000	This is a blanket project to cover any deteriorated underground cable that has faulted and needs replacement in the Winslow district.
Total Spending Amount			\$ 112,705,584	\$ 90,336,308	\$ 86,958,733	\$ 85,830,124	\$ 375,830,749	

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF ROBERT B. HEVERT
DOCKET NO. _____

I. INTRODUCTION

1 **Q1. Please state your name, affiliation and business address.**

2 A1. My name is Robert B. Hevert. I am a Partner at ScottMadden, Inc.
3 (“ScottMadden”). My business address is 1900 West Park Drive, Suite 250,
4 Westborough, Massachusetts 01581.

5 **Q2. On whose behalf are you submitting this testimony?**

6 A2. I am submitting this direct testimony (Direct Testimony) before the New
7 Jersey Board of Public Utilities (BPU or the Board) on behalf of Atlantic City
8 Electric Company (ACE or the Company), a wholly owned operating subsidiary of
9 Exelon Corp. (Exelon).

10 **Q3. Please describe your educational background.**

11 A3. I hold a Bachelor’s degree in Business and Economics from the University of
12 Delaware, as well as an MBA with a concentration in Finance from the University of
13 Massachusetts. I also hold the Chartered Financial Analyst designation.

14 **Q4. Please describe your experience in the energy and utility industries.**

15 A4. I have worked in regulated industries for over 25 years, having served as an
16 executive and manager with consulting firms, a financial officer of a publicly traded
17 natural gas utility (at the time, Bay State Gas Company), and an analyst at a
18 telecommunications utility. In my role as a consultant, I have advised numerous

1 energy and utility clients on a wide range of financial and economic issues, including
2 corporate and asset-based transactions, asset and enterprise valuation, transaction due
3 diligence, and strategic matters. As an expert witness, I have provided testimony in
4 more than 150 proceedings regarding various financial and regulatory matters before
5 numerous state utility regulatory agencies and the Federal Energy Regulatory
6 Commission (FERC). A summary of my professional and educational background,
7 including a list of my testimony in prior proceedings, is included in Attachment
8 (RBH)-A to my Direct Testimony.

II. PURPOSE AND OVERVIEW OF TESTIMONY

9 **Q5. What is the purpose of your Direct Testimony?**

10 A5. The purpose of my Direct Testimony is to present evidence and provide the
11 Board with a recommendation regarding the Company's Cost of Equity (sometimes
12 referred to as the Return on Equity or ROE) and to provide an assessment of the
13 capital structure to be used for ratemaking purposes, as proposed in the Direct
14 Testimony of Company Witness McGowan. My analyses and conclusions are
15 supported by the data presented in Schedule (RBH)-1 through Schedule (RBH)-8,
16 which have been prepared by me or under my direction.

17 **Q6. Please briefly summarize your analytical approach and recommendation**
18 **regarding the Company's Cost of Equity.**

19 A6. My recommendation is based on the application of market-based data to three
20 widely accepted methods: (1) the Discounted Cash Flow (DCF) model, including the
21 Constant Growth and Multi-Stage forms; (2) the Capital Asset Pricing Model
22 (CAPM); and (3) the Bond Yield Plus Risk Premium method. In addition to the

1 methodologies noted above, I also calculated the costs of issuing common stock. My
2 recommendation also considers the changing capital market environment in which
3 companies such as ACE must compete for capital. For example, Federal monetary
4 policy has begun to move toward a process of “normalization” with the Federal Open
5 Market Committee increasing the target range for the Federal Funds rate three times
6 since December 2015, and market data indicates investors are expecting continued
7 increases in interest rates during 2017, and into 2018 and 2019. While I did not
8 make any explicit adjustments to my ROE estimates for those factors, I did take them
9 into consideration in determining where the Company’s Cost of Equity falls within
10 the range of analytical results.

11 My analyses recognize that estimating the Cost of Equity is an empirical, but
12 not an entirely mathematical exercise; it relies on both quantitative and qualitative
13 data and analyses, all of which are used to inform the judgment that inevitably must
14 be applied. I therefore considered my analytical results in the context of such
15 Company-specific and general capital market factors as those summarized above. My
16 analyses indicate that the Company’s Cost of Equity currently is in the range of
17 10.00% to 10.75%. Based on the quantitative and qualitative analyses discussed
18 throughout my Direct Testimony, I conclude that an ROE of 10.10% is reasonable
19 and appropriate.

20 In developing my recommendation, I recognize that the low and high ends of
21 the range of results (set by the Constant Growth DCF analyses, and the CAPM
22 analyses, respectively) are not likely to be reasonable estimates of the Company’s
23 Cost of Equity. In large measure, that is the case because those results are far

1 removed from the returns recently authorized in other jurisdictions and, in the case of
2 certain DCF-based methods, fail to adequately reflect capital market changes.
3 Because Risk Premium-based methods specifically reflect measures of capital market
4 risk, they are more likely than other approaches (such as the Constant Growth DCF
5 method) to provide reliable estimates of the Cost of Equity during periods of market
6 instability.

7 **Q7. How have capital markets changed since the Company was last authorized an**
8 **ROE of 9.75% on August 24, 2016?**

9 A7. As discussed in Section VII, the Federal Reserve has continued to move
10 forward along a path of policy “normalization” and increased the target range for the
11 Federal Funds rate by 25 basis point in December 2016, and then increased it another
12 25 basis points on March 15, 2017, noting a strengthening labor market and the
13 expectation for continuing expansion of economic activity.¹ Long-term interest rates
14 have also increased significantly, with the 30-day average of the 30-year Treasury
15 increasing by more than 75 basis points since August 24, 2016.² And, as also
16 discussed in Section VII, inflation expectations (as measured by the difference
17 between nominal and inflation indexed bonds) have risen significantly over the past 6
18 months and recently surpassed the Federal Reserve’s 2.00% target rate.

19 At the same time interest rates and inflation expectations have increased,
20 confidence and optimism in the economy have been on the rise. For example, the
21 Consumer Confidence Survey shows consumer confidence is at 15-year highs and the

¹ Minutes of the Federal Open Market Committee (FOMC), December 13-14, 2016; FOMC Press Release, March 15, 2017.

² Source: Federal Reserve Board Schedule H.15. As of February 28, 2017.

1 National Federation of Independent Business Index of Small Business Optimism
2 indicates business enthusiasm has reached levels not seen since prior to the 2007-
3 2009 recession, with the index recently seeing the biggest month-to-month gain in
4 survey history.³ Moreover, the S&P 500 reached new highs following the November
5 2017 U.S. presidential election, with the index increasing by nearly 11.00% following
6 the election (8.65% from August 24, 2016).⁴ Optimism in the market suggests
7 investors see higher potential growth opportunities, and the significant increase in the
8 S&P 500 in the face of increasing bond yields suggests investors see the potential for
9 increasing returns. Higher economic growth, combined with the scaling back of
10 accommodative Federal Reserve monetary policy, provides an opportunity for interest
11 rates to increase further.

12 **Q8. Please now summarize the results of your ROE analyses, and how they**
13 **contributed to your ROE recommendation.**

14 A8. The range of results produced by the three approaches noted above are as
15 follows:

- 16 • The Discounted Cash Flow method indicates an ROE in the range of
17 approximately 9.65% to 10.90% (please refer to Table 5);⁵
- 18 • Giving less weight to the highest and lowest results, the CAPM estimates
19 suggest an ROE in the range of 10.00% to 11.10% (please refer to Table 6);⁶

³ See: <https://www.conference-board.org/data/consumerconfidence.cfm> and
<http://www.nfib.com/surveys/small-business-economic-trends/>

⁴ Source: Bloomberg Professional, data as of February 28, 2017.

⁵ For the reasons discussed in Section V of this Direct Testimony, I find the Multi-Stage DCF approach using a P/E terminal value estimate provides more reliable ROE estimates than does the Constant Growth DCF method in the current capital market environment. As discussed above, my estimate of the indicated range is narrower than the overall range of model results.

⁶ As discussed above, my estimate of the indicated range is narrower than the overall range of model results.

1 and

- 2 • The Bond Yield Plus Risk Premium approach suggests an ROE in the range of
3 approximately 10.00% to 10.35% (please see Schedule (RBH)-6).⁷

4 Based on those estimates, I recommend an ROE in the range of 10.00% to 10.75%
5 and within that range, recommend an ROE of 10.10%. As discussed in more detail
6 throughout the balance of my Direct Testimony, my conclusions and
7 recommendations reflect the following considerations:

- 8 • Widespread expectations for continued increases in interest rates, as revealed
9 in both market data and economists' consensus projections, which weigh in
10 the evaluation of the DCF, CAPM, and Bond Yield Plus Risk Premium
11 results;
- 12 • The capital-intensive nature of utility operations, indicating the need to
13 finance large, long-lived investments with internally generated and externally
14 acquired funds, both of which depend on the Company's ability to earn a
15 reasonable return on its rate base;
- 16 • The need to maintain the financial profile required to access capital at
17 reasonable rates, even during periods of capital market distress; and
- 18 • The effect of flotation costs, which represent a permanent reduction to the
19 capital needed to support the assets required to provide safe and reliable
20 utility service.

⁷ Results rounded.

1 **Q9. Are there other factors that should be considered in determining the weight**
2 **given to the methods and results summarized above?**

3 A9. Yes, there are. All of the models used to estimate the Cost of Equity are
4 subject to certain assumptions, which may become more or less relevant as market
5 conditions, and market data, change. An important consideration is the consistency
6 of each model's underlying assumptions with current and expected market conditions,
7 and the reasonableness of its results relative to observable benchmarks. For example,
8 utility Price/Earnings (P/E) ratios recently have been well in excess of their historical
9 averages. Those pricing levels, which had been associated with Federal Reserve
10 monetary policy initiatives, weighed on utility dividend yields and, therefore, DCF-
11 based ROE estimates. An important analytical question is whether the increase in P/E
12 ratios represented a fundamental shift in utility valuation or a temporary trading
13 position to be unwound as conditions change. That question is important because the
14 Constant Growth model assumes that current underlying relationships will remain
15 constant, forever; the model does not allow us to incorporate such important factors,
16 nor does it enable us to reflect the expected risk associated with changing market
17 conditions.

18 Risk Premium-based methods (such as the Capital Asset Pricing Model), on
19 the other hand, provide a measure of risk and have the benefit of directly considering
20 investors' expectations regarding future market returns. Other Risk Premium
21 approaches (the Bond Yield Plus Risk Premium approach) reflect the well-
22 documented finding that the Cost of Equity does not move in lock-step with interest
23 rates. For example, at times interest rates fall because investors are so risk averse that

1 they would rather accept a very modest return on Treasury securities than take on the
2 risk of equity ownership. In such circumstances, low interest rates suggest an
3 increasing, not a decreasing, Cost of Equity. Therefore, the important analytical issue
4 is understanding each model's fundamental structure and assumptions, and
5 interpreting its results in the context of current and expected market conditions.

6 As noted earlier, every model has its own strengths and weaknesses, and it is
7 important to reflect those relative strengths in estimating the Cost of Equity. On
8 balance, I believe the Constant Growth DCF model results in particular should be
9 viewed with considerable caution, and should be given less weight than the other
10 approaches. Because the Multi-Stage DCF analysis enables us to relax some of the
11 strict assumptions underlying the Constant Growth model, it likely provides a more
12 realistic estimate of investors' return requirements, and should be given more weight
13 than the Constant Growth form. And because Risk Premium-based methods provide
14 the ability to reflect investors' views of risk, future market returns, and the
15 relationship between interest rates and the Cost of Equity, those methods likewise
16 should be given more weight than the Constant Growth DCF method. With those
17 considerations in mind, I believe that my recommendation reasonably reflects
18 investors' return requirements in the current market environment.

19 **Q10. Have other regulators recognized the importance of considering multiple**
20 **methods given current market conditions?**

21 A10. Yes. For example, in Opinion No. 531, FERC noted the anomalous nature of
22 prevailing capital markets make it more difficult to determine the rate of return
23 needed to satisfy the *Hope* and *Bluefield* standards and expressed concern that

1 economic anomalies may have affected the reliability of DCF analyses.⁸ FERC
2 therefore concluded that a mechanical application of the DCF methodology would be
3 inappropriate and found it necessary to review alternative benchmark methods to gain
4 insight into the effect of market conditions on the Cost of Equity, including the Bond
5 Yield Plus Risk Premium and CAPM approaches.⁹ After review of the evidence in
6 that case, including economic conditions and the results of multiple ROE
7 methodologies, FERC determined it would be appropriate to set the ROE at the
8 midpoint of the upper half of the zone of reasonableness established by the DCF
9 methodology.¹⁰

10 Similarly, the Maryland Public Service Commission (MPSC) recently
11 discussed the importance of considering multiple analytical methodologies, given the
12 complexity of determining the required ROE:

13 The ROE witnesses used various analyses to estimate the appropriate
14 return on equity [...] including the DCF model, the IRR/DCF, the
15 traditional CAPM, the ECAPM, and risk premium methodologies.
16 Although the witnesses argued strongly over the correctness of their
17 competing analyses, we are not willing to rule that there can be only
18 one correct method for calculating an ROE. Neither will we eliminate
19 any particular methodology as unworthy of basing a decision. The
20 subject is far too complex to reduce to a single mathematical formula.
21 That conclusion is made apparent, in practice, by the fact that the
22 expert witnesses used discretion to eliminate outlier returns that they
23 testified were too high or too low to be considered reasonable, even
24 when using their own preferred methodologies.¹¹

25 Both the FERC and the MPSC have recognized that no single model is most
26

⁸ See, *Martha Coakley v. Bangor Hydro-Electric Company*, Opinion No. 531, 147 FERC ¶ 61,234 (2014), at P 41 and P 145.

⁹ *Ibid.*, at P 142 and PP 145-146.

¹⁰ *Ibid.*, at PP 145-146 and P 152.

¹¹ In the matter of the application of Baltimore Gas and Electric company for adjustments to its electric and gas base rates, Public Service Commission of Maryland, Case No. 9406, Order No. 87591, at 153. Citations omitted.

1 reliable under all market conditions, and that the application of reasoned judgment is
2 important in developing ROE estimates. Commissions in other regulatory
3 jurisdictions, such as Hawaii, Massachusetts, and North Carolina, have also made
4 similar conclusions.¹² As discussed throughout the balance of my testimony, I have
5 applied those principles in developing my recommendation.

6 **Q11. Does your recommendation balance the interests of investors and ratepayers?**

7 A11. Yes. Investors have many options available to them and will only invest in a
8 firm if the expected return justifies the risks taken on in making that investment.
9 Ratepayers have an interest in safe, reliable, and efficient service, which depends on
10 investors' willingness to commit the capital needed to maintain and improve the
11 utility system. In that important sense, investors and ratepayers have a common
12 interest in a financially strong utility that is able to access low-cost capital when and
13 as needed. Therefore, to the extent the ROE is (1) adequate to attract capital at
14 reasonable terms; (2) sufficient to ensure the utility's financial integrity; and (3)
15 commensurate with returns on investments of comparable risk, the interests of
16 investors and ratepayers will be aligned. I believe my recommendation meets that
17 objective.

18 My recommendation also recognizes that, although we estimate the ROE
19 based on financial models, developing the actual recommendation is not an entirely
20 mathematical exercise. As noted above, no single model is more reliable than all
21 others under all market conditions, and all require the use of reasoned judgment in

¹² See, e.g. (1) Public Utilities Commission of the State of Hawaii, Order No. 13704 in Docket No. 7700, December 28, 1994 at 92; (2) The Commonwealth of Massachusetts Department of Public Utilities, Order in Docket D.P.U. 15-155, September 30, 2016, at 376-378; and (3) State of North Carolina Utilities Commission, Order in Docket No. G-5, Sub 565, October 28, 2016, at 35-36.

1 their application, and in interpreting their results. By considering a variety of
2 methods and a range of both quantitative and qualitative information, I believe my
3 recommendation reasonably applies that necessary judgment.

4 **Q12. Please now summarize your conclusions regarding the Company's proposed**
5 **capital structure.**

6 A12. I conclude that the Company's proposal in this case, which includes 50.14%
7 common equity and 49.86% long-term debt, is consistent with the capital structures
8 that have been in place over several fiscal quarters at comparable operating utility
9 companies. In light of its ongoing need to access external capital, and given the
10 consistency of its proposal with similarly-situated utility companies, I conclude that
11 the Company's proposed capital structure is reasonable and appropriate.

12 **Q13. How is the remainder of your Direct Testimony organized?**

13 A13. The remainder of my Direct Testimony is organized as follows:

- 14 • Section III – Discusses the regulatory guidelines and financial
15 considerations pertinent to the development of the cost of capital;
- 16 • Section IV – Explains my selection of the proxy group of electric
17 utilities used to develop my analytical results;
- 18 • Section V – Explains my analyses and the analytical basis for my ROE
19 recommendation;
- 20 • Section VI – Provides a discussion of other considerations that have a
21 direct bearing on the Company's Cost of Equity;
- 22 • Section VII – Briefly discusses the current capital market conditions
23 and the effect of those conditions on the Company's Cost of Equity;

- 1 • Section VIII – Addresses the reasonableness of the Company’s
- 2 proposed capital structure; and
- 3 • Section IX – Summarizes my conclusions and recommendations.

III. REGULATORY GUIDELINES AND FINANCIAL CONSIDERATIONS

4 **Q14. Please provide a brief summary of the guidelines established by the United**
5 **States Supreme Court (the Court) for the purpose of determining the Return on**
6 **Equity.**

7 A14. The Court established the guiding principles for establishing a fair return for
8 capital in two cases: (1) *Bluefield Water Works and Improvement Co. v. Public*
9 *Service Comm’n of West Virginia (Bluefield)*;¹³ and (2) *Federal Power Comm’n v.*
10 *Hope Natural Gas Co. (Hope)*.¹⁴ In those cases, the Court recognized that the fair
11 rate of return on equity should be: (1) comparable to returns investors expect to earn
12 on other investments of similar risk; (2) sufficient to assure confidence in the
13 company’s financial integrity; and (3) adequate to maintain and support the
14 company’s credit and to attract capital.

15 **Q15. Does New Jersey precedent provide similar guidance?**

16 A15. Yes. For example, in its Final Order in BPU Docket No. ER12111052, the
17 Board found that:

18 [i]t is well established that a public utility is entitled to such rates
19 as will permit it to earn a return on the value of the property that it
20 employs for the convenience of the public, equal to that generally
21 being made at the same time and in the same general part of the
22 country on investments in other business undertakings, which are

¹³ *Bluefield Waterworks & Improvement Co., v. Public Service Commission of West Virginia*, 262 U.S. 679, 692-93 (1923).

¹⁴ *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

1 attended by corresponding risks and uncertainties. Bluefield Water
2 Works & Improvement Company v. Public Service Commission of
3 West Virginia, 262 U.S. 679, 692 (1923). The Board is
4 empowered to determine what, in a particular situation, is a just
5 and reasonable return for a public utility and it has broad discretion
6 in the exercise of that authority. Atlantic City Sewerage Co. v.
7 Board of Public Utility Com'rs, 128 N.J.L. 359 (1942), aff'd 129
8 N.J.L. 401. Board-approved public utility rates will be considered
9 valid so long as they enable the utility to operate successfully,
10 maintain its financial integrity, attract capital and compensate its
11 investors for the risk assumed. FPC v. Hope Natural Gas Co., 320
12 U.S. 591, 605 (1944). Stated another way, if the total effect of the
13 rate order is not unreasonable, judicial inquiry is at an end. (Initial
14 Decision at 602). Thus, a cost of equity figure is appropriate so
15 long as it is "within the range of reasonableness, the zone between
16 the lowest rate not confiscatory and the highest rate fair to the
17 public." In Re N.J. Power & Light Co., 9 N.J.L. 498, 535 (1952).¹⁵

18 Based on those standards, the authorized ROE should provide the Company
19 with the opportunity to earn a fair and reasonable return, and should enable efficient
20 access to external capital under a variety of market conditions.

IV. PROXY GROUP SELECTION

21 **Q16. As a preliminary matter, why is it necessary to select a group of proxy**
22 **companies to determine the Cost of Equity for ACE?**

23 A16. First, it is important to bear in mind that the Cost of Equity for a given
24 enterprise depends on the risks attendant to the business in which the company is
25 engaged. According to financial theory, the value of a given company is equal to the
26 aggregate market value of its constituent business units. The value of the individual
27 business units reflects the risks and opportunities inherent in the business sectors in

¹⁵ New Jersey Board of Public Utilities, BPU Docket No. ER12111052 (Final Order), I/M/O the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith; and for approval of an accelerated reliability enhancement program, March 26, 2015, at 71.

1 which those units operate. In this proceeding, we are focused on estimating the Cost
2 of Equity for ACE, whose parent is Exelon. Because the ROE is a market-based
3 concept, and ACE is not a publicly traded entity, it is necessary to establish a group of
4 companies that are both publicly traded and comparable to ACE in certain
5 fundamental respects to serve as its “proxy” in the ROE estimation process.

6 Even if ACE were a publicly traded entity, short-term events could bias its
7 market value during a given period of time. A significant benefit of using a proxy
8 group is that it serves to moderate the effects of anomalous, temporary events
9 associated with any one company.

10 **Q17. Does the selection of a proxy group suggest that analytical results will be tightly**
11 **clustered around average (i.e., mean) results?**

12 A17. No. The DCF approach, for example, defines the Cost of Equity as the sum of
13 the expected dividend yield and projected long-term growth. Despite the care taken
14 to ensure risk comparability, market expectations with respect to future risks and
15 growth opportunities will vary from company to company. Therefore, even within a
16 group of similarly situated companies, it is common for analytical results to reflect a
17 seemingly wide range. Consequently, at issue is how to estimate a Company’s ROE
18 from within that range. That determination necessarily must consider a wide range of
19 both empirical and qualitative information.

20 **Q18. Please provide a summary profile of ACE.**

21 A18. ACE is a wholly owned operating subsidiary of Exelon Corporation (NYSE:
22 EXC). The Company provides electric transmission, distribution, and default supply

1 service to approximately 550,000 customers in southern New Jersey.¹⁶ Exelon's
2 current long-term issuer credit rating from Standard & Poor's (S&P) is BBB (outlook:
3 Stable), Baa2 (outlook: Stable) from Moody's Investors Service (Moody's), and BBB
4 (outlook: Stable) from FitchRatings (Fitch). ACE currently is rated BBB+ (outlook:
5 Stable) by S&P, Baa2 (outlook: Stable) by Moody's, and BBB (outlook: Stable) by
6 Fitch.¹⁷

7 **Q19. How did you select the companies included in your proxy group?**

8 A19. With the objective of selecting a proxy group that is most representative of the
9 risks and prospects faced by ACE, I began with the universe of companies that Value
10 Line classifies as Electric Utilities, which includes a group of 40 domestic U.S.
11 utilities, and applied the following screening criteria:

- 12 • I excluded companies that do not consistently pay quarterly cash dividends;
- 13 • All of the companies in my proxy group have been covered by at least two
14 utility industry equity analysts;
- 15 • All of the companies in my proxy group have investment grade senior bond
16 and/or corporate credit ratings from S&P;
- 17 • I excluded any companies whose regulated operating income over the three
18 most recently reported fiscal years comprised less than 60.00% of the
19 respective totals for that company;

¹⁶ Data provided by Company.

¹⁷ Source: S&P Global formerly SNL Financial.

- 1 • I excluded any companies whose regulated electric operating income over the
2 three most recently reported fiscal years represented less than 60.00% of total
3 regulated operating income; and
- 4 • I eliminated companies that are currently known to be party to a merger or
5 other significant transaction.

6 **Q20. Did you include Exelon in your analysis?**

7 A20. No. To avoid the circular logic that otherwise would occur, it has been my
8 consistent practice to exclude the subject company (or its parent) from the proxy
9 group.

10 **Q21. Why did you include vertically integrated utilities in your proxy group when
11 ACE is a transmission and distribution company?**

12 A21. Although ACE is a transmission and distribution (T&D) company, there are
13 no “pure play” state-jurisdictional electric T&D companies that may be used as a
14 proxy for the Company’s New Jersey electric distribution operations. I therefore
15 concluded that including vertically integrated electric companies in my proxy group
16 is a reasonable approach for the purpose of estimating the Company’s Cost of Equity.

17 **Q22. What companies met those screening criteria?**

18 A22. The criteria discussed above resulted in the following group of 22 proxy
19 companies:

1

Table 1: Proxy Group

Company	Ticker
ALLETE, Inc.	ALE
Alliant Energy Corporation	LNT
Ameren Corporation	AEE
American Electric Power Company, Inc.	AEP
Avista Corporation	AVA
Black Hills Corporation	BKH
CenterPoint Energy, Inc.	CNP
CMS Energy Corporation	CMS
Consolidated Edison, Inc.	ED
DTE Energy Company	DTE
El Paso Electric Company	EE
Eversource Energy	ES
IDACORP, Inc.	IDA
NorthWestern Corporation	NWE
OGE Energy Corp.	OGE
Otter Tail Corporation	OTTR
Pinnacle West Capital Corporation	PNW
PNM Resources, Inc.	PNM
Portland General Electric Company	POR
SCANA Corporation	SCG
WEC Energy Group, Inc.	WEC
Xcel Energy Inc.	XEL

2

V. COST OF EQUITY ANALYSIS

3 **Q23. Please briefly discuss the ROE in the context of the regulated rate of return.**

4 A23. Regulated utilities primarily use common stock and long-term debt to finance
5 their capital investments. The overall rate of return (ROR) weighs the costs of the
6 individual sources of capital by their respective book values. While the cost of debt
7 and cost of preferred stock can be directly observed, the Cost of Equity is market-

1 based and, therefore, must be estimated based on observable market information.

2 **Q24. How is the required ROE determined?**

3 A24. The required ROE is estimated by using one or more analytical techniques
4 that rely on market-based data to quantify investor expectations regarding required
5 equity returns, adjusted for certain incremental costs and risks. By their very nature,
6 quantitative models produce a range of results from which the market required ROE
7 must be estimated. As discussed throughout my Direct Testimony, that estimation
8 must be based on a comprehensive review of relevant data and information, and does
9 not necessarily lend itself to a strict mathematical solution or reliance on any single
10 analytical model. Consequently, the key consideration in determining the ROE is to
11 ensure that the methodologies employed reasonably reflect investors' view of the
12 financial markets in general, and the subject company (in the context of the proxy
13 group) in particular.

14 Although we cannot directly observe the Cost of Equity, we can observe the
15 methods frequently used by analysts to arrive at their return requirements and
16 expectations. While investors and analysts tend to use multiple approaches in
17 developing their estimate of return requirements, each methodology requires certain
18 judgment with respect to the reasonableness of assumptions and the validity of
19 proxies in its application. In essence, analysts and academics understand that ROE
20 models are tools to be used in the ROE estimation process and that strict adherence to
21 any single approach, or the specific results of any single approach, can lead to flawed
22 and irrelevant conclusions. That position is consistent with the Hope and Bluefield
23 finding that it is the analytical result, as opposed to the methodology, that is

1 controlling in arriving at ROE determinations. A reasonable ROE estimate therefore
2 considers alternative methodologies, observable market data, and the reasonableness
3 of their individual and collective results.¹⁸

4 Therefore, in my view it is both prudent and appropriate to use multiple
5 methodologies in order to mitigate the effects of assumptions and inputs associated
6 with relying exclusively on any single approach. Such use, however, must be
7 tempered with due caution as to the results generated by each individual approach. In
8 light of that, I have reviewed the results of three different analytical models, as well
9 as factors such as the conditions in the capital markets and the Company's flotation
10 costs, and applied my professional judgment to arrive at a recommended range for the
11 Company's ROE.

12 ***Constant Growth DCF Model***

13 **Q25. Are DCF models widely used in regulatory proceedings?**

14 A25. Yes. In my experience, the Constant Growth DCF model is widely
15 recognized in regulatory proceedings, as well as in financial literature. However, as
16 discussed earlier, neither the DCF nor any other model should be applied without
17 considerable judgment in the selection of data and the interpretation of results.

18 **Q26. Please describe the DCF approach.**

19 A26. The DCF approach is based on the theory that a stock's current price

¹⁸ I note that, in its final Order in Docket No. ER12111052, the BPU discussed the fact that the results of the financial models relied upon by rate of return experts can be skewed by capital market conditions, and that the imprecision of those models is more pronounced during certain market conditions. See New Jersey Board of Public Utilities, BPU Docket No. ER12111052 (Final Order), *I/M/O the Verified Petition of Jersey Central Power & Light Company for Review and Approval of Increases in and Other Adjustments to its Rates and Charges for Electric Service, and for Approval of Other Proposed Tariff Revisions in Connection Therewith; and for Approval of An Accelerated Reliability Enhancement Program*, March 26, 2015, at 71.

1 represents the present value of all expected future cash flows. In its simplest form,
 2 the DCF model expresses the Cost of Equity as the sum of the expected dividend
 3 yield and long-term growth rate, and is expressed as follows:

$$4 \quad P = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_\infty}{(1+k)^\infty} \text{ Equation [1]}$$

5 where P represents the current stock price, $D_1 \dots D_\infty$ represent expected future
 6 dividends, and k is the discount rate, or required ROE. Equation [1] is a standard
 7 present value calculation that can be simplified and rearranged into the familiar form:

$$8 \quad k = \frac{D_0 (1 + g)}{P} + g \text{ Equation [2]}$$

9 Equation [2] often is referred to as the “Constant Growth DCF” model, in which the
 10 first term is the expected dividend yield and the second term is the expected long-
 11 term annual growth rate.

12 In essence, the Constant Growth DCF model assumes that the total return
 13 received by investors includes the dividend yield and the rate of growth. As
 14 explained below, under the model’s assumptions, the rate of growth equals the rate of
 15 capital appreciation. That is, the model assumes that the investor’s return is the sum
 16 of the dividend yield and the increase in the stock price.

17 **Q27. What assumptions are required for the Constant Growth DCF model?**

18 A27. The Constant Growth DCF model assumes: (1) a constant average annual
 19 growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a
 20 constant price-to-earnings multiple; and (4) a discount rate greater than the expected
 21 growth rate. Under those assumptions, dividends, earnings, book value, and the stock
 22 price all grow at the same, constant rate.

1 **Q28. What market data did you use to calculate the dividend yield component of your**
2 **DCF model?**

3 A28. The dividend yield is based on the proxy companies' current annualized
4 dividend and average closing stock prices over the 30-, 90-, and 180-trading day
5 periods as of February 28, 2017.

6 **Q29. Why did you use three averaging periods to calculate an average stock price?**

7 A29. I did so to ensure that the model's results are not skewed by anomalous events
8 that may affect stock prices on any given trading day. At the same time, the
9 averaging period should be reasonably representative of expected capital market
10 conditions over the long term. In my view, using 30-, 90- and 180-day averaging
11 periods reasonably balances those concerns.

12 **Q30. Did you make any adjustments to the dividend yield to account for periodic**
13 **growth in dividends?**

14 A30. Yes. Since utilities increase their quarterly dividends at different times
15 throughout the year, it is reasonable to assume that dividend increases will be evenly
16 distributed over calendar quarters. Given that assumption, it is appropriate to
17 calculate the expected dividend yield by applying one-half of the long-term growth
18 rate to the current dividend yield.¹⁹ That adjustment ensures that the expected
19 dividend yield is representative of the coming 12-month period, and does not
20 overstate the dividends to be paid during that time.

¹⁹ See Schedule (RBH)-1.

1 **Q31. Is it important to select appropriate measures of long-term growth in applying**
2 **the DCF model?**

3 A31. Yes. In its Constant Growth form, the DCF model (*i.e.*, as presented in
4 Equation [2] above) assumes a single growth estimate in perpetuity. In order to
5 reduce the long-term growth rate to a single measure, one must assume a constant
6 payout ratio, and that earnings per share (EPS), dividends per share and book value
7 per share all grow at the same constant rate. However, over the long term, dividend
8 growth can only be sustained by earnings growth. Consequently, it is important to
9 incorporate a variety of measures of long-term earnings growth into the Constant
10 Growth DCF model.

11 **Q32. Please summarize your inputs to the Constant Growth DCF model.**

12 A32. I applied the DCF model to the proxy group of electric utility companies using
13 the following inputs for the price and dividend terms:

- 14 1. The average daily closing prices for the 30-, 90-, and 180-trading days
15 ended February 28, 2017, for the term P_0 ; and
- 16 2. The annualized dividend per share as of February 28, 2017, for the
17 term D_0 .

18 I then calculated my DCF results using each of the following growth terms:

- 19 1. The Zacks consensus long-term earnings growth estimates;
- 20 2. The First Call consensus long-term earnings growth estimates; and
- 21 3. The Value Line long-term earnings growth estimates.

22 **Q33. How did you calculate the high and low DCF results?**

23 A33. I calculated the proxy group mean and median high DCF results by using the

1 maximum EPS growth rate as reported by Value Line, Zacks, and First Call for each
 2 proxy group company in combination with the dividend yield for each of the proxy
 3 companies. The proxy group mean and median high results then reflect the average
 4 of the maximum DCF results for the proxy group as a whole. I used a similar
 5 approach to calculate the proxy group mean and median low results using instead the
 6 minimum of the Value Line, Zacks, and First Call growth rates for each company.

7 **Q34. What are the results of your DCF analysis?**

8 A34. My Constant Growth DCF results are summarized in Table 2 (*see also*
 9 Schedule (RBH)-1).

10 **Table 2: Constant Growth DCF Results²⁰**

	<i>Mean</i>	<i>Mean High</i>
30-Day Average	8.84%	9.80%
90-Day Average	8.90%	9.87%
180-Day Average	8.89%	9.85%

11 As noted earlier, the Constant Growth DCF model is subject to a number of
 12 assumptions that likely are not consistent with current market conditions. For
 13 example, the model assumes the Price/Earnings (“P/E”) ratio will remain constant, in
 14 perpetuity. Because the utility sector P/E ratios have expanded to the point that they
 15 recently have exceeded both their long-term average and the market P/E ratio,
 16 Constant Growth DCF model’s results should be viewed with caution. Further, the
 17 model assumes that the return estimated today will be the same return required in the
 18 future, even though the Federal Reserve only recently has begun its move toward

²⁰ DCF results presented in Table 2 are unadjusted (*i.e.*, prior to any adjustment for flotation costs). *See also* Schedule (RBH)-1.

1 monetary policy normalization. That process of normalization, together with the
2 uncertainty surrounding the “unwinding” of the assets put on the Federal Reserve’s
3 balance sheet during its “Quantitative Easing” initiatives introduce a degree of risk,
4 and a likelihood of increasing interest rates not present in the current market. As also
5 discussed later in my Direct Testimony, other methods more directly reflect the risk
6 premium required by investors in response to such risks. On balance, it is my view
7 that the Constant Growth DCF method should be given less weight than other
8 methods in establishing the Company’s ROE.

9 **Q35. With those points in mind, how did you reflect the Constant Growth DCF**
10 **results in your ROE range and recommendation?**

11 A35. I first recognized that the model’s mean and mean low results are well below a
12 reasonable estimate of the Company’s Cost of Equity. For example, of the 1,505
13 electric utility rate cases provided by Regulatory Research Associates that disclosed
14 the awarded ROE since 1980, only 13 included an authorized ROE of 9.00% or
15 lower. On that basis alone, the mean low results are highly improbable.

16 I then considered why the Constant Growth model is producing such low
17 estimates of the Company’s Cost of Equity. In one sense, relatively low dividend
18 yields should be associated with relatively high growth rates. That is, low dividend
19 yields are the result of relatively high stock prices which, in turn, should be associated
20 with relatively high growth rates. If those relationships do not hold, the model’s
21 results should be viewed with some caution.

22 I also recognize that whereas the Constant Growth DCF model essentially
23 assumes that existing capital market conditions will remain constant, Risk Premium-

1 based methods (discussed later in this Section) directly reflect the changing capital
2 market environment (*see* Section VII). Because it is important to reflect the results
3 of different models, and the mean, and mean low Constant Growth DCF results are
4 far-removed from recently authorized returns, I concluded that they should be given
5 less weight than other methods in determining the Company's ROE.

6 ***Multi-Stage DCF Model***

7 **Q36. What other form of the DCF model have you used?**

8 A36. To address certain limiting assumptions underlying the Constant Growth form
9 of the DCF model, I also applied the Multi-Stage (three-stage) Discounted Cash Flow
10 Model. Among other advantages, the Multi-Stage model enables the analyst to
11 specify growth rates over three distinct stages. As with the Constant Growth form of
12 the DCF model, the Multi-Stage form defines the Cost of Equity as the discount rate
13 that sets the current price equal to the discounted value of future cash flows.
14 However, unlike the Constant Growth form, the Multi-Stage model must be solved in
15 an iterative fashion.

16 **Q37. Please generally describe the structure of your Multi-Stage model.**

17 A37. As noted above, the model sets the subject company's stock price equal to the
18 present value of future cash flows received over three "stages." In the first two
19 stages, "cash flows" are defined as projected dividends. In the third stage, "cash
20 flows" equal both dividends and the expected price at which the stock will be sold at
21 the end of the period (*i.e.*, the terminal price). I calculated the terminal price based on
22 the Gordon model, which defines the price as the expected dividend divided by the
23 difference between the Cost of Equity (*i.e.*, the discount rate) and the long-term

1 expected growth rate. In essence, the terminal price is defined by the present value of
 2 the remaining “cash flows” in perpetuity. In each of the three stages, the dividend is
 3 the product of the projected earnings per share and the expected dividend payout
 4 ratio. A summary description of the model is provided in Table 3 (below).

Table 3: Multi-Stage DCF Structure

Stage	0	1	2	3
Cash Flow Component	Initial Stock Price	Expected Dividend	Expected Dividend	Expected Dividend + Terminal Value
Inputs	Stock Price Earnings Per Share (EPS) Dividends Per Share (DPS)	Expected EPS Expected DPS	Expected EPS Expected DPS	Expected EPS Expected DPS Terminal Value

6

7 **Q38. What are the analytical benefits of your three-stage model?**

8 A38. The primary benefits relate to the flexibility provided by the model’s
 9 formulation. For example, because the model provides the ability to specify near,
 10 intermediate, and long-term growth rates, it avoids the sometimes limiting assumption
 11 that the subject company will grow at the same, constant rate in perpetuity. In
 12 addition, by calculating the dividend as the product of earnings and the payout ratio,
 13 the model enables analysts to incorporate assumptions regarding the timing and
 14 extent of changes in the payout ratio to reflect, for example, increases or decreases in
 15 expected capital spending, or transition from current payout levels to long-term
 16 expected levels. In that regard, because the model relies on multiple sources of
 17 earnings growth rate assumptions, it is not limited to a single source, such as Value
 18 Line, for all inputs, and mitigates the potential bias associated with relying on a single

1 source of growth estimates.²¹

2 The model also enables the analyst to assess the reasonableness of the inputs
3 and results by reference to certain market-based metrics. For example, the stock price
4 estimate can be divided by the expected earnings per share in the final year to
5 calculate an average P/E ratio. To the extent that the projected P/E ratio is
6 inconsistent with either historical or expected levels, it may indicate incorrect or
7 inconsistent assumptions within the balance of the model.

8 **Q39. Please summarize your inputs to the Multi-Stage DCF model.**

9 A39. I applied the Multi-Stage model to the proxy group described earlier in my
10 Direct Testimony. My assumptions with respect to the various model inputs are
11 described in Table 4 (below).

²¹ See, e.g., Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, 21 (Summer 1992).

1

Table 4: Multi-Stage DCF Model Assumptions

Stage	Initial	First	Transition	Terminal
Stock Price	30-, 90-, and 180-day average stock price as of February 28, 2017			
Earnings Growth	2015 actual EPS escalated by Period 1 growth rate	EPS growth as average, high or low of (1) Value Line; (2) Zacks; and (3) First Call	Transition to long-term GDP growth	Long-term GDP growth
Payout Ratio		Value Line company-specific	Transition to long-term industry payout ratio	Long-term expected payout ratio
Terminal Value				Gordon Model; assumed terminal P/E ratio

2

3 **Q40. How did you calculate the long-term GDP growth rate?**

4 A40. The long-term growth rate of 5.50% is based on the real Gross Domestic
 5 Product (GDP) growth rate of 3.22% from 1929 through 2016,²² and an inflation rate
 6 of 2.21%. The GDP growth rate is calculated as the compound growth rate in the
 7 chain-weighted GDP for the period from 1929 through 2016. The rate of inflation of
 8 2.21% is an average of two components: (1) the compound annual forward rate
 9 starting in ten years (*i.e.*, 2027, which is the beginning of the terminal period) based
 10 on the 30-day average spread between yields on long-term nominal Treasury
 11 Securities and long-term Treasury Inflation Protected Securities, known as the “TIPS

²² Bureau of Economic Analysis, February 28, 2017 update.

1 spread” of 2.13%;²³ and (2) and the projected Blue Chip Financial Forecast of CPI for
2 2023 – 2027 of 2.30%.²⁴

3 In essence, the real GDP growth rate projection is based on the assumption
4 that absent specific knowledge to the contrary, it is reasonable to assume that over
5 time real GDP growth will revert to its long-term mean. Moreover, since estimating
6 the Cost of Equity is a market-based exercise, it is important to reflect the sentiments
7 and expectations of investors to the extent possible. The resulting 5.50% projected
8 nominal GDP growth rate is 63 basis points below the long-term average of 6.13%.²⁵

9 **Q41. What were your specific assumptions with respect to the payout ratio?**

10 A41. As noted in Table 4, for the first two periods I relied on the first year and
11 long-term projected payout ratios reported by Value Line²⁶ for each of the proxy
12 companies. I then assumed that by the end of the second period (*i.e.*, the end of year
13 10), the payout ratio will converge to the industry expected ratio of 65.78%.²⁷

14 **Q42. What was your principal assumption regarding the terminal value?**

15 A42. Although I performed a series of analyses in which the terminal value is
16 calculated based on the assumed long-term nominal GDP growth rate, I also
17 performed a series of analyses in which the terminal value is based on the current P/E
18 ratio. The results of those analyses are shown in Table 5, below. For the reasons
19 discussed below, I believe that assumption is reasonable, and produces reliable
20 results.

²³ See Board of Governors of the Federal Reserve System, “Table H.15 Selected Interest Rates.”

²⁴ Blue Chip Financial Forecasts, December 1, 2016, at 14.

²⁵ Source: Bureau of Economic Analysis.

²⁶ As reported in the Value Line Investment Survey as “All Div’ds to Net Prof.”

²⁷ Source: Bloomberg Professional.

1

Table 5: Multi-Stage DCF Results²⁸

	<i>Low Growth Rate</i>	<i>Mean Growth Rate</i>	<i>High Growth Rate</i>
30-Day Average	9.56%	10.20%	10.83%
90-Day Average	9.73%	10.37%	11.00%
180-Day Average	9.69%	10.33%	10.96%

2

3 ***Capital Asset Pricing Model Analysis***

4 **Q43. Please briefly describe the general form of the CAPM method.**

5 A43. The CAPM is a Risk Premium-based approach that estimates the Cost of
 6 Equity for a given security as a function of a risk-free return plus a risk premium (to
 7 compensate investors for the non-diversifiable or “systematic” risk of that security).
 8 As shown in Equation [3], the CAPM is defined by four components, each of which
 9 theoretically must be a forward-looking estimate:

10
$$k = r_f + \beta(r_m - r_f) \quad \text{Equation [3]}$$

11 where:

12 k = the required market ROE for a security;

13 β = the Beta coefficient of that security;

14 r_f = the risk-free rate of return; and

15 r_m = the required return on the market as a whole.

16 In Equation [3], the term $(r_m - r_f)$ represents the Market Risk Premium.²⁹ According

²⁸ The Mean Growth Rate results apply to average analyst growth rate as reported by Zacks, First Call, and Value Line to the first stage of the model. Low Growth Rate results apply the minimum growth rate reported by Zacks, First Call, and Value Line. I used a similar approach to calculate High Growth Rate results by applying the maximum growth rate reported by Zacks, First Call, and Value Line. Assumes current P/E as the terminal P/E multiple.

1 to the theory underlying the CAPM, since unsystematic risk can be diversified away
2 by adding securities to their investment portfolio, investors should be concerned only
3 with systematic or non-diversifiable risk. Non-diversifiable risk is measured by the
4 Beta coefficient, which is defined as:

$$\beta_j = \frac{\sigma_j}{\sigma_m} \times \rho_{j,m} \quad \text{Equation [4]}$$

5
6 where σ_j is the standard deviation of returns for company “j,” σ_m is the standard
7 deviation of returns for the broad market (as measured, for example, by the S&P 500
8 Index), and $\rho_{j,m}$ is the correlation of returns between company j and the broad
9 market. The Beta coefficient therefore represents both relative volatility (*i.e.*, the
10 standard deviation) of returns, and the correlation in returns between the subject
11 company and the overall market.

12 Intuitively, higher Beta coefficients indicate that the subject company’s
13 returns have been relatively volatile, and have moved in tandem with the overall
14 market. Consequently, if a company has a Beta coefficient of 1.00, it is as risky as
15 the market and does not provide any diversification benefit.

16 **Q44. What assumptions did you include in your CAPM analysis?**

17 A44. Since utility assets represent long-term investments, I used three different
18 estimates of the risk-free rate: (1) the current 30-day average yield on 30-year
19 Treasury bonds (*i.e.*, 3.03%);³⁰ (2) the near-term projected 30-year Treasury yield

²⁹ The Market Risk Premium is defined as the incremental return of the market over the risk-free rate.

³⁰ Bloomberg Professional Services.

1 (i.e., 3.40%)³¹; and (3) the long-term projected 30-year Treasury yield (i.e., 4.35%).³²

2 **Q45. What Market Risk Premium did you use in your CAPM analysis?**

3 A45. To reflect current market expectations, I developed two forward-looking (*ex-*
4 *ante*) estimates of the Market Risk Premium.

5 **Q46. Please describe your *ex-ante* approach to estimating the Market Risk Premium.**

6 A46. The approach is based on the market required return, less the current 30-year
7 Treasury bond yield. To estimate the market required return, I calculated the market
8 capitalization weighted average ROE based on the Constant Growth DCF model. To
9 do so, I relied on data from two sources: (1) Bloomberg; and (2) Value Line. With
10 respect to Bloomberg-derived growth estimates, I calculated the expected dividend
11 yield (using the same one-half growth rate assumption described earlier), and
12 combined that amount with the projected earnings growth rate to arrive at the market
13 capitalization weighted average DCF result. I performed that calculation for each of
14 the companies for which Bloomberg provided both dividend yields and consensus
15 growth rates. I then subtracted the current 30-year Treasury yield from that amount
16 to arrive at the market DCF-derived *ex-ante* market risk premium estimate. In the
17 case of Value Line, I performed the same calculation, again using all companies for
18 which five-year earnings growth rates were available. The results of those
19 calculations are provided in Schedule (RBH)-3.

³¹ See Blue Chip Financial Forecasts, Vol. 36, No. 3, March 1, 2017, at 2. Consensus projections of the 30-year Treasury yield for the six quarters ending June 2018.

³² See Blue Chip Financial Forecasts, Vol. 35, No. 12, December 1, 2016, at 14. Consensus projections of the 30-year Treasury yield for the periods 2018-2022 and 2023-2027.

1 **Q47. How did you apply your expected Market Risk Premium and risk-free rate**
2 **estimates?**

3 A47. I relied on each of the *ex-ante* Market Risk Premiums discussed above,
4 together with the current and near-term projected 30-year Treasury bond yields as
5 inputs to my CAPM analysis.

6 **Q48. What Beta coefficients did you use in your CAPM model?**

7 A48. As shown in Schedule (RBH)-4, I considered the Beta coefficients reported by
8 two sources: Value Line and Bloomberg. Value Line calculates the Beta coefficient
9 over a five-year period, whereas Bloomberg's calculation is based on two years of
10 data. Both Value Line and Bloomberg adjust their calculated (or raw) Beta
11 coefficients to reflect the tendency of the Beta coefficient to regress to the market
12 mean of 1.00.

13 **Q49. What are the results of your CAPM analyses?**

14 A49. The results of my CAPM analyses are summarized in Table 6 (*see also*
15 Schedule (RBH)-5).

1

Table 6: Summary of CAPM Results

	<i>Bloomberg Derived Market Risk Premium</i>	<i>Value Line Derived Market Risk Premium</i>
<i>Average Bloomberg Beta Coefficient</i>		
Current 30-Year Treasury (3.03%)	9.08%	9.79%
Near Term Projected 30-Year Treasury (3.40%)	9.45%	10.16%
Long Term Projected 30-Year Treasury (4.35%)	10.40%	11.11%
<i>Average Value Line Beta Coefficient</i>		
Current 30-Year Treasury (3.03%)	9.97%	10.79%
Near Term Projected 30-Year Treasury (3.40%)	10.33%	11.15%
Long Term Projected 30-Year (4.35%)	11.28%	12.10%

2

3 ***Bond Yield Plus Risk Premium Approach***

4 **Q50. Please generally describe the Bond Yield Plus Risk Premium approach.**

5 A50. This approach is based on the basic financial tenet that, since equity investors
6 bear the residual risk of ownership, their returns are subject to more risk than are the
7 returns to bondholders. As such, equity holders require a premium over the returns
8 available to debt holders. Risk premium approaches, therefore, estimate the Cost of
9 Equity as the sum of an Equity Risk Premium³³ and a bond yield. The Equity Risk
10 Premium is the difference between the historical Cost of Equity and long-term
11 Treasury yields. Since we are calculating the risk premium for electric utilities, a
12 reasonable approach is to use authorized returns for electric utilities as the historical
13 measure of the Cost of Equity.

³³ The Equity Risk Premium is defined as the incremental return that an equity investment provides over a risk-free rate.

1 **Q51. Please explain how you performed your Bond Yield Plus Risk Premium analysis.**

2 A51. As discussed above, I first defined the Risk Premium as the difference
3 between authorized ROEs and the then-prevailing level of long-term (*i.e.*, 30-year)
4 Treasury yields. I then gathered data from 1,505 electric utility rate proceedings
5 between January 1, 1980 and February 28, 2017. In addition to the authorized ROE, I
6 also calculated the average period between the filing of the case and the date of the
7 final order (the lag period). In order to reflect the prevailing level of interest rates
8 during the pendency of the proceedings, I calculated the average 30-year Treasury
9 yield over the average lag period (approximately 201 days).

10 Because the data covers a number of economic cycles,³⁴ the analysis also may
11 be used to assess the stability of the Equity Risk Premium. Prior research, for
12 example, has shown that the Equity Risk Premium is inversely related to the level of
13 interest rates.³⁵ That is, as interest rates fall, the Equity Risk Premium increases.
14 That finding is particularly relevant given the low level of current Treasury yields
15 relative to other measures of equity risk discussed later in my Direct Testimony.

16 **Q52. How did you model the relationship between interest rates and the Equity Risk**
17 **Premium?**

18 A52. The basic method used was regression analysis, in which the observed Equity
19 Risk Premium is the dependent variable, and the average 30-year Treasury yield is the
20 independent variable. Relative to the long-term historical average, the analytical

³⁴ See National Bureau of Economic Research, U.S. Business Cycle Expansion and Contractions.

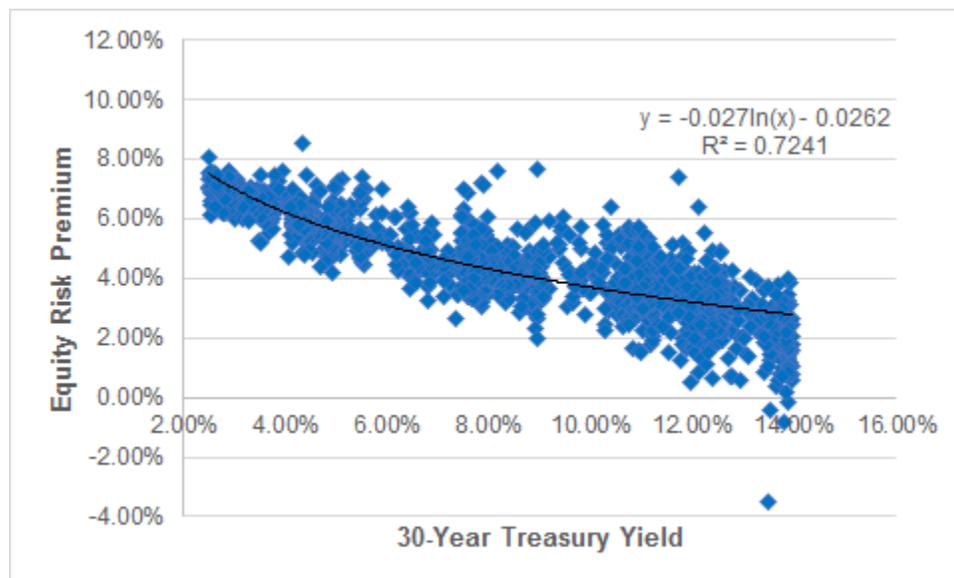
³⁵ See, e.g., Robert S. Harris and Felicia C. Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, Summer 1992, at 63-70; Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, Financial Management, Spring 1985, at 33-45; and Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, *An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry*, Financial Management, Autumn 1995, at 89-95.

1 period includes interest rates and authorized ROEs that are quite high during one
 2 period (*i.e.*, the 1980s) and that are quite low during another (*i.e.*, the post-Lehman
 3 bankruptcy period). To account for that variability, I used the semi-log regression, in
 4 which the Equity Risk Premium is expressed as a function of the natural log of the
 5 30-year Treasury yield:

$$RP = \alpha + \beta(\text{LN}(T_{30})) \quad \text{Equation [5]}$$

7 As shown on Chart 1, the semi-log form is useful when measuring an absolute
 8 change in the dependent variable (in this case, the Risk Premium) relative to a
 9 proportional change in the independent variable (the 30-year Treasury yield).

10 **Chart 1: Equity Risk Premium**



11 As Chart 1 demonstrates, over time there has been a statistically significant,
 12 negative relationship between the 30-year Treasury yield and the Equity Risk
 13 Premium. Consequently, simply applying the long-term average Equity Risk
 14 Premium of 4.56% would significantly understate the Cost of Equity and produce
 15 results well below any reasonable estimate. However, based on the regression

1 coefficients in Chart 1, the implied ROE is between 10.00% and 10.33% (*see*
2 Schedule (RBH)-6). As noted earlier, the analysis also demonstrates that there has
3 been a significant inverse relationship between the 30-year Treasury yield and the
4 Equity Risk Premium.

VI. OTHER CONSIDERATIONS

5 *Flotation Costs*

6 **Q53. What are flotation costs?**

7 A53. Flotation costs are the costs associated with the sale of new issues of common
8 stock. These include out-of-pocket expenditures for preparation, filing, underwriting,
9 and other costs of issuance.

10 **Q54. Are flotation costs part of the utility's invested costs or part of the utility's**
11 **expenses?**

12 A54. Flotation costs are part of capital costs, which are properly reflected on the
13 balance sheet under "paid in capital" rather than current expenses on the income
14 statement. Like investments in rate base or the issuance costs of long-term debt,
15 flotation costs are incurred over time. As a result, the great majority of flotation costs
16 are incurred prior to the test year, but remain part of the cost structure during the test
17 year and beyond.

18 **Q55. How did you calculate the flotation cost recovery adjustment?**

19 A55. I modified the DCF calculation to provide a dividend yield that would
20 reimburse investors for issuance costs. My flotation cost adjustment recognizes the
21 costs of issuing equity that were incurred by Exelon and the proxy companies in their
22 most recent two issuances. As shown in Schedule (RBH)-7, an adjustment of 0.12%

1 (i.e., 12 basis points) reasonably represents flotation costs for the Company.

2 **Q56. Is the need to consider flotation costs recognized by the academic and financial**
3 **communities?**

4 A56. Yes. The need to reimburse investors for equity issuance costs is recognized
5 by the academic and financial communities in the same spirit that investors are
6 reimbursed for the costs of issuing debt. For example, Dr. Morin notes that “[t]he
7 costs of issuing [common stock] are just as real as operating and maintenance
8 expenses or costs incurred to build utility plants, and fair regulatory treatment must
9 permit the recovery of these costs.”³⁶ Dr. Morin further notes that “equity capital
10 raised in a given stock issue remains on the utility’s common equity account and
11 continues to provide benefits to ratepayers indefinitely.”³⁷ This treatment is
12 consistent with the philosophy of a fair rate of return. As explained by Dr. Shannon
13 Pratt:

14 Flotation costs occur when a company issues new stock. The business
15 usually incurs several kinds of flotation or transaction costs, which
16 reduce the actual proceeds received by the business. Some of these are
17 direct out-of-pocket outlays, such as fees paid to underwriters, legal
18 expenses, and prospectus preparation costs. Because of this reduction
19 in proceeds, the business’s required returns must be greater to
20 compensate for the additional costs. Flotation costs can be accounted
21 for either by amortizing the cost, thus reducing the net cash flow to
22 discount, or by incorporating the cost into the cost of equity capital.
23 Since flotation costs typically are not applied to operating cash flow,
24 they must be incorporated into the cost of equity capital.³⁸

25 Similarly Morningstar has commented on the need to reflect flotation costs in the cost
26 of capital:

³⁶ Roger A. Morin, New Regulatory Finance, Public Utility Reports, Inc., 2006, at 321.

³⁷ *Ibid.*, at 327.

³⁸ Shannon P. Pratt, Roger J. Grabowski, Cost of Capital: Applications and Examples, 4th ed. (John Wiley & Sons, Inc., 2010), page 586.

1 **Q59. Do you have any general observations regarding the relationship between**
2 **Federal Reserve monetary policy, capital market conditions, and ACE's Cost of**
3 **Equity?**

4 A59. Yes, I do. Much has been reported about the Federal Reserve's Quantitative
5 Easing policy and its effect on interest rates. Although the Federal Reserve
6 completed its Quantitative Easing initiative in October 2014, it was not until
7 December 2015 that it raised the Federal Funds rate, and began the process of rate
8 normalization.⁴⁰ Therefore, a significant issue is how investors will react as that
9 process continues, and eventually is completed. A viable outcome is that investors
10 will perceive greater chances for economic growth, which will increase the growth
11 rates included in the Constant Growth DCF model. At the same time, higher growth
12 and the absence of Federal market intervention could provide the opportunity for
13 interest rates to increase, thereby increasing the dividend yield portion of the DCF
14 model. In that case, both terms of the Constant Growth DCF model would increase,
15 producing increased ROE estimates.

16 More recently, interest rates have risen and become increasingly volatile. In
17 the equity markets, sectors that historically have included dividend-paying companies
18 have lost value, as increasing interest rates have provided investors with other sources
19 of current yields. Because those dynamics affect different models in different ways,
20 it would be inappropriate to rely on a single method to estimate the Company's Cost
21 of Equity. A more reasoned approach is to understand the relationships among
22 Federal Reserve policies, interest rates, and measures of market risk, and to assess

⁴⁰ See Federal Reserve Press Release (December 16, 2015).

1 how those factors may affect different models and their results. As discussed
2 throughout my Direct Testimony, the current market is one in which it is very
3 important to consider a broad range of data and models when determining the Cost of
4 Equity.

5 **Q60. Please summarize the effect of recent Federal Reserve policies on interest rates**
6 **and the cost of capital.**

7 A60. Beginning in 2008, the Federal Reserve proceeded on a steady path of
8 initiatives intended to lower long-term Treasury yields.⁴¹ The Federal Reserve policy
9 actions “were designed to put downward pressure on longer-term interest rates by
10 having the Federal Reserve take onto its balance sheet some of the duration and
11 prepayment risks that would otherwise have been borne by private investors.”⁴²
12 Under that policy, “Securities held outright” on the Federal Reserve’s balance sheet
13 increased from approximately \$489 billion at the beginning of October 2008 to \$4.24
14 trillion by mid-February 2017.⁴³ To put that increase in context, the securities held
15 by the Federal Reserve represented approximately 3.29% of Gross Domestic Product
16 (GDP) at the end of September 2008, and had risen to approximately 22.51% of GDP
17 in February 2017.⁴⁴ As such, the Federal Reserve policy actions have represented a
18 significant source of liquidity, and have had a substantial effect on capital markets.

19 Just as market intervention by the Federal Reserve has reduced interest rates,
20 it also had the effect of reducing market volatility. As shown in Chart 2 (below), each

⁴¹ See Federal Reserve Press Release, dated June 19, 2013.

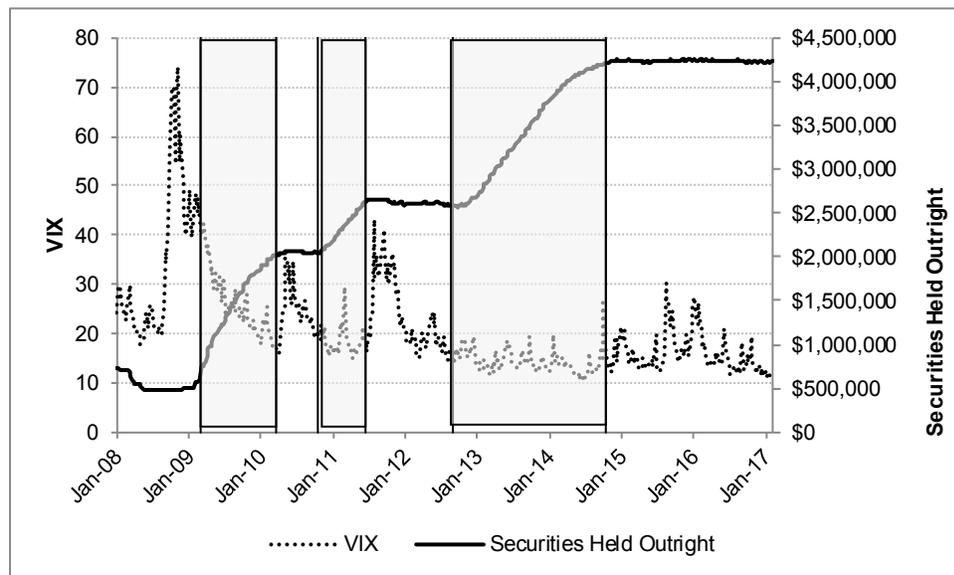
⁴² Federal Reserve Bank of New York, *Domestic Open Market Operations During 2012*, April 2013, at 29.

⁴³ Source: Federal Reserve Board Schedule H.4.1. “Securities held outright” include U.S. Treasury securities, Federal agency debt securities, and mortgage-backed securities

⁴⁴ Source: Federal Reserve Board Schedule H.4.1; Bureau of Economic Analysis.

1 time the Federal Reserve began to purchase bonds (as evidenced by the increase in
2 “Securities Held Outright” on its balance sheet), volatility subsequently declined. In
3 fact, in September 2012, when the Federal Reserve began to purchase long-term
4 securities at a pace of \$85 billion per month, volatility (as measured by the CBOE
5 Volatility Index, known as the “VIX”) fell, and through October 2014 remained in a
6 relatively narrow range. The reason is quite straight-forward: Investors became
7 confident that the Federal Reserve would intervene if markets were to become
8 unstable.

9 **Chart 2: VIX and Federal Reserve Asset Purchases⁴⁵**



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The important analytical issue is whether we can infer that risk aversion among investors is at a historically low level, implying a Cost of Equity that is well below recently authorized returns. Given the negative correlation between the expansion of the Federal Reserve’s balance sheet and the VIX, it is difficult to

⁴⁵ Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis; Federal Reserve Statistical Release H.4.1, Factors Affecting Reserve Balances.

1 conclude that fundamental risk aversion and investor return requirements have fallen.
2 If it were the case that investors believe that volatility will remain at low levels (that
3 is, that market risk and uncertainty will remain low), it is not clear why they would
4 decrease their return requirements for defensive sectors such as utilities. In that
5 respect, it appears that the Constant Growth DCF results are at odds with market
6 conditions.

7 **Q61. Does your recommendation also consider the interest rate environment?**

8 A61. Yes, it does. From an analytical perspective, it is important that the inputs and
9 assumptions used to arrive at an ROE recommendation, including assessments of
10 capital market conditions, are consistent with the recommendation itself. Although I
11 appreciate that all analyses require an element of judgment, the application of that
12 judgment must be made in the context of the quantitative and qualitative information
13 available to the analyst and the capital market environment in which the analyses
14 were undertaken.

15 The low interest rate environment associated with central bank intervention
16 may lead some analysts to conclude that current capital costs, including the Cost of
17 Equity, are low and will remain as such. However, that conclusion only holds true
18 under the hypothesis of Perfectly Competitive Capital Markets (PCCM) and the
19 classical valuation framework which, under normal economic and capital market
20 conditions, underpin the traditional Cost of Equity models. Perfectly Competitive
21 Capital Markets are those in which no single trader, or “market-mover”, would have
22 the power to change the prices of goods or services, including bond and common
23 stock securities. In other words, under the PCCM hypothesis, no single trader would

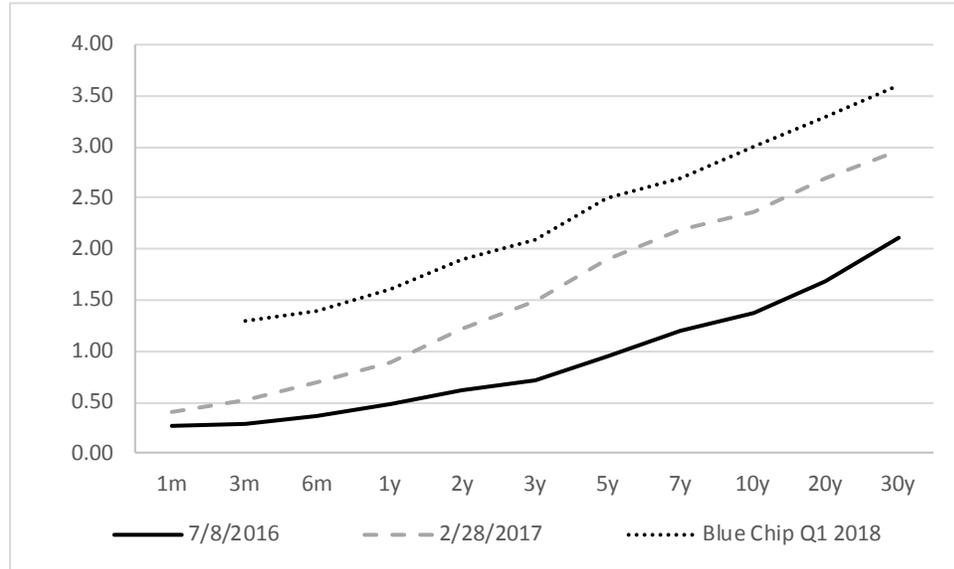
1 have a significant effect on market prices.

2 Classic valuation theory assumes that investors trade securities rationally, with
3 prices reflecting their perceptions of value. Although central banks have the ability to
4 set benchmark interest rates, they have been maintaining below normal rates to
5 stimulate continued economic and capital market recovery. It therefore is reasonable
6 to conclude that the Federal Reserve and other central banks have been acting as
7 market-movers, thereby having a significant effect on the market prices of both bonds
8 and stocks. The presence of market-movers, such as the Federal Reserve, runs
9 counter to the PCCM hypothesis, which underlies traditional Cost of Equity models.
10 Consequently, the results of those models should be considered in the context of both
11 quantitative and qualitative information.

12 Although the Federal Reserve's market intervention policies have kept interest
13 rates historically low, since July 8, 2016 (when the 30-year Treasury yield hit an all-
14 time low of 2.11%), rates have risen. As the Federal Reserve increased the Federal
15 Funds target rate by 25 basis points in December 2016 (from 0.25%-0.50% to 0.50%-
16 0.75%) and again in March 2017 (to 0.75%-1.00%), short-term interest rates
17 increased by a corresponding amount.⁴⁶ Long-term yields increased by wider
18 margins, with the 10-year and 30-year Treasury yields increasing by 99 basis points
19 and 86 basis points, respectively, by February 28, 2017 (*see* Chart 3 below).

⁴⁶ Federal Reserve Board Schedule H.15. 6-month and 1-year Treasury yields increased by 33 and 40 basis points, respectively, July 8, 2016 to February 28, 2017. They increased another 20 and 14 basis points by March 15, 2017.

1 **Chart 3: Treasury Yield Curve: 7/8/2016, 2/28/2017 and Projected Q1 2018⁴⁷**

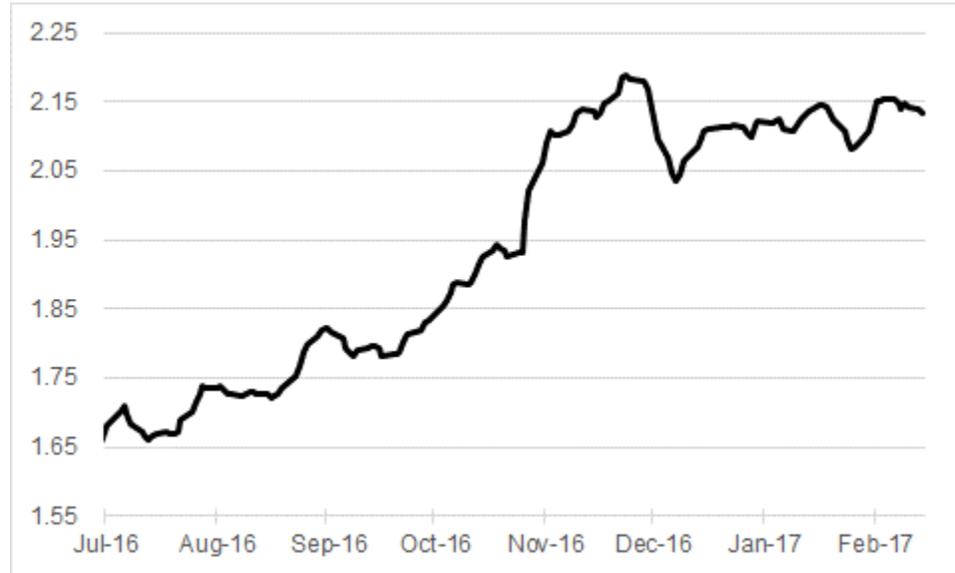


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 3 The increase in the 10 and 30-year yields from July 2016 to February 2017 is
 4 among the highest increase in at least 25 years.⁴⁸ That increase in Treasury yields is
 5 highly related to increasing inflation. To that point, leading up to and following the
 6 November 2016 Presidential election, expected inflation, as measured by the
 7 difference between nominal Treasury yields and Treasury Inflation Protected
 8 Securities (that difference often is referred to as the “TIPS spread”) also increased,
 9 such that it stands somewhat above the Federal Reserve’s 2.00% inflation target (*see*
 10 Chart 4, below).

⁴⁷ Sources: Federal Reserve Board Schedule H.15.; Blue Chip Financial Forecasts, Vol. 36, No.3, March 1, 2017, at 2. 3-year, 7-year and 20-year projected Treasury yields interpolated.

⁴⁸ Source: Federal Reserve Schedule H.15. The increases fall in the top 95th percentiles for both the 10 and 30-year Treasury yields, respectively.

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Chart 4: Forward Inflation Estimates 7/8/2016 – 2/28/2017⁴⁹

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Q62. Does market-based data indicate that investors see a probability of increasing interest rates?

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A62. Yes. Forward Treasury yields implied by the slope of the yield curve and published projections by sources such as *Blue Chip Financial Forecasts* (which provides consensus estimates from approximately 50 professional economists) indicate investors expect long-term interest rates to increase. Similarly, investors' expectations for increased long-term Treasury yields are apparent in the prices investors are willing to pay today for the option to buy or sell long-term Government bonds, at today's price, in the future. Because the value of bonds falls as interest

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⁴⁹ Source: Federal Reserve Schedule H.15. Forward inflation estimates calculated as the difference between implied nominal and inflation protected 20-year Treasury yields in 10 years.

1 rates increase, the option to sell bonds at today's price becomes more valuable when
2 interest rates are expected to increase.⁵⁰ Currently option prices show that investors
3 are willing to pay about 50.00% more for the option to sell bonds in the future (at
4 today's price) than they are willing to pay for the option to buy those bonds.⁵¹ That
5 market-based data tells us that investors consider an increase in interest rates as
6 likely.

7 Looking to short-term interest rates, data compiled by CME Groups indicates
8 that investors see a high likelihood of further Federal Funds rate increases, even after
9 the December 14, 2016 and March 15, 2017 increases. As shown in Table 7, (below)
10 the market is now anticipating at least one additional rate hike (90.30% probability)
11 and possibly two or more (60.00% and 24.50% probability, respectively) by January
12 2018. In fact, the implied probability of no increase in the coming year is only
13 9.70%, whereas the likelihood of at least a 50-basis point increase is approximately
14 60.00%. Importantly, the potential for rising rates represents risk for utility investors.

⁵⁰ In other words, if there is a high probability that interest rates will increase and bond prices will fall, there is value in the option to sell those bonds in the future at today's price. Conversely, if there is a strong probability that interest rates will decrease (price of bonds will increase), there is value in the option to buy those bonds in the future at today's price.

⁵¹ The option to sell the TLT index in January 2018 at today's price is approximately one and a half times the value of the option to buy the fund. Source: <http://www.nasdaq.com/symbol/tlt/option-chain?dateindex=7>.

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Table 7: Probability of Federal Funds Rate Increases⁵²

Target Rate (bps)	Federal Reserve Meeting Date						
	5/3/17	6/14/17	7/26/17	9/20/17	11/1/17	12/13/17	1/31/18
75-100	95.7%	47.1%	38.9%	22.0%	20.2%	10.8%	9.7%
100-125	4.3%	50.7%	50.1%	45.2%	43.4%	32.6%	30.3%
125-150		2.2%	10.6%	27.8%	29.2%	35.8%	35.5%
150-175			0.4%	4.8%	6.7%	17.2%	19.1%
175-200				0.2%	0.5%	3.4%	4.8%
200-225					0.0%	0.3%	0.6%
225-250						0.0%	0.0%

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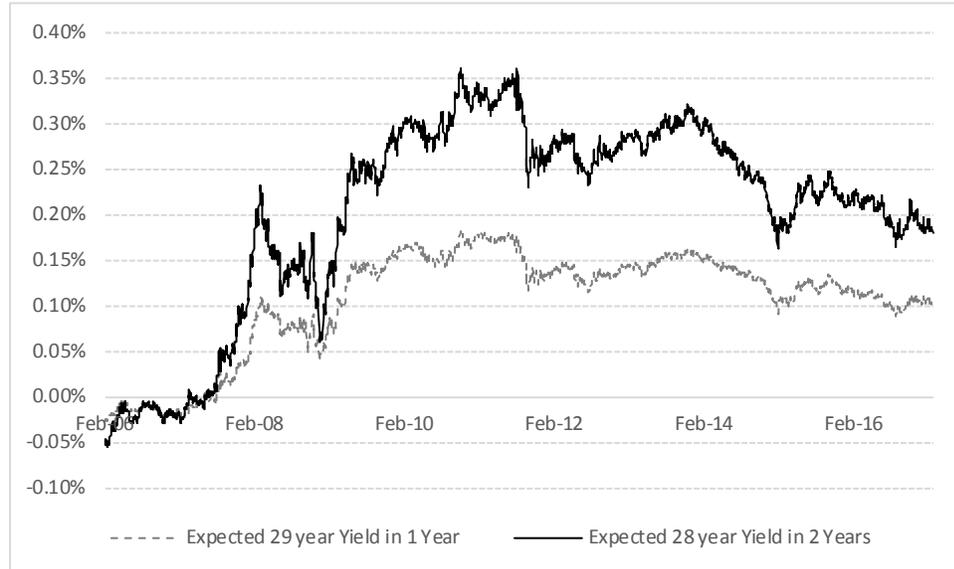
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Lastly, we can view the market’s expectations of future interest rates based on the current yield curve. Those expected rates, often referred to as “forward yields” are derived from the “Expectations” theory, which states that (for example) the current 30-year Treasury yield equals the combination of the current three-year Treasury yield, and the 29-year Treasury yield expected in one year. That is, an investor would be indifferent to (1) holding a 30-year Treasury to maturity, or (2) holding a one-year Treasury to maturity, then a 29-year Treasury bond, also to maturity.⁵³ As Chart 5 (below) indicates, since 2006 the implied forward 29- and 28-year yields (one and two years hence, respectively) consistently exceeded the (interpolated) spot yields. That is, just as economists’ projections implied increased interest rates, so did observable Treasury yields.

⁵² Source: <http://www.cmegroup.com/trading/interest-rates/countdown-to-fomc.html>, accessed 3/16/2017.

⁵³ In addition to the Expectations theory, there are other theories regarding the term structure of interest rates including: the Liquidity Premium Theory, which asserts that investors require a premium for holding long term bonds; the Market Segmentation Theory, which states that securities of different terms are not substitutable and, as such, the supply of and demand for short-term and long-term instruments is developed independently; and the Preferred Habitat Theory, which states that in addition to interest rate expectations, certain investors have distinct investment horizons and will require a return premium for bonds with maturities outside of that preference.

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Chart 5: Forward vs. Interpolated Treasury Yields⁵⁴

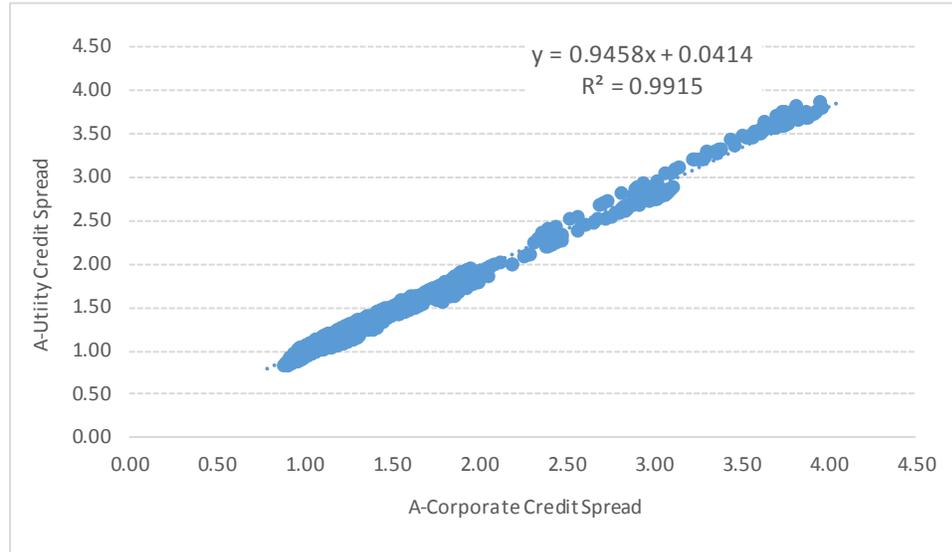
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3 **Q63. Have you also reviewed the relationship between credit spreads for A-rated**
 4 **utility debt relative to A-rated corporate debt?**

5 A63. Yes, I have. Given the historical volatility in the spread between corporate
 6 and utility A-rated debt, there is no reason to conclude that utility yields are different
 7 than those of their corporate counterparts. That conclusion is consistent with the
 8 finding that over time, there has been a nearly one-to-one relationship between credit
 9 spreads on A-rated corporate and utility bonds. In fact, a regression analysis in which
 10 corporate credit spreads are the explanatory variable and utility credit spreads are the
 11 dependent variable shows that slope is approximately 1.00 and highly significant (*see*
 12 *Chart 6, below*). Because the intercept term is statistically insignificant, we can
 13 conclude that there has been no material difference between the two, and there
 14 certainly is no meaningful difference in the current market.

⁵⁴ Source: Federal Reserve Schedule H.15. Spot yields are interpolated.

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Chart 6: Corporate and Utility Credit Spreads (A-Rated)⁵⁵

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3 **Q64. What do you conclude from those analyses?**

4 A64. First, it is clear that interest rates have increased from the low levels
 5 experienced in early 2016. Second, it is clear that market-based data indicate
 6 investors' expectations of rising interest rates in the near- and longer-term. The
 7 observation that interest rates have increased, in combination with the optimism in the
 8 market discussed in Section II, indicates that the financial community sees the strong
 9 prospect of increased growth throughout the economy. As that occurs, and as interest
 10 rates continue to rise, it would be reasonable to expect lower utility valuations, higher
 11 dividend yields, and higher growth rates. In the context of the Discounted Cash Flow
 12 model, those variables would combine to indicate increases in the Cost of Equity.

13 Although the market data discussed above indicate increasing costs of capital,
 14 it is important to keep in mind that estimating the Cost of Equity is an empirical
 15 exercise, but rote application of a specific form of an analysis, or the mechanical use

⁵⁵ Source: Federal Reserve Schedule H.15.

1 of specific model inputs, may well produce misleading results. The methods used to
2 estimate the Cost of Equity, or the weight given to any one method, may change from
3 case to case; and that the returns authorized in other jurisdictions provide a relevant,
4 observable, and verifiable benchmark for assessing the reasonableness of analytical
5 assumptions, results, and conclusions.

6 **Q65. Have there been recent periods when utility valuation levels were high relative to**
7 **both their long-term average and the market?**

8 A65. Yes. For example, between July and December 2016, the S&P Electric Utility Index
9 lost approximately 9.00% of its value. At the same time, the S&P 500 increased
10 approximately by 7.00%, indicating that the utility sector under-performed the market
11 by about 16.00%. Also during that time, the 30-year Treasury yield increased by
12 approximately 95 basis points (an increase of nearly 45.00%). The point simply is
13 that as interest rates increased, utility valuations fell. Because (as noted above)
14 investors see the strong likelihood of further interest rate increases, there is a
15 continuing risk of losses in the utility sector.

16 **Q66. What conclusions do you draw from your analyses of the current capital market**
17 **environment, and how do those conclusions affect your ROE recommendation?**

18 A66. In my view, we cannot conclude that the recent levels of utility valuations are
19 due to a fundamental change in the risk perceptions of utility investors. There is no
20 measurable difference between credit spreads of A-rated utility debt, and A-rated
21 corporate debt. That is, based on analyses of credit spreads, there is no reason to
22 conclude that investors see utilities as less risky relative to either historical levels or
23 to their corporate counterparts.

1 From an analytical perspective, it is important that the inputs and assumptions
2 used to arrive at an ROE determination, including assessments of capital market
3 conditions, are consistent with the conclusion itself. Although all analyses require an
4 element of judgment, the application of that judgment must be made in the context of
5 the quantitative and qualitative information available to the analyst and the capital
6 market environment in which the analyses were undertaken. Because the application
7 of financial models and interpretation of their results often is the subject of
8 differences among analysts in regulatory proceedings, I believe that it is important to
9 review and consider a variety of data points; doing so enables us to put in context
10 both quantitative analyses and the associated recommendations.

11 Because not all models used to estimate the Cost of Equity adequately reflect
12 those changing market dynamics, it is important to give appropriate weight to the
13 methods and to their results. Moreover, because those models produce a range of
14 results, it is important to consider the type of data discussed above in determining
15 where the Companies' ROE falls within that range. On balance, I believe that the
16 DCF-based results should be viewed very carefully, and that somewhat more weight
17 should be afforded the Risk Premium-based methods. I believe that doing so supports
18 my recommended range of 10.00% to 10.75%, and my ROE recommendation of
19 10.10%.

VIII. CAPITAL STRUCTURE

20 **Q67. What is the Company's proposed capital structure?**

21 A67. As described in the Direct Testimony of Company Witness McGowan, the
22 Company has proposed a capital structure comprised of 50.14% common equity and

1 49.86% long-term debt.⁵⁶

2 **Q68. How does the capital structure affect the Cost of Equity?**

3 A68. The capital structure relates to a company's financial risk, which represents
4 the risk that a company may not have adequate cash flows to meet its financial
5 obligations, and is a function of the percentage of debt (or financial leverage) in its
6 capital structure. In that regard, as the percentage of debt in the capital structure
7 increases, so do the fixed obligations for the repayment of that debt. Consequently,
8 as the degree of financial leverage increases, the risk of financial distress (*i.e.*,
9 financial risk) also increases. Since the capital structure can affect the subject
10 company's overall level of risk,⁵⁷ it is an important consideration in establishing a
11 just and reasonable rate of return.

12 **Q69. Please discuss your analysis of the capital structures of the proxy companies.**

13 A69. I calculated the average capital structure for each of the proxy companies over
14 the last eight quarters. As shown in Schedule (RBH)-8, the mean of the proxy group
15 actual capital structures is 51.94% common equity and 48.06% long-term debt. The
16 common equity ratios range from 45.50% to 58.48%. Based on that review, it is
17 apparent that the Company's proposed capital structure in this case is generally
18 consistent with the capital structures of the proxy companies.

19 **Q70. What is your conclusion regarding an appropriate capital structure for ACE?**

20 A70. Considering the average actual equity ratio of 51.94% for the proxy
21 companies, I believe that ACE's proposed common equity ratio of 50.14% in this
22 case is appropriate as it is consistent with the proxy companies.

⁵⁶ See Direct Testimony of Company Witness McGowan, Schedule (KMM)-1.

⁵⁷ See Roger A. Morin, New Regulatory Finance, Public Utility Reports, Inc., 2006, at 45-46.

IX. CONCLUSIONS AND RECOMMENDATION

1 **Q71. What is your conclusion regarding the Company's Cost of Equity?**

2 A71. As discussed throughout my Direct Testimony, it is prudent and appropriate
3 to consider multiple methodologies to arrive at an ROE recommendation for ACE.
4 To that point, in the current capital market environment, Constant Growth DCF-based
5 models should be viewed with caution because they do not adequately reflect
6 changing capital market conditions and high levels of instability, whereas Risk
7 Premium-based methods directly reflect such changes and measures of risk. As such,
8 I have given somewhat more weight to the Risk Premium-based methods in arriving
9 at my ROE recommendation.

10 I believe that a rate of return on common equity in the range of 10.00% to
11 10.75% represents the range of equity investors' required rate of return for investment
12 in electric utilities similar to ACE in today's capital markets. Within that range, I
13 believe that an ROE of 10.10% is reasonable and appropriate.

14 **Q72. What is your conclusion regarding the Company's capital structure?**

15 A72. I conclude that the Company's proposed capital structure in this case, which
16 consists of 50.14% common equity and 49.86% long-term debt, is consistent with
17 industry practice and on that basis, is reasonable and appropriate.

18 **Q73. Does this conclude your Direct Testimony?**

19 A73. Yes, it does.

Attachment (RBH)-A



Summary

Bob Hevert is a financial and economic consultant with more than 30 years of broad experience in the energy and utility industries. He has an extensive background in the areas of corporate finance, mergers and acquisitions, project finance, asset and business unit valuation, rate and regulatory matters, energy market assessment, and corporate strategic planning. He has provided expert testimony on a wide range of financial, strategic, and economic matters on more than 100 occasions at the state, provincial, and federal levels.

Prior to joining ScottMadden, Bob served as managing partner at Sussex Economic Advisors, LLC. Throughout the course of his career, he has worked with numerous leading energy companies and financial institutions throughout North America. He has provided expert testimony and support of litigation in various regulatory proceedings on a variety of energy and economic issues. Bob earned a B.S. in business and economics from the University of Delaware and an M.B.A. with a concentration in finance from the University of Massachusetts at Amherst. Bob also holds the Chartered Financial Analyst designation.

Areas of Specialization

- Regulation and rates
- Utilities
- Fossil/hydro generation
- Markets and RTOs
- Nuclear generation
- Mergers and acquisitions
- Regulatory strategy and rate case support
- Capital project planning
- Strategic and business planning

Recent Expert Testimony Submission/Appearance

- Federal Energy Regulatory Commission – Return on Equity
- New Jersey Board of Public Utilities – Merger Approval
- New Mexico Public Regulation Commission – Cost of Capital and Financial Integrity
- United States District Court – PURPA and FERC Regulations
- Alberta Utilities Commission – Return on Equity and Capital Structure

Recent Assignments

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies, the Alberta Utilities Commission, and the Federal Energy Regulatory Commission
- For an independent electric transmission provider in Texas, prepared an expert report on the economic damages with respect to failure to meet guaranteed completion dates. The report was filed as part of an arbitration proceeding and included a review of the ratemaking implications of economic damages
- Advised the board of directors of a publicly traded electric and natural gas combination utility on dividend policy issues, earnings payout trends and related capital market considerations
- Assisted a publicly traded utility with a strategic buy-side evaluation of a gas utility with more than \$1 billion in assets. The assignment included operational performance benchmarking, calculation of merger synergies, risk analysis, and review of the regulatory implications of the transaction
- Provided testimony before the Arkansas Public Service Commission in support of the acquisition of SourceGas LLC by Black Hills Corporation. The testimony addressed certain balance sheet capitalization and credit rating issues
- For the State of Maine Public Utility Commission, prepared a report that summarized the Northeast and Atlantic Canada natural gas power markets and analyzed the potential benefits and costs associated with natural gas pipeline expansions. The independent report was filed at the Maine Public Utility Commission



Resume of:
Robert B. Hevert
 Partner

SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company	06/16	ENSTAR Natural Gas Company	Matter No. TA 285-4	Return on Equity
ENSTAR Natural Gas Company	08/14	ENSTAR Natural Gas Company	Matter No. TA 262-4	Return on Equity
Alberta Utilities Commission				
Altalink, L.P., and EPCOR Distribution & Transmission, Inc.	02/16	Altalink, L.P., and EPCOR Distribution & Transmission, Inc.	2016 General Cost of Capital, Proceeding ID. 20622	Rate of Return
Arizona Corporation Commission				
Southwest Gas Corporation	05/16	Southwest Gas Corporation	Docket No. G-01551A-16-017	Return on Equity
Southwest Gas Corporation	11/10	Southwest Gas Corporation	Docket No. G-01551A-10-0458	Return on Equity
Arkansas Public Service Commission				
Oklahoma Gas and Electric Company	09/16	Oklahoma Gas and Electric Company	Docket No. 16-052-U	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	11/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 15-098-U	Return on Equity
SourceGas Arkansas, Inc.	03/15	SourceGas Arkansas, Inc.	Docket No. 15-011-U	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	01/07	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas	Docket No. 06-161-U	Return on Equity
California Public Utilities Commission				
Southwest Gas Corporation	12/12	Southwest Gas Corporation	Docket No. A-12-12-024	Return on Equity
Colorado Public Utilities Commission				
Xcel Energy, Inc.	03/15	Public Service Company of Colorado	Docket No. 15AL-0135G	Return on Equity (gas)
Xcel Energy, Inc.	06/14	Public Service Company of Colorado	Docket No. 14AL-0660E	Return on Equity (electric)
Xcel Energy, Inc.	12/12	Public Service Company of Colorado	Docket No. 12AL-1268G	Return on Equity (gas)
Xcel Energy, Inc.	11/11	Public Service Company of Colorado	Docket No. 11AL-947E	Return on Equity (electric)
Xcel Energy, Inc.	12/10	Public Service Company of Colorado	Docket No. 10AL-963G	Return on Equity (electric)
Atmos Energy Corporation	07/09	Atmos Energy Colorado-Kansas Division	Docket No. 09AL-507G	Return on Equity (gas)



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Xcel Energy, Inc.	12/06	Public Service Company of Colorado	Docket No. 06S-656G	Return on Equity (gas)
Xcel Energy, Inc.	04/06	Public Service Company of Colorado	Docket No. 06S-234EG	Return on Equity (electric)
Xcel Energy, Inc.	08/05	Public Service Company of Colorado	Docket No. 05S-369ST	Return on Equity (steam)
Xcel Energy, Inc.	05/05	Public Service Company of Colorado	Docket No. 05S-246G	Return on Equity (gas)
Connecticut Public Utilities Regulatory Authority				
Connecticut Light and Power Company	06/14	Connecticut Light and Power Company	Docket No. 14-05-06	Return on Equity
Southern Connecticut Gas Company	09/08	Southern Connecticut Gas Company	Docket No. 08-08-17	Return on Equity
Southern Connecticut Gas Company	12/07	Southern Connecticut Gas Company	Docket No. 05-03-17PH02	Return on Equity
Connecticut Natural Gas Corporation	12/07	Connecticut Natural Gas Corporation	Docket No. 06-03-04PH02	Return on Equity
Delaware Public Service Commission				
Delmarva Power & Light Company	05/16	Delmarva Power & Light Company	Case No. 16-649 (Electric)	Return on Equity
Delmarva Power & Light Company	05/16	Delmarva Power & Light Company	Case No. 16-650 (Gas)	Return on Equity
Delmarva Power & Light Company	03/13	Delmarva Power & Light Company	Case No. 13-115	Return on Equity
Delmarva Power & Light Company	12/12	Delmarva Power & Light Company	Case No. 12-546	Return on Equity
Delmarva Power & Light Company	03/12	Delmarva Power & Light Company	Case No. 11-528	Return on Equity
District of Columbia Public Service Commission				
Potomac Electric Power Company	07/16	Potomac Electric Power Company	Formal Case No. FC1139	Return on Equity
Washington Gas Light Company	02/16	Washington Gas Light Company	Formal Case No. FC1137	Return on Equity
Potomac Electric Power Company	03/13	Potomac Electric Power Company	Formal Case No. FC1103-2013-E	Return on Equity
Potomac Electric Power Company	07/11	Potomac Electric Power Company	Formal Case No. FC1087	Return on Equity
Federal Energy Regulatory Commission				
Sabine Pipeline, LLC	09/15	Sabine Pipeline, LLC	Docket No. RP15-1322-000	Return on Equity
Nextera Energy Transmission West, LLC	07/15	Nextera Energy Transmission West, LLC	Docket No. ER15-2239-000	Return on Equity
Maritimes & Northeast Pipeline, LLC	05/15	Maritimes & Northeast Pipeline, LLC	Docket No. RP15-1026-000	Return on Equity
Public Service Company of New Mexico	12/12	Public Service Company of New Mexico	Docket No. ER13-685-000	Return on Equity
Public Service Company of New Mexico	10/10	Public Service Company of New Mexico	Docket No. ER11-1915-000	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Portland Natural Gas Transmission System	05/10	Portland Natural Gas Transmission System	Docket No. RP10-729-000	Return on Equity
Florida Gas Transmission Company, LLC	10/09	Florida Gas Transmission Company, LLC	Docket No. RP10-21-000	Return on Equity
Maritimes and Northeast Pipeline, LLC	07/09	Maritimes and Northeast Pipeline, LLC	Docket No. RP09-809-000	Return on Equity
Spectra Energy	02/08	Saltville Gas Storage	Docket No. RP08-257-000	Return on Equity
Panhandle Energy Pipelines	08/07	Panhandle Energy Pipelines	Docket No. PL07-2-000	Response to draft policy statement regarding inclusion of MLPs in proxy groups for determination of gas pipeline ROEs
Southwest Gas Storage Company	08/07	Southwest Gas Storage Company	Docket No. RP07-541-000	Return on Equity
Southwest Gas Storage Company	06/07	Southwest Gas Storage Company	Docket No. RP07-34-000	Return on Equity
Sea Robin Pipeline LLC	06/07	Sea Robin Pipeline LLC	Docket No. RP07-513-000	Return on Equity
Transwestern Pipeline Company	09/06	Transwestern Pipeline Company	Docket No. RP06-614-000	Return on Equity
GPU International and Aquila	11/00	GPU International	Docket No. EC01-24-000	Market Power Study
Florida Public Service Commission				
Florida Power & Light Company	03/16	Florida Power & Light Company	Docket No. 160021-EI	Return on Equity
Tampa Electric Company	04/13	Tampa Electric Company	Docket No. 130040-EI	Return on Equity
Georgia Public Service Commission				
Atlanta Gas Light Company	05/10	Atlanta Gas Light Company	Docket No. 31647-U	Return on Equity
Hawaii Public Utilities Commission				
Hawai'i Electric Light Company, Inc.	09/16	Hawai'i Electric Light Company, Inc.	Docket No. 2015-0170	Return on Equity
Maui Electric Company, Limited	12/14	Maui Electric Company, Limited	Docket No. 2014-0318	Return on Equity
Hawaiian Electric Company, Inc.	06/14	Hawaiian Electric Company, Inc.	Docket No. 2013-0373	Return on Equity
Hawai'i Electric Light Company, Inc.	08/12	Hawai'i Electric Light Company, Inc.	Docket No. 2012-0099	Return on Equity
Illinois Commerce Commission				
Ameren Illinois Company d/b/a Ameren Illinois	01/15	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 15-0142	Return on Equity
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	03/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Docket No. 14-0371	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Ameren Illinois Company d/b/a Ameren Illinois	01/13	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 13-0192	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0279	Return on Equity (electric)
Ameren Illinois Company d/b/a Ameren Illinois	02/11	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 11-0282	Return on Equity (gas)
Indiana Utility Regulatory Commission				
Duke Energy Indiana, Inc.	12/15	Duke Energy Indiana, Inc.	Cause No. 44720	Return on Equity
Duke Energy Indiana, Inc.	12/14	Duke Energy Indiana, Inc.	Cause No. 44526	Return on Equity
Northern Indiana Public Service Company	05/09	Northern Indiana Public Service Company	Cause No. 43894	Assessment of Valuation Approaches
Kansas Corporation Commission				
Kansas City Power & Light Company	01/15	Kansas City Power & Light Company	Docket No. 15-KCPE-116-RTS	Return on Equity
Maine Public Utilities Commission				
Central Maine Power Company	06/11	Central Maine Power Company	Docket No. 2010-327	Response to Bench Analysis provided by Commission Staff relating to the Company's credit and collections processes
Maryland Public Service Commission				
Potomac Electric Power Company	06/16	Potomac Electric Power Company	Case No. 9424	Return on Equity
Potomac Electric Power Company	06/16	Potomac Electric Power Company	Case No. 9418	Return on Equity
Potomac Electric Power Company	12/13	Potomac Electric Power Company	Case No. 9336	Return on Equity
Delmarva Power & Light Company	03/13	Delmarva Power & Light Company	Case No. 9317	Return on Equity
Potomac Electric Power Company	11/12	Potomac Electric Power Company	Case No. 9311	Return on Equity
Potomac Electric Power Company	12/11	Potomac Electric Power Company	Case No. 9286	Return on Equity
Delmarva Power & Light Company	12/11	Delmarva Power & Light Company	Case No. 9285	Return on Equity
Delmarva Power & Light Company	12/10	Delmarva Power & Light Company	Case No. 9249	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Massachusetts Department of Public Utilities				
NSTAR Electric Company Western and Massachusetts Electric Company each d/b/a Eversource Energy	01/17	NSTAR Electric Company Western Massachusetts Electric Company each d/b/a Eversource Energy	DPU 17-05	Return on Equity
National Grid	11/15	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 15-155	Return on Equity
Fitchburg Gas and Electric Light Company d/b/a Unutil	06/15	Fitchburg Gas and Electric Light Company d/b/a Unutil	DPU 15-80	Return on Equity
NSTAR Gas Company	12/14	NSTAR Gas Company	DPU 14-150	Return on Equity
Fitchburg Gas and Electric Light Company d/b/a Unutil	07/13	Fitchburg Gas and Electric Light Company d/b/a Unutil	DPU 13-90	Return on Equity
Bay State Gas Company d/b/a Columbia Gas of Massachusetts	04/12	Bay State Gas Company d/b/a Columbia Gas of Massachusetts	DPU 12-25	Capital Cost Recovery
National Grid	08/09	Massachusetts Electric Company d/b/a National Grid	DPU 09-39	Revenue Decoupling and Return on Equity
National Grid	08/09	Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid	DPU 09-38	Return on Equity – Solar Generation
Bay State Gas Company	04/09	Bay State Gas Company	DPU 09-30	Return on Equity
NSTAR Electric	09/04	NSTAR Electric	DTE 04-85	Divestiture of Power Purchase Agreement
NSTAR Electric	08/04	NSTAR Electric	DTE 04-78	Divestiture of Power Purchase Agreement
NSTAR Electric	07/04	NSTAR Electric	DTE 04-68	Divestiture of Power Purchase Agreement
NSTAR Electric	07/04	NSTAR Electric	DTE 04-61	Divestiture of Power Purchase Agreement
NSTAR Electric	06/04	NSTAR Electric	DTE 04-60	Divestiture of Power Purchase Agreement
Unutil Corporation	01/04	Fitchburg Gas and Electric	DTE 03-52	Integrated Resource Plan; Gas Demand Forecast



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Bay State Gas Company	01/93	Bay State Gas Company	DPU 93-14	Divestiture of Shelf Registration
Bay State Gas Company	01/91	Bay State Gas Company	DPU 91-25	Divestiture of Shelf Registration
Minnesota Public Utilities Commission				
ALLETE, Inc., d/b/a Minnesota Power Inc.	11/16	ALLETE, Inc., d/b/a Minnesota Power Inc.	Docket No. E015/GR-16-664	Return on Equity
Otter Tail Power Corporation	02/16	Otter Tail Power Company	Docket No. E017/GR-15-1033	Return on Equity
Minnesota Energy Resources Corporation	09/15	Minnesota Energy Resources Corporation	Docket No. G-011/GR-15-736	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/15	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-15-424	Return on Equity
Xcel Energy, Inc.	11/13	Northern States Power Company	Docket No. E002/GR-13-868	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	08/13	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-13-316	Return on Equity
Xcel Energy, Inc.	11/12	Northern States Power Company	Docket No. E002/GR-12-961	Return on Equity
Otter Tail Power Corporation	04/10	Otter Tail Power Company	Docket No. E-017/GR-10-239	Return on Equity
Minnesota Power a division of ALLETE, Inc.	11/09	Minnesota Power	Docket No. E-015/GR-09-1151	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas	11/08	CenterPoint Energy Minnesota Gas	Docket No. G-008/GR-08-1075	Return on Equity
Otter Tail Power Corporation	10/07	Otter Tail Power Company	Docket No. E-017/GR-07-1178	Return on Equity
Xcel Energy, Inc.	11/05	Northern States Power Company -Minnesota	Docket No. E-002/GR-05-1428	Return on Equity (electric)
Xcel Energy, Inc.	09/04	Northern States Power Company - Minnesota	Docket No. G-002/GR-04-1511	Return on Equity (gas)
Mississippi Public Service Commission				
CenterPoint Energy Resources, Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Mississippi Gas	07/09	CenterPoint Energy Mississippi Gas	Docket No. 09-UN-334	Return on Equity
Missouri Public Service Commission				
Union Electric Company d/b/a Ameren Missouri	07/16	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2016-0179	Return on Equity (electric)
Kansas City Power & Light Company	07/16	Kansas City Power & Light Company	Case No. ER-2016-0285	Return on Equity (electric)



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Kansas City Power & Light Company	02/16	Kansas City Power & Light Company	Case No. ER-2016-0156	Return on Equity (electric)
Kansas City Power & Light Company	10/14	Kansas City Power & Light Company	Case No. ER-2014-0370	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	07/14	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2014-0258	Return on Equity (electric)
Union Electric Company d/b/a Ameren Missouri	06/14	Union Electric Company d/b/a Ameren Missouri	Case No. EC-2014-0223	Return on Equity (electric)
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	02/14	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Case No. GR-2014-0152	Return on Equity
Laclede Gas Company	12/12	Laclede Gas Company	Case No. GR-2013-0171	Return on Equity
Union Electric Company d/b/a Ameren Missouri	02/12	Union Electric Company d/b/a Ameren Missouri	Case No. ER-2012-0166	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	09/10	Union Electric Company d/b/a AmerenUE	Case No. ER-2011-0028	Return on Equity (electric)
Union Electric Company d/b/a AmerenUE	06/10	Union Electric Company d/b/a AmerenUE	Case No. GR-2010-0363	Return on Equity (gas)
Montana Public Service Commission				
Northwestern Corporation	09/12	Northwestern Corporation d/b/a Northwestern Energy	Docket No. D2012.9.94	Return on Equity (gas)
Nevada Public Utilities Commission				
Southwest Gas Corporation	04/12	Southwest Gas Corporation	Docket No. 12-04005	Return on Equity (gas)
Nevada Power Company	06/11	Nevada Power Company	Docket No. 11-06006	Return on Equity (electric)
New Hampshire Public Utilities Commission				
Unitil Energy Systems, Inc.	04/16	Unitil Energy Systems, Inc.	Docket No. DE 16-384	Return on Equity
Liberty Utilities d/b/a Granite State Electric Company	04/16	Liberty Utilities d/b/a Granite State Electric Company	Docket No. DE 16-383	Return on Equity
Liberty Utilities d/b/a EnergyNorth Natural Gas	08/14	Liberty Utilities d/b/a EnergyNorth Natural Gas	Docket No. DG 14-180	Return on Equity
Liberty Utilities d/b/a Granite State Electric Company	03/13	Liberty Utilities d/b/a Granite State Electric Company	Docket No. DE 13-063	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
EnergyNorth Natural Gas d/b/a National Grid NH	02/10	EnergyNorth Natural Gas d/b/a National Grid NH	Docket No. DG 10-017	Return on Equity
Unitil Energy Systems, Inc., EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	08/08	Unitil Energy Systems, Inc., EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, Granite State Electric Company d/b/a National Grid, and Northern Utilities, Inc. – New Hampshire Division	Docket No. DG 07-072	Carrying Charge Rate on Cash Working Capital
New Jersey Board of Public Utilities				
Pivotal Utility Holdings, Inc.	08/16	Elizabethtown Gas	Docket No. GR16090826	Return on Equity
The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	04/16	The Southern Company; AGL Resources Inc.; AMS Corp. and Pivotal Holdings, Inc. d/b/a Elizabethtown Gas	BPU Docket No. GM15101196	Merger Approval
Atlantic City Electric Company	03/16	Atlantic City Electric Company	Docket No. ER16030252	Return on Equity
Pepco Holdings, Inc.	04/14	Atlantic City Electric Company	Docket No. ER14030245	Return on Equity
Orange and Rockland Utilities	11/13	Rockland Electric Company	Docket No. ER13111135	Return on Equity
Atlantic City Electric Company	12/12	Atlantic City Electric Company	Docket No. ER12121071	Return on Equity
Atlantic City Electric Company	08/11	Atlantic City Electric Company	Docket No. ER11080469	Return on Equity
Pepco Holdings, Inc.	09/06	Atlantic City Electric Company	Docket No. EM06090638	Divestiture and Valuation of Electric Generating Assets
Pepco Holdings, Inc.	12/05	Atlantic City Electric Company	Docket No. EM05121058	Market Value of Electric Generation Assets; Auction
Conectiv	06/03	Atlantic City Electric Company	Docket No. EO03020091	Market Value of Electric Generation Assets; Auction Process
New Mexico Public Regulation Commission				
Public Service Company of New Mexico	12/16	Public Service Company of New Mexico	Case No. 16-00276-UT	Return on Equity (electric)
Public Service Company of New Mexico	08/15	Public Service Company of New Mexico	Case No. 15-00261-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 14-00332-UT	Return on Equity (electric)
Public Service Company of New Mexico	12/14	Public Service Company of New Mexico	Case No. 13-00390-UT	Cost of Capital and Financial Integrity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Southwestern Public Service Company	02/11	Southwestern Public Service Company	Case No. 10-00395-UT	Return on Equity (electric)
Public Service Company of New Mexico	06/10	Public Service Company of New Mexico	Case No. 10-00086-UT	Return on Equity (electric)
Public Service Company of New Mexico	09/08	Public Service Company of New Mexico	Case No. 08-00273-UT	Return on Equity (electric)
Xcel Energy, Inc.	07/07	Southwestern Public Service Company	Case No. 07-00319-UT	Return on Equity (electric)
New York State Public Service Commission				
Consolidated Edison Company of New York, Inc.	01/15	Consolidated Edison Company of New York, Inc.	Case No. 15-E-0050	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	11/14	Orange and Rockland Utilities, Inc.	Case Nos. 14-E-0493 and 14-G-0494	Return on Equity (electric and gas)
Consolidated Edison Company of New York, Inc.	01/13	Consolidated Edison Company of New York, Inc.	Case No. 13-E-0030	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Electric Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Electric Service	Case No. 12-E-0201	Return on Equity (electric)
Niagara Mohawk Corporation d/b/a National Grid for Gas Service	04/12	Niagara Mohawk Corporation d/b/a National Grid for Gas Service	Case No. 12-G-0202	Return on Equity (gas)
Orange and Rockland Utilities, Inc.	07/11	Orange and Rockland Utilities, Inc.	Case No. 11-E-0408	Return on Equity (electric)
Orange and Rockland Utilities, Inc.	07/10	Orange and Rockland Utilities, Inc.	Case No. 10-E-0362	Return on Equity (electric)
Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-G-0795	Return on Equity (gas)
Consolidated Edison Company of New York, Inc.	11/09	Consolidated Edison Company of New York, Inc.	Case No. 09-S-0794	Return on Equity (steam)
Niagara Mohawk Power Corporation	07/01	Niagara Mohawk Power Corporation	Case No. 01-E-1046	Power Purchase and Sale Agreement; Standard Offer Service Agreement
North Carolina Utilities Commission				
Public Service Company of North Carolina, Inc.	03/16	Public Service Company of North Carolina, Inc.	Docket No. G-5, Sub 565	Return on Equity
Dominion North Carolina Power	03/16	Dominion North Carolina Power	Docket No. E-22, Sub 532	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Duke Energy Carolinas, LLC	02/13	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1026	Return on Equity
Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	10/12	Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.	Docket No. E-2, Sub 1023	Return on Equity
Virginia Electric and Power Company d/b/a Dominion North Carolina Power	03/12	Virginia Electric and Power Company d/b/a Dominion North Carolina Power	Docket No. E-22, Sub 479	Return on Equity (electric)
Duke Energy Carolinas, LLC	07/11	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 989	Return on Equity (electric)
North Dakota Public Service Commission				
Otter Tail Power Company	11/08	Otter Tail Power Company	Docket No. 08-862	Return on Equity (electric)
Oklahoma Corporation Commission				
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/16	CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	Cause No. PUD201600094	Return on Equity
Oklahoma Gas & Electric Company	12/15	Oklahoma Gas & Electric Company	Cause No. PUD201500273	Return on Equity
Public Service Company of Oklahoma	07/15	Public Service Company of Oklahoma	Cause No. PUD201500208	Return on Equity
Oklahoma Gas & Electric Company	07/11	Oklahoma Gas & Electric Company	Cause No. PUD201100087	Return on Equity
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas	03/09	CenterPoint Energy Oklahoma Gas	Cause No. PUD200900055	Return on Equity
Pennsylvania Public Utility Commission				
Pike County Light & Power Company	01/14	Pike County Light & Power Company	Docket No. R-2013-2397237	Return on Equity (electric & gas)
Veolia Energy Philadelphia, Inc.	12/13	Veolia Energy Philadelphia, Inc.	Docket No. R-2013-2386293	Return on Equity (steam)
Rhode Island Public Utilities Commission				
The Narragansett Electric Company d/b/a National Grid	04/12	The Narragansett Electric Company d/b/a National Grid	Docket No. 4323	Return on Equity (electric & gas)
National Grid RI – Gas	08/08	National Grid RI – Gas	Docket No. 3943	Revenue Decoupling and Return on Equity
South Carolina Public Service Commission				
Duke Energy Progress, LLC	07/16	Duke Energy Progress, LLC	Docket No. 2016-227-E	Return on Equity



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SPONSOR	DATE	CASE/APPLICANT	DOCKET NO.	SUBJECT
Duke Energy Carolinas, LLC	03/13	Duke Energy Carolinas, LLC	Docket No. 2013-59-E	Return on Equity
South Carolina Electric & Gas	06/12	South Carolina Electric & Gas	Docket No. 2012-218-E	Return on Equity
Duke Energy Carolinas, LLC	08/11	Duke Energy Carolinas, LLC	Docket No. 2011-271-E	Return on Equity
South Carolina Electric & Gas	03/10	South Carolina Electric & Gas	Docket No. 2009-489-E	Return on Equity
South Dakota Public Utilities Commission				
Otter Tail Power Company	08/10	Otter Tail Power Company	Docket No. EL10-011	Return on Equity (electric)
Northern States Power Company	06/09	South Dakota Division of Northern States Power	Docket No. EL09-009	Return on Equity (electric)
Otter Tail Power Company	10/08	Otter Tail Power Company	Docket No. EL08-030	Return on Equity (electric)
Texas Public Utility Commission				
El Paso Electric Company	02/17	El Paso Electric Company	Docket No. 46831	Return on Equity
Sharyland Utilities, L.P.	12/16	Sharyland Utilities, L.P.	Docket No. 45414	Return on Equity
Southwestern Public Service Company	02/16	Southwestern Public Service Company	Docket No. 44524	Return on Equity (electric)
Wind Energy Transmission Texas, LLC	05/15	Wind Energy Transmission Texas, LLC	Docket No. 44746	Return on Equity
Cross Texas Transmission	12/14	Cross Texas Transmission	Docket No. 43950	Return on Equity
Southwestern Public Service Company	12/14	Southwestern Public Service Company	Docket No. 43695	Return on Equity (electric)
Sharyland Utilities, L.P.	05/13	Sharyland Utilities, L.P.	Docket No. 41474	Return on Equity
Wind Energy Texas Transmission, LLC	08/12	Wind Energy Texas Transmission, LLC	Docket No. 40606	Return on Equity
Southwestern Electric Power Company	07/12	Southwestern Electric Power Company	Docket No. 40443	Return on Equity
Oncor Electric Delivery Company, LLC	01/11	Oncor Electric Delivery Company, LLC	Docket No. 38929	Return on Equity
Texas-New Mexico Power Company	08/10	Texas-New Mexico Power Company	Docket No. 38480	Return on Equity (electric)
CenterPoint Energy Houston Electric LLC	06/10	CenterPoint Energy Houston Electric LLC	Docket No. 38339	Return on Equity
Xcel Energy, Inc.	05/10	Southwestern Public Service Company	Docket No. 38147	Return on Equity (electric)
Texas-New Mexico Power Company	08/08	Texas-New Mexico Power Company	Docket No. 36025	Return on Equity (electric)
Xcel Energy, Inc.	05/06	Southwestern Public Service Company	Docket No. 32766	Return on Equity (electric)
Texas Railroad Commission				



Resume of:
Robert B. Hevert
Partner

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
Centerpoint Energy Resources Corp. D/B/A Centerpoint Energy Entex And Centerpoint Energy Texas Gas	12/16	Centerpoint Energy Resources Corp. D/B/A Centerpoint Energy Entex And Centerpoint Energy Texas Gas	D-GUD-10567	Return on Equity
Centerpoint Energy Resources Corp. d/b/a Centerpoint Energy Entex and Centerpoint Energy Texas Gas	03/15	Centerpoint Energy Resources Corp. d/b/a Centerpoint Energy Entex and Centerpoint Energy Texas Gas	GUD 10432	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/12	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10182	Return on Equity
Atmos Energy Corporation – West Texas Division	06/12	Atmos Energy Corporation – West Texas Division	GUD 10175	Return on Equity
Atmos Energy Corporation – Mid-Texas Division	06/12	Atmos Energy Corporation – Mid-Texas Division	GUD 10171	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	12/10	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 10038	Return on Equity
Atmos Pipeline – Texas	09/10	Atmos Pipeline - Texas	GUD 10000	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	07/09	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas	GUD 9902	Return on Equity
CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	03/08	CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas	GUD 9791	Return on Equity
Utah Public Service Commission				
Questar Gas Company	12/07	Questar Gas Company	Docket No. 07-057-13	Return on Equity
Vermont Public Service Board				
Central Vermont Public Service Corporation; Green Mountain Power	02/12	Central Vermont Public Service Corporation; Green Mountain Power	Docket No. 7770	Merger Policy
Central Vermont Public Service Corporation	12/10	Central Vermont Public Service Corporation	Docket No. 7627	Return on Equity (electric)
Green Mountain Power	04/06	Green Mountain Power	Docket Nos. 7175 and 7176	Return on Equity (electric)
Vermont Gas Systems, Inc.	12/05	Vermont Gas Systems	Docket Nos. 7109 and 7160	Return on Equity (gas)



Resume of:
Robert B. Hevert
Partner

SPONSOR	DATE	CASE/APPLICANT	DOCKET No.	SUBJECT
Virginia State Corporation Commission				
Virginia Electric and Power Company	10/16	Virginia Electric and Power Company	Case No. PUE-2016-00112	Return on Equity
Washington Gas Light Company	07/16	Washington Gas Light Company	Case No. PUE-2016-00001	Return on Equity
Virginia Electric and Power Company	06/16	Virginia Electric and Power Company	Case Nos. PUE-2016-00063; PUE-2016-00062; PUE-2016-00061; PUE-2016-00060; PUE-2016-00059	Return on Equity
Virginia Electric and Power Company	12/15	Virginia Electric and Power Company	Case Nos. PUE-2015-0058; PUE-2015-0059; PUE-2015-0060; PUE-2015-0061; PUE-2015-0075; PUE-2015-0089; PUE-2015-0102; PUE-2015-0104	Return on Equity
Virginia Electric and Power Company	03/15	Virginia Electric and Power Company	Case No. PUE-2015-00027	Return on Equity
Virginia Electric and Power Company	03/13	Virginia Electric and Power Company	Case No. PUE-2013-00020	Return on Equity
Virginia Natural Gas, Inc.	02/11	Virginia Natural Gas, Inc.	Case No. PUE-2010-00142	Capital Structure
Columbia Gas of Virginia, Inc.	06/06	Columbia Gas of Virginia, Inc.	Case No. PUE-2005-00098	Merger Synergies
Dominion Resources	10/01	Virginia Electric and Power Company	Case No. PUE000584	Corporate Structure and Electric Generation Strategy

Expert Report

United States District Court, Western District of Texas, Austin Division				
Southwestern Public Service Company	02/12	Southwestern Public Service Company	C.A. No. A-09-CA-917-SS	PURPA and FERC regulations

Schedule (RBH)-1

Constant Growth Discounted Cash Flow Model
30 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.14	\$65.17	3.28%	3.37%	6.10%	5.00%	4.00%	5.03%	7.35%	8.40%	9.48%
Alliant Energy Corporation	LNT	\$1.26	\$37.81	3.33%	3.43%	5.50%	6.35%	6.00%	5.95%	8.92%	9.38%	9.79%
Ameren Corporation	AEE	\$1.76	\$52.81	3.33%	3.43%	6.50%	5.85%	6.00%	6.12%	9.28%	9.55%	9.94%
American Electric Power Company, Inc.	AEP	\$2.36	\$63.96	3.69%	3.77%	5.60%	1.86%	5.00%	4.15%	5.58%	7.92%	9.39%
Avista Corporation	AVA	\$1.43	\$39.02	3.66%	3.74%	NA	5.65%	3.00%	4.33%	6.72%	8.07%	9.42%
Black Hills Corporation	BKH	\$1.78	\$62.20	2.86%	2.98%	6.20%	10.48%	7.50%	8.06%	9.15%	11.04%	13.49%
CenterPoint Energy, Inc.	CNP	\$1.07	\$26.21	4.08%	4.18%	5.00%	6.90%	2.00%	4.63%	6.12%	8.81%	11.12%
CMS Energy Corporation	CMS	\$1.33	\$42.81	3.11%	3.21%	6.00%	7.60%	6.00%	6.53%	9.20%	9.74%	10.82%
Consolidated Edison, Inc.	ED	\$2.76	\$74.27	3.72%	3.78%	3.10%	3.51%	3.00%	3.20%	6.77%	6.98%	7.29%
DTE Energy Company	DTE	\$3.30	\$98.59	3.35%	3.44%	6.00%	5.05%	6.00%	5.68%	8.48%	9.13%	9.45%
El Paso Electric Company	EE	\$1.24	\$46.40	2.67%	2.74%	5.50%	6.50%	4.00%	5.33%	6.73%	8.08%	9.26%
Eversource Energy	ES	\$1.90	\$55.97	3.39%	3.50%	6.30%	6.01%	7.00%	6.44%	9.51%	9.94%	10.51%
IDACORP, Inc.	IDA	\$2.20	\$79.86	2.75%	2.81%	4.30%	4.00%	3.00%	3.77%	5.80%	6.57%	7.11%
NorthWestern Corporation	NWE	\$2.10	\$57.08	3.68%	3.77%	4.30%	3.94%	6.50%	4.91%	7.69%	8.68%	10.30%
OGE Energy Corp.	OGE	\$1.21	\$34.22	3.54%	3.62%	5.30%	6.45%	3.00%	4.92%	6.59%	8.54%	10.10%
Otter Tail Corporation	OTTR	\$1.28	\$38.04	3.37%	3.46%	NA	5.20%	6.00%	5.60%	8.65%	9.06%	9.47%
Pinnacle West Capital Corporation	PNW	\$2.62	\$78.34	3.34%	3.43%	4.90%	5.54%	4.00%	4.81%	7.41%	8.24%	8.98%
PNM Resources, Inc.	PNM	\$0.97	\$34.66	2.80%	2.90%	6.50%	6.85%	9.00%	7.45%	9.39%	10.35%	11.92%
Portland General Electric Company	POR	\$1.28	\$43.67	2.93%	3.01%	5.80%	5.97%	4.00%	5.26%	6.99%	8.26%	8.99%
SCANA Corporation	SCG	\$2.45	\$69.10	3.55%	3.64%	5.30%	5.87%	4.50%	5.22%	8.13%	8.86%	9.52%
Wisconsin Energy Corporation	WEC	\$2.08	\$58.28	3.57%	3.68%	6.00%	6.53%	6.00%	6.18%	9.68%	9.86%	10.22%
Xcel Energy Inc.	XEL	\$1.44	\$41.68	3.45%	3.55%	5.40%	NA	5.50%	5.45%	8.95%	9.00%	9.05%
PROXY GROUP MEAN				3.34%	3.43%	5.48%	5.77%	5.05%	5.41%	7.87%	8.84%	9.80%
PROXY GROUP MEDIAN				3.36%	3.45%	5.55%	5.87%	5.25%	5.30%	7.91%	8.84%	9.50%

Notes:

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional, equals 30-trading day average as of February 28, 2017
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [8])
- [5] Source: Zacks
- [6] Source: Yahoo! Finance
- [7] Source: Value Line
- [8] Equals Average([5], [6], [7])
- [9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
- [10] Equals [4] + [8]
- [11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
90 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.14	\$63.12	3.39%	3.48%	6.10%	5.00%	4.00%	5.03%	7.46%	8.51%	9.59%
Alliant Energy Corporation	LNT	\$1.26	\$37.28	3.38%	3.48%	5.50%	6.35%	6.00%	5.95%	8.97%	9.43%	9.84%
Ameren Corporation	AEE	\$1.76	\$51.16	3.44%	3.55%	6.50%	5.85%	6.00%	6.12%	9.39%	9.66%	10.05%
American Electric Power Company, Inc.	AEP	\$2.36	\$62.46	3.78%	3.86%	5.60%	1.86%	5.00%	4.15%	5.67%	8.01%	9.48%
Avista Corporation	AVA	\$1.43	\$39.97	3.58%	3.65%	NA	5.65%	3.00%	4.33%	6.63%	7.98%	9.33%
Black Hills Corporation	BKH	\$1.78	\$60.88	2.92%	3.04%	6.20%	10.48%	7.50%	8.06%	9.21%	11.10%	13.56%
CenterPoint Energy, Inc.	CNP	\$1.07	\$24.63	4.34%	4.44%	5.00%	6.90%	2.00%	4.63%	6.39%	9.08%	11.39%
CMS Energy Corporation	CMS	\$1.33	\$41.65	3.19%	3.30%	6.00%	7.60%	6.00%	6.53%	9.29%	9.83%	10.91%
Consolidated Edison, Inc.	ED	\$2.76	\$73.00	3.78%	3.84%	3.10%	3.51%	3.00%	3.20%	6.84%	7.04%	7.36%
DTE Energy Company	DTE	\$3.30	\$96.53	3.42%	3.52%	6.00%	5.05%	6.00%	5.68%	8.55%	9.20%	9.52%
El Paso Electric Company	EE	\$1.24	\$46.04	2.69%	2.77%	5.50%	6.50%	4.00%	5.33%	6.75%	8.10%	9.28%
Eversource Energy	ES	\$1.90	\$54.51	3.49%	3.60%	6.30%	6.01%	7.00%	6.44%	9.60%	10.03%	10.61%
IDACORP, Inc.	IDA	\$2.20	\$78.56	2.80%	2.85%	4.30%	4.00%	3.00%	3.77%	5.84%	6.62%	7.16%
NorthWestern Corporation	NWE	\$2.10	\$56.75	3.70%	3.79%	4.30%	3.94%	6.50%	4.91%	7.71%	8.70%	10.32%
OGE Energy Corp.	OGE	\$1.21	\$32.82	3.69%	3.78%	5.30%	6.45%	3.00%	4.92%	6.74%	8.69%	10.26%
Otter Tail Corporation	OTTR	\$1.28	\$38.13	3.36%	3.45%	NA	5.20%	6.00%	5.60%	8.64%	9.05%	9.46%
Pinnacle West Capital Corporation	PNW	\$2.62	\$76.54	3.42%	3.51%	4.90%	5.54%	4.00%	4.81%	7.49%	8.32%	9.06%
PNM Resources, Inc.	PNM	\$0.97	\$33.47	2.90%	3.01%	6.50%	6.85%	9.00%	7.45%	9.49%	10.46%	12.03%
Portland General Electric Company	POR	\$1.28	\$42.94	2.98%	3.06%	5.80%	5.97%	4.00%	5.26%	7.04%	8.32%	9.04%
SCANA Corporation	SCG	\$2.45	\$70.92	3.45%	3.54%	5.30%	5.87%	4.50%	5.22%	8.03%	8.77%	9.43%
Wisconsin Energy Corporation	WEC	\$2.08	\$57.75	3.60%	3.71%	6.00%	6.53%	6.00%	6.18%	9.71%	9.89%	10.25%
Xcel Energy Inc.	XEL	\$1.44	\$40.63	3.54%	3.64%	5.40%	NA	5.50%	5.45%	9.04%	9.09%	9.14%
PROXY GROUP MEAN				3.40%	3.49%	5.48%	5.77%	5.05%	5.41%	7.93%	8.90%	9.87%
PROXY GROUP MEDIAN				3.43%	3.53%	5.55%	5.87%	5.25%	5.30%	7.87%	8.91%	9.56%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, equals 90-trading day average as of February 28, 2017

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Source: Zacks

[6] Source: Yahoo! Finance

[7] Source: Value Line

[8] Equals Average([5], [6], [7])

[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model
180 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
ALLETE, Inc.	ALE	\$2.14	\$62.17	3.44%	3.53%	6.10%	5.00%	4.00%	5.03%	7.51%	8.56%	9.65%
Alliant Energy Corporation	LNT	\$1.26	\$38.10	3.31%	3.41%	5.50%	6.35%	6.00%	5.95%	8.90%	9.36%	9.76%
Ameren Corporation	AEE	\$1.76	\$50.93	3.46%	3.56%	6.50%	5.85%	6.00%	6.12%	9.41%	9.68%	10.07%
American Electric Power Company, Inc.	AEP	\$2.36	\$64.54	3.66%	3.73%	5.60%	1.86%	5.00%	4.15%	5.55%	7.89%	9.36%
Avista Corporation	AVA	\$1.43	\$41.08	3.48%	3.56%	NA	5.65%	3.00%	4.33%	6.53%	7.88%	9.23%
Black Hills Corporation	BKH	\$1.78	\$60.81	2.93%	3.05%	6.20%	10.48%	7.50%	8.06%	9.22%	11.11%	13.56%
CenterPoint Energy, Inc.	CNP	\$1.07	\$23.92	4.47%	4.58%	5.00%	6.90%	2.00%	4.63%	6.52%	9.21%	11.53%
CMS Energy Corporation	CMS	\$1.33	\$42.49	3.13%	3.23%	6.00%	7.60%	6.00%	6.53%	9.22%	9.77%	10.85%
Consolidated Edison, Inc.	ED	\$2.76	\$75.04	3.68%	3.74%	3.10%	3.51%	3.00%	3.20%	6.73%	6.94%	7.25%
DTE Energy Company	DTE	\$3.30	\$95.85	3.44%	3.54%	6.00%	5.05%	6.00%	5.68%	8.58%	9.22%	9.55%
El Paso Electric Company	EE	\$1.24	\$46.10	2.69%	2.76%	5.50%	6.50%	4.00%	5.33%	6.74%	8.09%	9.28%
Eversource Energy	ES	\$1.90	\$55.32	3.43%	3.55%	6.30%	6.01%	7.00%	6.44%	9.55%	9.98%	10.55%
IDACORP, Inc.	IDA	\$2.20	\$78.24	2.81%	2.86%	4.30%	4.00%	3.00%	3.77%	5.85%	6.63%	7.17%
NorthWestern Corporation	NWE	\$2.10	\$58.03	3.62%	3.71%	4.30%	3.94%	6.50%	4.91%	7.63%	8.62%	10.24%
OGE Energy Corp.	OGE	\$1.21	\$32.12	3.77%	3.86%	5.30%	6.45%	3.00%	4.92%	6.82%	8.78%	10.34%
Otter Tail Corporation	OTTR	\$1.28	\$36.11	3.55%	3.64%	NA	5.20%	6.00%	5.60%	8.84%	9.24%	9.65%
Pinnacle West Capital Corporation	PNW	\$2.62	\$76.93	3.41%	3.49%	4.90%	5.54%	4.00%	4.81%	7.47%	8.30%	9.04%
PNM Resources, Inc.	PNM	\$0.97	\$33.39	2.91%	3.01%	6.50%	6.85%	9.00%	7.45%	9.50%	10.46%	12.04%
Portland General Electric Company	POR	\$1.28	\$42.93	2.98%	3.06%	5.80%	5.97%	4.00%	5.26%	7.04%	8.32%	9.04%
SCANA Corporation	SCG	\$2.45	\$71.70	3.42%	3.51%	5.30%	5.87%	4.50%	5.22%	7.99%	8.73%	9.39%
Wisconsin Energy Corporation	WEC	\$2.08	\$59.85	3.48%	3.58%	6.00%	6.53%	6.00%	6.18%	9.58%	9.76%	10.12%
Xcel Energy Inc.	XEL	\$1.44	\$41.54	3.47%	3.56%	5.40%	NA	5.50%	5.45%	8.96%	9.01%	9.06%
PROXY GROUP MEAN				3.39%	3.48%	5.48%	5.77%	5.05%	5.41%	7.92%	8.89%	9.85%
PROXY GROUP MEDIAN				3.44%	3.54%	5.55%	5.87%	5.25%	5.30%	7.81%	8.89%	9.65%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional, equals 180-trading day average as of February 28, 2017

[3] Equals [1] / [2]

[4] Equals [3] x (1 + 0.5 x [8])

[5] Source: Zacks

[6] Source: Yahoo! Finance

[7] Source: Value Line

[8] Equals Average([5], [6], [7])

[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])

[10] Equals [4] + [8]

[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Schedule (RBH)-2

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] EPS Growth Rate Estimates				[6] Long-Term	[7] [8] [9] Payout Ratio			[10] [11] Iterative Solution		[12] Terminal	[13] Terminal	
		Price	Zacks	First Call	Value Line		Average	Growth	2017	2020	2027			Proof
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.20%	18.76	3.41
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.90%	20.45	3.71
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	8.98%	19.95	3.62
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.27%	18.44	3.35
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.84%	20.82	3.78
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	9.42%	17.72	3.22
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	8.52%	23.04	4.19
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	8.99%	19.89	3.61
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.83%	20.86	3.79
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.88%	20.55	3.73
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	5.33%	5.50%	52.00%	57.00%	65.78%	(\$0.00)	8.62%	22.30	4.05
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.59%	16.99	3.09
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.60%	22.46	4.08
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	9.05%	19.59	3.56
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.09%	19.35	3.51
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.60%	22.45	4.08
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.02%	19.75	3.59
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.42%	17.73	3.22
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.86%	20.66	3.75
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.62%	16.86	3.06
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.65%	22.08	4.01
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.22%	18.69	3.40
											MEAN	9.01%		
											MAX	9.62%		
											MIN	8.52%		

Company	Ticker	Projected Annual Earnings per Share																
		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	52.00%	53.67%	55.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$143.87	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$84.42	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$117.54	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$139.85	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$84.29	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$144.93	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$54.67	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$96.23	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$161.04	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$218.69	
El Paso Electric Company	EE	\$1.17	\$1.27	\$1.38	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$105.25	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$127.30	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$177.89	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$127.66	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$73.49	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$83.16	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$172.52	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$80.08	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$97.38	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$155.35	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$128.55	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$92.10	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$148.91
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$87.14
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$121.41
American Electric Power Company, Inc.	AEP	(\$63.96)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$144.84
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$86.95
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$150.31
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$56.23
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$99.41
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$166.12
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$225.69
EI Paso Electric Company	EE	(\$46.40)	\$0.00	\$0.98	\$1.20	\$1.38	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$108.35
Eversource Energy	ES	(\$55.97)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$132.23
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$183.10
NorthWestern Corporation	NWE	(\$57.08)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$131.94
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$75.98
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$85.60
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$178.27
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$83.05
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$100.48
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$161.41
Wisconsin Energy Corporation	WEC	(\$58.28)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$132.38
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$95.34

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term	[8] [9] [10] Payout Ratio			[11] Iterative Solution	[12] Terminal	[13] Terminal	
		Price	Zacks	First Call	Line	Average		Growth	2017	2020				2027
Company	Ticker	Price	Value								Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.33%	18.15	3.30
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.95%	20.16	3.66
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.10%	19.31	3.51
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.36%	17.99	3.27
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.76%	21.35	3.88
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	9.50%	17.35	3.15
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	8.72%	21.55	3.91
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	9.09%	19.34	3.51
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.89%	20.49	3.72
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.96%	20.11	3.65
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	5.33%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.64%	22.11	4.02
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.70%	16.54	3.01
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.65%	22.08	4.01
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	9.07%	19.48	3.54
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.25%	18.52	3.36
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.59%	22.50	4.09
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.10%	19.28	3.50
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.56%	17.13	3.11
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.92%	20.31	3.69
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.52%	17.30	3.14
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.68%	21.88	3.97
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.32%	18.21	3.31
											MEAN	9.07%		
											MAX	9.70%		
											MIN	8.59%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		2015
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$139.22	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$83.23	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$113.79	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$136.47	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$86.43	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$141.91	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$51.13	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$93.58	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$158.16	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$214.02	
El Paso Electric Company	EE	\$1.19	\$1.29	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$104.33	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$123.97	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$174.92	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$126.93	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$70.33	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$83.38	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$168.46	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$77.36	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$95.74	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$159.48	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$127.37	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$89.71	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$144.26
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$85.94
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$117.67
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$141.46
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$89.10
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$147.29
CenterPoint Energy, Inc.	CNP	(\$24.63)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$52.69
CMS Energy Corporation	CMS	(\$41.65)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$96.77
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$163.24
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$221.02
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$1.00	\$1.23	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$107.43
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$128.90
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$180.13
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$131.21
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$72.83
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$85.82
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$174.20
PNM Resources, Inc.	PNM	(\$33.47)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$80.33
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$98.84
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$165.54
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$131.19
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$92.96

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] EPS Growth Rate Estimates				[6] Long-Term	[7] [8] [9] Payout Ratio			[10] [11] Iterative Solution		[12] Terminal	[13] Terminal				
		Price	Zacks	First Call	Value Line		Average	Growth	2017	2020	2027			Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.39%	17.87	3.25			
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.87%	20.61	3.74			
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.11%	19.22	3.49			
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.23%	18.62	3.38			
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.66%	21.97	3.99			
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	9.51%	17.33	3.15			
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	8.83%	20.87	3.79			
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	9.02%	19.74	3.59			
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.80%	21.08	3.83			
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.98%	19.97	3.63			
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	5.33%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.64%	22.14	4.02			
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.64%	16.79	3.05			
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.66%	21.99	3.99			
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	8.99%	19.92	3.62			
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.34%	18.10	3.29			
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.77%	21.26	3.86			
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.09%	19.38	3.52			
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.56%	17.09	3.10			
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.92%	20.31	3.69			
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.47%	17.50	3.18			
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.56%	22.70	4.12			
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.23%	18.62	3.38			
												MEAN	9.06%				
												MAX	9.64%				
												MIN	8.56%				

Company	Ticker	Projected Annual Earnings per Share																
		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$137.06	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$85.09	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$113.28	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$141.18	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$88.94	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$141.75	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$49.51	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$95.50	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$162.78	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$212.48	
El Paso Electric Company	EE	\$1.19	\$1.29	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$104.46	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$125.82	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$174.19	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$129.82	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$68.75	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$78.79	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$169.34	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$77.18	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$95.71	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$161.26	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$132.11	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$91.77	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$142.10
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$87.81
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$117.15
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$146.17
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$91.60
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$147.12
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$51.07
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$98.68
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$167.86
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$219.48
EI Paso Electric Company	EE	(\$46.10)	\$0.00	\$1.00	\$1.23	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$107.57
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$130.75
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$179.40
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$134.10
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$71.25
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$81.22
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$175.09
PNM Resources, Inc.	PNM	(\$33.39)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$80.15
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$98.81
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$167.32
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$135.94
Xcel Energy Inc.	XEL	(\$41.54)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$95.01

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
Stock	EPS Growth Rate Estimates					Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal		
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	8.93%	20.29	3.69
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.79%	21.15	3.84
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	8.92%	20.35	3.70
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.66%	22.03	4.00
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.51%	23.08	4.19
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	8.93%	20.27	3.68
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	7.94%	28.49	5.18
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	8.86%	20.70	3.76
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.78%	21.19	3.85
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.72%	21.56	3.92
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.32%	24.65	4.48
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.46%	17.53	3.18
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	3.00%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.42%	23.83	4.33
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	8.80%	21.09	3.83
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	8.59%	22.46	4.08
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.50%	23.14	4.20
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.81%	21.01	3.82
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.16%	19.00	3.45
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.56%	22.74	4.13
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.41%	17.78	3.23
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.61%	22.38	4.07
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.20%	18.76	3.41
											MEAN	8.77%		
											MAX	9.46%		
											MIN	7.94%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$143.07	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$84.22	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$117.37	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$138.32	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$83.86	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$143.00	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$54.45	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$95.93	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$160.89	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$218.00	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$104.41	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$126.91	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$177.24	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$126.95	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$72.96	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$83.02	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$171.82	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$79.53	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$96.77	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$154.58	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$128.45	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$92.07	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$147.71
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$86.84
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$121.16
American Electric Power Company, Inc.	AEP	(\$63.96)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$142.45
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$86.25
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$147.64
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$55.71
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$98.98
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$165.89
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$224.65
El Paso Electric Company	EE	(\$46.40)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$107.20
Eversource Energy	ES	(\$55.97)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$131.67
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$182.13
NorthWestern Corporation	NWE	(\$57.08)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$130.91
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$75.10
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$85.38
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$177.20
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$82.29
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$99.57
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$160.30
Wisconsin Energy Corporation	WEC	(\$58.28)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$132.22
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$95.30

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term	[8] [9] [10] Payout Ratio			[11] Iterative Solution	[12] Terminal	[13] Terminal				
		Price	Zacks	First Call	Value			2017	2020	2027				Proof	IRR	P/E Ratio	PEG Ratio
					Line	Low											
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio			
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.04%	19.63	3.57			
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.83%	20.85	3.79			
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.03%	19.70	3.58			
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.73%	21.49	3.90			
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.44%	23.67	4.30			
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	9.00%	19.85	3.61			
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	8.11%	26.63	4.84			
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	8.95%	20.12	3.66			
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.84%	20.81	3.78			
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.79%	21.10	3.83			
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.34%	24.46	4.44			
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.57%	17.07	3.10			
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	3.00%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.47%	23.43	4.26			
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	8.81%	20.97	3.81			
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	8.73%	21.49	3.90			
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.50%	23.20	4.21			
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.89%	20.51	3.73			
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.29%	18.35	3.33			
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.61%	22.35	4.06			
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.31%	18.26	3.32			
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.63%	22.17	4.03			
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.30%	18.27	3.32			
											MEAN	8.83%					
											MAX	9.57%					
											MIN	8.11%					

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		2015
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	65.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	50.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$138.42	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$83.02	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$113.62	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$134.94	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$86.00	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$139.98	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$50.90	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$93.29	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$158.02	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$213.32	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$103.60	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$123.57	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$174.28	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$126.22	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$69.80	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$83.23	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$167.75	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$76.82	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$95.12	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$158.71	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$127.26	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$89.69	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$143.05
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$85.64
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$117.42
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$139.07
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$88.39
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$144.62
CenterPoint Energy, Inc.	CNP	(\$24.64)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$52.16
CMS Energy Corporation	CMS	(\$41.65)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$96.34
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$163.01
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$219.97
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$106.38
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$128.34
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$179.17
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$130.18
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$71.94
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$85.59
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$173.13
PNM Resources, Inc.	PNM	(\$33.47)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$79.57
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$97.92
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$164.43
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$131.04
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$92.92

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7]	[8]	[9]	[10]	[11]	[12]	[13]	
		Price	Zacks	First Call	Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	Terminal
Company	Ticker													
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.10%	19.32	3.51
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.76%	21.32	3.87
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.04%	19.61	3.56
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.63%	22.24	4.04
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	8.35%	24.36	4.43
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	9.01%	19.82	3.60
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	8.20%	25.79	4.68
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	8.88%	20.54	3.73
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.74%	21.42	3.89
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.82%	20.95	3.81
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.34%	24.49	4.45
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.51%	17.32	3.15
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	3.00%	5.50%	60.00%	60.00%	65.78%	(\$0.00)	8.48%	23.33	4.24
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	8.74%	21.45	3.90
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	8.81%	21.00	3.82
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.67%	21.92	3.98
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.87%	20.62	3.75
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.30%	18.30	3.33
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	8.61%	22.34	4.06
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.26%	18.46	3.35
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.52%	23.00	4.18
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.22%	18.69	3.40
											MEAN	8.81%		
											MAX	9.51%		
											MIN	8.20%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		2015
Company	Ticker																	
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	2031	
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$136.25	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$84.89	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$113.11	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$139.65	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$88.51	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$139.82	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$49.28	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$95.21	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$162.63	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$211.78	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$103.73	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$125.42	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$173.55	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$129.11	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$68.22	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$78.64	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$168.64	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$76.64	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$95.10	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$160.49	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$132.01	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$91.74	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$140.89
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$87.51
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$116.90
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$143.78
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$90.90
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$144.46
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$50.54
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$98.25
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$167.63
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$218.43
EI Paso Electric Company	EE	(\$46.10)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$106.52
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$130.18
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$178.44
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$133.07
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$70.36
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$81.00
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$174.02
PNM Resources, Inc.	PNM	(\$33.39)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$79.39
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$97.89
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$166.20
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$135.79
Xcel Energy Inc.	XEL	(\$41.54)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$94.97

Multi-Stage Growth Discounted Cash Flow Model
30 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term Growth	[8] [9] [10] Payout Ratio			[11] Iterative Solution Proof	[12] Terminal P/E Ratio	[13] Terminal PEG Ratio	
		Price	Zacks	First Call	Line	High		2017	2020	2027				IRR
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.51%	17.33	3.15
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	9.00%	19.85	3.61
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.08%	19.39	3.52
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.70%	16.54	3.01
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	9.19%	18.82	3.42
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	\$0.00	10.14%	14.98	2.72
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	9.10%	19.32	3.51
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	9.28%	18.39	3.34
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.91%	20.37	3.70
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	8.96%	20.07	3.65
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.90%	20.43	3.71
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.76%	16.31	2.96
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.72%	21.56	3.92
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	9.49%	17.42	3.16
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.53%	17.23	3.13
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.69%	21.77	3.96
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.22%	18.69	3.40
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	9.87%	15.89	2.89
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	9.05%	19.59	3.56
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.82%	16.08	2.92
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.73%	21.50	3.91
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.23%	18.62	3.38
											MEAN	9.27%		
											MAX	10.14%		
											MIN	8.69%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$8.01	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.50	\$144.81	
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.80	\$84.62	
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.00	\$117.79	
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.61	\$141.06	
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$2.96	\$84.81	
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.50	\$147.96	
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.87	\$55.00	
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.46	\$96.86	
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.21	\$161.26	
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.18	\$219.06	
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.41	\$105.87	
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.16	\$127.85	
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.44	\$178.37	
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$4.87	\$128.97	
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.83	\$74.02	
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.52	\$83.32	
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.09	\$173.21	
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.36	\$81.08	
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.28	\$97.77	
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.39	\$156.09	
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$3.94	\$128.76	
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.25	\$92.12	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$150.30
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$87.42
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$121.79
American Electric Power Company, Inc.	AEP	(\$63.96)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$146.67
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$87.77
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$154.45
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$56.87
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$100.33
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$166.47
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$226.24
EI Paso Electric Company	EE	(\$46.40)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$109.28
Eversource Energy	ES	(\$55.98)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$133.01
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$183.82
NorthWestern Corporation	NWE	(\$57.08)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$133.84
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$76.85
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$85.83
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$179.31
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$84.43
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$101.06
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$162.47
Wisconsin Energy Corporation	WEC	(\$58.28)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$132.70
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$95.38

Multi-Stage Growth Discounted Cash Flow Model
90 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term Growth	[8] [9] [10] Payout Ratio			[11] Iterative Solution Proof	[12] Terminal P/E Ratio	[13] Terminal PEG Ratio	
		Price	Zacks	First Call	Line	High		2017	2020	2027				
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.64%	16.77	3.05
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	9.05%	19.57	3.55
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.20%	18.77	3.41
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.80%	16.15	2.93
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	9.10%	19.29	3.50
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	10.23%	14.67	2.67
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	9.34%	18.08	3.28
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	9.38%	17.89	3.25
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.97%	20.01	3.63
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.04%	19.64	3.57
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.93%	20.27	3.68
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.87%	15.89	2.89
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.78%	21.20	3.85
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	9.51%	17.32	3.15
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.71%	16.49	3.00
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.68%	21.83	3.97
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.31%	18.25	3.32
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	\$0.00	10.02%	15.36	2.79
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	9.11%	19.26	3.50
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.71%	16.50	3.00
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.76%	21.31	3.87
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.33%	18.14	3.29
											MEAN	9.34%		
											MAX	10.23%		
											MIN	8.68%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		2015
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$8.01	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.80	\$6.11	\$140.15
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.94	\$3.08	\$83.42
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.21	\$4.42	\$114.05
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.91	\$6.21	\$137.68
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$3.11	\$3.26	\$86.95
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.84	\$7.19	\$144.93
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.97	\$2.07	\$51.47
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.64	\$3.82	\$94.22
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.48	\$5.75	\$158.39
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.57	\$7.96	\$214.38
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.59	\$3.77	\$105.05
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.71	\$124.52
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.71	\$6.00	\$175.41
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$5.13	\$5.39	\$128.24
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.97	\$3.11	\$70.87
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.65	\$2.79	\$83.53
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.41	\$6.73	\$169.14
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.54	\$3.72	\$78.36
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.45	\$3.62	\$96.13
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.73	\$7.07	\$160.22
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$4.14	\$4.34	\$127.58
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.41	\$3.57	\$89.74

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$145.65
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$86.23
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$118.04
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$143.29
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$89.91
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$151.43
CenterPoint Energy, Inc.	CNP	(\$24.63)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$53.34
CMS Energy Corporation	CMS	(\$41.65)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$97.68
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$163.60
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$221.56
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$108.46
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$129.67
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$180.85
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$133.11
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$73.70
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$86.05
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$175.24
PNM Resources, Inc.	PNM	(\$33.47)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$81.71
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$99.41
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$166.61
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$131.52
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$92.99

Multi-Stage Growth Discounted Cash Flow Model
180 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7]	[8]	[9]	[10]	[11]	[12]	[13]	
		Value					Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal	
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	9.71%	16.51	3.00
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	(\$0.00)	8.97%	20.01	3.63
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	9.22%	18.69	3.39
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.66%	16.70	3.03
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	(\$0.00)	9.00%	19.85	3.61
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	10.24%	14.65	2.66
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	(\$0.00)	9.47%	17.52	3.18
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	(\$0.00)	9.31%	18.26	3.32
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	8.88%	20.59	3.74
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.06%	19.50	3.54
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	(\$0.00)	8.92%	20.30	3.69
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	9.81%	16.12	2.93
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.79%	21.11	3.84
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	9.42%	17.71	3.22
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	(\$0.00)	9.81%	16.12	2.93
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	(\$0.00)	8.87%	20.63	3.75
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.29%	18.35	3.33
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	(\$0.00)	10.03%	15.32	2.78
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	(\$0.00)	9.11%	19.25	3.50
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	9.66%	16.69	3.03
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	(\$0.00)	8.65%	22.10	4.01
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.25%	18.55	3.37
											MEAN	9.32%		
											MAX	10.24%		
											MIN	8.65%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		Company
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$8.01	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.80	\$137.99	
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.94	\$85.28	
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.23	\$113.53	
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.91	\$142.39	
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$3.11	\$89.45	
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.84	\$144.77	
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.97	\$49.86	
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.64	\$96.14	
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.49	\$163.00	
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.57	\$212.84	
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.59	\$105.19	
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$126.37	
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.72	\$174.68	
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$5.13	\$131.14	
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.98	\$69.29	
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.66	\$78.94	
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.41	\$170.03	
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.54	\$78.17	
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$96.10	
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.74	\$162.00	
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$4.15	\$132.33	
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$91.80	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$143.49
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$88.09
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$117.53
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$148.00
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$92.42
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$151.26
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$51.73
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$99.60
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$168.21
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$220.02
EI Paso Electric Company	EE	(\$46.10)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$108.60
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$131.52
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$180.12
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$136.01
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$72.12
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$81.45
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$176.12
PNM Resources, Inc.	PNM	(\$33.38)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$81.53
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$99.38
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$168.38
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$136.27
Xcel Energy Inc.	XEL	(\$41.54)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$95.05

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
30 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term	[8] [9] [10] Payout Ratio			[11] Iterative Solution	[12] Terminal	[13] Terminal	
		Price	Zacks	First Call	Line	Average		Growth	2017	2020				2027
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	10.71%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	\$0.00	9.95%	24.76	4.50
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	\$0.00	10.17%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.86%	24.76	4.50
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	\$0.00	9.78%	24.76	4.50
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	11.24%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	\$0.00	8.91%	24.76	4.50
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.19%	24.76	4.50
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.77%	24.76	4.50
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.90%	24.76	4.50
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	5.33%	5.50%	53.00%	57.00%	65.78%	\$0.00	9.21%	24.76	4.50
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.62%	24.76	4.50
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.14%	24.76	4.50
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	10.33%	24.76	4.50
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	\$0.00	10.42%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.14%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.25%	24.76	4.50
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	\$0.00	11.23%	24.76	4.50
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	\$0.00	9.86%	24.76	4.50
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.69%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.28%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.74%	24.76	4.50

MEAN 10.20%
MAX 11.69%
MIN 8.91%

Projected Annual
Earnings per Share

	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$189.86	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$102.21	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$145.87	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$187.75	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$100.24	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.44	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$58.73	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$119.77	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$191.13	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$263.42	
El Paso Electric Company	EE	\$1.19	\$1.29	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$116.83	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$185.50	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$196.11	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$161.32	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$94.04	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$91.73	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$216.31	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$111.79	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$116.68	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$228.16	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$144.11	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$122.00	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$194.91
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$104.92
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$149.75
American Electric Power Company, Inc.	AEP	(\$63.96)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$192.74
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$102.90
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.82
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$60.29
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$122.95
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$196.21
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$270.42
EI Paso Electric Company	EE	(\$46.40)	\$0.00	\$1.00	\$1.23	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$119.93
Eversource Energy	ES	(\$55.97)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$190.43
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$201.32
NorthWestern Corporation	NWE	(\$57.08)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$165.61
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$96.54
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$94.17
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$222.05
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$114.76
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$119.78
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$234.23
Wisconsin Energy Corporation	WEC	(\$58.27)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$147.94
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$125.24

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
90 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term	[8] [9] [10] Payout Ratio			[11] Iterative Solution	[12] Terminal	[13] Terminal	
		Price	Zacks	First Call	Line	Average		Growth	2017	2020				2027
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	11.00%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	\$0.00	10.07%	24.76	4.50
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	10.45%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	11.08%	24.76	4.50
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	\$0.00	9.57%	24.76	4.50
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	11.44%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	\$0.00	9.48%	24.76	4.50
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.44%	24.76	4.50
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.93%	24.76	4.50
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.09%	24.76	4.50
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	5.33%	5.50%	53.00%	57.00%	65.78%	\$0.00	9.27%	24.76	4.50
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.86%	24.76	4.50
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.28%	24.76	4.50
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	10.38%	24.76	4.50
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	\$0.00	10.81%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.12%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.46%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	\$0.00	11.55%	24.76	4.50
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	\$0.00	10.01%	24.76	4.50
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.45%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.36%	24.76	4.50
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.98%	24.76	4.50
											MEAN	10.37%		
											MAX	11.86%		
											MIN	9.12%		

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
																		2015
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$189.86	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$102.21	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$145.87	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$187.75	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$100.24	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.44	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$58.73	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$119.77	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$191.13	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$263.42	
El Paso Electric Company	EE	\$1.19	\$1.29	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$116.83	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$185.50	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$196.11	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$161.32	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$94.04	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$91.73	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$216.31	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$111.79	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$116.68	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$228.16	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$144.11	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$122.00	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$194.91
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$104.92
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$149.75
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$192.74
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$102.90
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.82
CenterPoint Energy, Inc.	CNP	(\$24.63)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$60.29
CMS Energy Corporation	CMS	(\$41.64)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$122.95
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$196.21
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$270.42
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$1.00	\$1.23	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$119.93
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$190.43
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$201.32
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$165.61
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$96.54
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$94.17
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$222.05
PNM Resources, Inc.	PNM	(\$33.46)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$114.76
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$119.78
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$234.23
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$147.94
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$125.24

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
180 Day Average Stock Price
Average EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term	[8] [9] [10] Payout Ratio			[11] Iterative Solution	[12] Terminal	[13] Terminal	
		Price	Zacks	First Call	Line	Average		Growth	2017	2020				2027
Company	Ticker	Price	Zacks	First Call	Line	Average	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	5.03%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	11.14%	24.76	4.50
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	5.95%	5.50%	63.00%	61.00%	65.78%	\$0.00	9.88%	24.76	4.50
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	6.12%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	10.49%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	4.15%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.77%	24.76	4.50
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	4.33%	5.50%	69.00%	69.00%	65.78%	\$0.00	9.32%	24.76	4.50
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	8.06%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	11.45%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	4.63%	5.50%	83.00%	85.00%	65.78%	\$0.00	9.75%	24.76	4.50
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	6.53%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.26%	24.76	4.50
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.20%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.68%	24.76	4.50
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	5.68%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.16%	24.76	4.50
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	5.33%	5.50%	53.00%	57.00%	65.78%	\$0.00	9.26%	24.76	4.50
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	6.44%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.73%	24.76	4.50
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	3.77%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.32%	24.76	4.50
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	4.91%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	10.18%	24.76	4.50
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	4.92%	5.50%	66.00%	74.00%	65.78%	\$0.00	11.01%	24.76	4.50
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	5.60%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.61%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	4.81%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.42%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	7.45%	5.50%	52.00%	55.00%	65.78%	\$0.00	11.57%	24.76	4.50
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	5.26%	5.50%	58.00%	62.00%	65.78%	\$0.00	10.01%	24.76	4.50
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	5.22%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.34%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.18%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.04%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.45%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.77%	24.76	4.50

MEAN 10.33%
MAX 11.73%
MIN 9.04%

Company	Ticker	Projected Annual Earnings per Share																
		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.55	\$3.73	\$3.92	\$4.11	\$4.32	\$4.54	\$4.77	\$5.02	\$5.28	\$5.56	\$5.87	\$6.19	\$6.53	\$6.89	\$7.27	\$7.67
Alliant Energy Corporation	LNT	\$1.69	\$1.79	\$1.90	\$2.01	\$2.13	\$2.26	\$2.39	\$2.53	\$2.68	\$2.83	\$2.99	\$3.16	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.68	\$2.84	\$3.02	\$3.20	\$3.40	\$3.60	\$3.82	\$4.04	\$4.27	\$4.51	\$4.76	\$5.02	\$5.29	\$5.58	\$5.89
American Electric Power Company, Inc.	AEP	\$3.59	\$3.74	\$3.89	\$4.06	\$4.22	\$4.40	\$4.58	\$4.78	\$5.00	\$5.25	\$5.51	\$5.80	\$6.12	\$6.46	\$6.81	\$7.19	\$7.58
Avista Corporation	AVA	\$1.89	\$1.97	\$2.06	\$2.15	\$2.24	\$2.34	\$2.44	\$2.55	\$2.67	\$2.80	\$2.94	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05
Black Hills Corporation	BKH	\$2.83	\$3.06	\$3.30	\$3.57	\$3.86	\$4.17	\$4.51	\$4.85	\$5.20	\$5.55	\$5.90	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.13	\$1.18	\$1.24	\$1.29	\$1.35	\$1.42	\$1.48	\$1.56	\$1.64	\$1.72	\$1.81	\$1.91	\$2.02	\$2.13	\$2.25	\$2.37
CMS Energy Corporation	CMS	\$1.89	\$2.01	\$2.15	\$2.29	\$2.43	\$2.59	\$2.76	\$2.94	\$3.12	\$3.31	\$3.50	\$3.70	\$3.90	\$4.12	\$4.35	\$4.59	\$4.84
Consolidated Edison, Inc.	ED	\$3.95	\$4.08	\$4.21	\$4.34	\$4.48	\$4.62	\$4.77	\$4.94	\$5.14	\$5.36	\$5.62	\$5.91	\$6.23	\$6.57	\$6.94	\$7.32	\$7.72
DTE Energy Company	DTE	\$4.45	\$4.70	\$4.97	\$5.25	\$5.55	\$5.87	\$6.20	\$6.55	\$6.92	\$7.31	\$7.71	\$8.14	\$8.59	\$9.06	\$9.56	\$10.09	\$10.64
El Paso Electric Company	EE	\$2.03	\$2.14	\$2.25	\$2.37	\$2.50	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$3.61	\$3.81	\$4.02	\$4.24	\$4.47	\$4.72
Eversource Energy	ES	\$2.95	\$3.14	\$3.34	\$3.56	\$3.79	\$4.03	\$4.29	\$4.56	\$4.84	\$5.13	\$5.42	\$5.73	\$6.05	\$6.38	\$6.73	\$7.10	\$7.49
IDACORP, Inc.	IDA	\$3.87	\$4.02	\$4.17	\$4.32	\$4.49	\$4.66	\$4.83	\$5.03	\$5.25	\$5.49	\$5.76	\$6.06	\$6.39	\$6.75	\$7.12	\$7.51	\$7.92
NorthWestern Corporation	NWE	\$2.90	\$3.04	\$3.19	\$3.35	\$3.51	\$3.69	\$3.87	\$4.06	\$4.27	\$4.49	\$4.73	\$4.98	\$5.26	\$5.55	\$5.85	\$6.18	\$6.52
OGE Energy Corp.	OGE	\$1.69	\$1.77	\$1.86	\$1.95	\$2.05	\$2.15	\$2.25	\$2.37	\$2.49	\$2.62	\$2.76	\$2.91	\$3.07	\$3.23	\$3.41	\$3.60	\$3.80
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.74	\$1.84	\$1.94	\$2.05	\$2.16	\$2.28	\$2.41	\$2.55	\$2.69	\$2.83	\$2.99	\$3.15	\$3.33	\$3.51	\$3.71
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.11	\$4.31	\$4.51	\$4.73	\$4.96	\$5.20	\$5.45	\$5.73	\$6.02	\$6.34	\$6.68	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74
PNM Resources, Inc.	PNM	\$1.64	\$1.76	\$1.89	\$2.03	\$2.19	\$2.35	\$2.52	\$2.70	\$2.89	\$3.07	\$3.26	\$3.45	\$3.64	\$3.84	\$4.06	\$4.28	\$4.52
Portland General Electric Company	POR	\$2.04	\$2.15	\$2.26	\$2.38	\$2.50	\$2.64	\$2.77	\$2.92	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.23	\$4.47	\$4.71
SCANA Corporation	SCG	\$4.00	\$4.21	\$4.43	\$4.66	\$4.90	\$5.16	\$5.43	\$5.72	\$6.02	\$6.34	\$6.69	\$7.05	\$7.44	\$7.85	\$8.28	\$8.74	\$9.22
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.64	\$2.80	\$2.97	\$3.16	\$3.35	\$3.56	\$3.77	\$3.99	\$4.22	\$4.45	\$4.70	\$4.96	\$5.23	\$5.52	\$5.82
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.34	\$2.46	\$2.60	\$2.74	\$2.89	\$3.04	\$3.21	\$3.39	\$3.57	\$3.77	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.39	\$2.48	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$5.04	\$189.86	
Alliant Energy Corporation	LNT	\$1.20	\$1.25	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$2.72	\$102.21	
Ameren Corporation	AEE	\$1.69	\$1.79	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$3.88	\$145.87	
American Electric Power Company, Inc.	AEP	\$2.41	\$2.54	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$4.99	\$187.75	
Avista Corporation	AVA	\$1.42	\$1.48	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$2.66	\$100.24	
Black Hills Corporation	BKH	\$1.72	\$1.87	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.44	
CenterPoint Energy, Inc.	CNP	\$0.98	\$1.04	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$1.56	\$58.73	
CMS Energy Corporation	CMS	\$1.29	\$1.38	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$3.18	\$119.77	
Consolidated Edison, Inc.	ED	\$2.73	\$2.82	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$5.08	\$191.13	
DTE Energy Company	DTE	\$3.08	\$3.29	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$7.00	\$263.42	
El Paso Electric Company	EE	\$1.19	\$1.29	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$3.10	\$116.83	
Eversource Energy	ES	\$2.01	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$4.93	\$185.50	
IDACORP, Inc.	IDA	\$2.29	\$2.45	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$5.21	\$196.11	
NorthWestern Corporation	NWE	\$1.92	\$1.99	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$4.29	\$161.32	
OGE Energy Corp.	OGE	\$1.23	\$1.34	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$2.50	\$94.04	
Otter Tail Corporation	OTTR	\$1.37	\$1.36	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$2.44	\$91.73	
Pinnacle West Capital Corporation	PNW	\$2.67	\$2.83	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$5.75	\$216.31	
PNM Resources, Inc.	PNM	\$0.98	\$1.08	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$2.97	\$111.79	
Portland General Electric Company	POR	\$1.31	\$1.41	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$3.10	\$116.68	
SCANA Corporation	SCG	\$2.57	\$2.69	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$6.06	\$228.16	
Wisconsin Energy Corporation	WEC	\$1.77	\$1.88	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$3.83	\$144.11	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$3.24	\$122.00	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$2.00	\$2.45	\$2.58	\$2.68	\$2.84	\$3.01	\$3.19	\$3.39	\$3.60	\$3.83	\$4.07	\$4.30	\$4.53	\$4.78	\$5.04	\$194.91
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$1.00	\$1.23	\$1.31	\$1.38	\$1.47	\$1.58	\$1.69	\$1.80	\$1.93	\$2.06	\$2.19	\$2.31	\$2.44	\$2.57	\$2.72	\$104.92
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.42	\$1.74	\$1.90	\$2.02	\$2.15	\$2.30	\$2.45	\$2.61	\$2.77	\$2.95	\$3.13	\$3.30	\$3.48	\$3.67	\$3.88	\$149.75
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$2.02	\$2.46	\$2.68	\$2.82	\$2.94	\$3.09	\$3.24	\$3.41	\$3.60	\$3.80	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$192.74
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.19	\$1.45	\$1.54	\$1.61	\$1.67	\$1.73	\$1.80	\$1.88	\$1.96	\$2.05	\$2.15	\$2.27	\$2.39	\$2.52	\$2.66	\$102.90
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.44	\$1.79	\$2.03	\$2.21	\$2.47	\$2.75	\$3.04	\$3.35	\$3.67	\$4.00	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.82
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.82	\$1.00	\$1.09	\$1.15	\$1.17	\$1.18	\$1.20	\$1.21	\$1.23	\$1.24	\$1.26	\$1.33	\$1.40	\$1.48	\$1.56	\$60.29
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.08	\$1.33	\$1.48	\$1.58	\$1.70	\$1.83	\$1.97	\$2.11	\$2.26	\$2.41	\$2.57	\$2.71	\$2.86	\$3.02	\$3.18	\$122.95
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.29	\$2.78	\$2.91	\$3.01	\$3.11	\$3.22	\$3.36	\$3.51	\$3.68	\$3.88	\$4.10	\$4.32	\$4.56	\$4.81	\$5.08	\$196.21
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.58	\$3.17	\$3.52	\$3.75	\$3.98	\$4.23	\$4.48	\$4.75	\$5.03	\$5.33	\$5.65	\$5.96	\$6.29	\$6.63	\$7.00	\$270.42
EI Paso Electric Company	EE	(\$46.10)	\$0.00	\$1.00	\$1.23	\$1.39	\$1.50	\$1.62	\$1.74	\$1.87	\$2.01	\$2.17	\$2.33	\$2.51	\$2.64	\$2.79	\$2.94	\$3.10	\$119.93
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.68	\$2.07	\$2.15	\$2.22	\$2.43	\$2.65	\$2.88	\$3.14	\$3.40	\$3.68	\$3.98	\$4.20	\$4.43	\$4.67	\$4.93	\$190.43
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.92	\$2.34	\$2.62	\$2.79	\$2.94	\$3.10	\$3.28	\$3.47	\$3.69	\$3.94	\$4.21	\$4.44	\$4.68	\$4.94	\$5.21	\$201.32
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.61	\$1.96	\$2.06	\$2.14	\$2.29	\$2.45	\$2.62	\$2.80	\$3.01	\$3.22	\$3.46	\$3.65	\$3.85	\$4.06	\$4.29	\$165.61
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$1.03	\$1.26	\$1.46	\$1.59	\$1.64	\$1.70	\$1.75	\$1.81	\$1.88	\$1.95	\$2.02	\$2.13	\$2.24	\$2.37	\$2.50	\$96.54
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.15	\$1.41	\$1.34	\$1.31	\$1.39	\$1.47	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.08	\$2.19	\$2.31	\$2.44	\$94.17
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.24	\$2.73	\$3.00	\$3.17	\$3.34	\$3.52	\$3.71	\$3.92	\$4.14	\$4.38	\$4.64	\$4.89	\$5.16	\$5.45	\$5.75	\$222.05
PNM Resources, Inc.	PNM	(\$33.38)	\$0.00	\$0.83	\$1.02	\$1.18	\$1.29	\$1.43	\$1.57	\$1.72	\$1.88	\$2.05	\$2.22	\$2.40	\$2.53	\$2.67	\$2.82	\$2.97	\$114.76
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.10	\$1.35	\$1.52	\$1.63	\$1.73	\$1.84	\$1.96	\$2.08	\$2.21	\$2.35	\$2.50	\$2.64	\$2.78	\$2.94	\$3.10	\$119.78
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.15	\$2.64	\$2.81	\$2.94	\$3.16	\$3.40	\$3.66	\$3.93	\$4.23	\$4.55	\$4.89	\$5.16	\$5.45	\$5.75	\$6.06	\$234.23
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.48	\$1.82	\$1.99	\$2.12	\$2.24	\$2.37	\$2.50	\$2.64	\$2.79	\$2.94	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$147.94
Xcel Energy Inc.	XEL	(\$41.53)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.86	\$1.96	\$2.08	\$2.20	\$2.33	\$2.47	\$2.62	\$2.76	\$2.91	\$3.07	\$3.24	\$125.24

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
30 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
	Stock	EPS Growth Rate Estimates				Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal		
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	10.01%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	\$0.00	9.65%	24.76	4.50
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	\$0.00	9.99%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	\$0.00	9.30%	24.76	4.50
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	\$0.00	8.90%	24.76	4.50
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	10.03%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	\$0.00	7.16%	24.76	4.50
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	\$0.00	9.85%	24.76	4.50
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.63%	24.76	4.50
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.49%	24.76	4.50
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	\$0.00	8.34%	24.76	4.50
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.33%	24.76	4.50
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	3.00%	5.50%	60.00%	60.00%	65.78%	\$0.00	8.63%	24.76	4.50
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	\$0.00	9.68%	24.76	4.50
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	\$0.00	9.13%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	\$0.00	8.88%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.71%	24.76	4.50
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	\$0.00	10.61%	24.76	4.50
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	\$0.00	9.03%	24.76	4.50
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.19%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.16%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.71%	24.76	4.50

MEAN 9.56%
MAX 11.33%
MIN 7.16%

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.57	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$98.58	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$142.79	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$155.46	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$89.94	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.62	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$47.32	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$114.76	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$187.96	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$250.30	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$104.85	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$179.27	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$184.16	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$149.05	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$80.42	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$88.82	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.46	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$103.65	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$105.36	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$215.18	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$142.09	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$121.51	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.21
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$101.19
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$146.58
American Electric Power Company, Inc.	AEP	(\$63.95)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$159.59
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$92.33
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.26
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$48.57
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$117.81
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$192.96
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$256.95
El Paso Electric Company	EE	(\$46.40)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$107.63
Eversource Energy	ES	(\$55.97)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$184.03
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$189.05
NorthWestern Corporation	NWE	(\$57.07)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$153.01
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$82.56
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$91.18
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.84
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$106.40
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$108.16
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$220.90
Wisconsin Energy Corporation	WEC	(\$58.27)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$145.86
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$124.73

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
90 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
	Stock	EPS Growth Rate Estimates					Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal	
Company	Ticker	Price	Zacks	First Call	Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	10.30%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	\$0.00	9.78%	24.76	4.50
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	\$0.00	10.28%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	\$0.00	9.51%	24.76	4.50
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	\$0.00	8.68%	24.76	4.50
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	10.22%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	\$0.00	7.71%	24.76	4.50
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.09%	24.76	4.50
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.79%	24.76	4.50
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.67%	24.76	4.50
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	\$0.00	8.41%	24.76	4.50
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.58%	24.76	4.50
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	3.00%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.77%	24.76	4.50
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	\$0.00	9.73%	24.76	4.50
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	\$0.00	9.51%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	\$0.00	8.86%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.92%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	\$0.00	10.92%	24.76	4.50
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	\$0.00	9.18%	24.76	4.50
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	10.96%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.24%	24.76	4.50
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.94%	24.76	4.50
											MEAN	9.73%		
											MAX	11.58%		
											MIN	7.71%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	65.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	50.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.57	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$98.58	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$142.79	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$155.46	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$89.94	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.62	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$47.32	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$114.76	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$187.96	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$250.30	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$104.85	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$179.27	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$184.16	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$149.05	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$80.42	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$88.82	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.46	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$103.65	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$105.36	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$215.18	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$142.09	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$121.51	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.21
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$101.19
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$146.58
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$159.59
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$92.33
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.26
CenterPoint Energy, Inc.	CNP	(\$24.63)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$48.57
CMS Energy Corporation	CMS	(\$41.64)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$117.81
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$192.96
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$256.95
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$107.63
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$184.03
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$189.05
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$153.01
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$82.56
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$91.18
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.84
PNM Resources, Inc.	PNM	(\$33.46)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$106.40
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$108.16
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$220.90
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$145.86
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$124.73

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
180 Day Average Stock Price
Low EPS Growth Rate Estimate in First Stage

Inputs	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
	Stock	EPS Growth Rate Estimates				Long-Term	Payout Ratio			Iterative Solution	Terminal	Terminal		
Company	Ticker	Price	Zacks	First Call	Value Line	Low	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	4.00%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	10.44%	24.76	4.50
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	5.50%	5.50%	63.00%	61.00%	65.78%	\$0.00	9.59%	24.76	4.50
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	5.85%	5.50%	63.00%	63.00%	65.78%	\$0.00	10.32%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	1.86%	5.50%	62.00%	64.00%	65.78%	\$0.00	9.22%	24.76	4.50
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	3.00%	5.50%	69.00%	69.00%	65.78%	\$0.00	8.44%	24.76	4.50
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	6.20%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	10.23%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	2.00%	5.50%	83.00%	85.00%	65.78%	\$0.00	7.97%	24.76	4.50
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	6.00%	5.50%	60.00%	61.00%	65.78%	\$0.00	9.91%	24.76	4.50
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.00%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.54%	24.76	4.50
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	5.05%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.74%	24.76	4.50
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	4.00%	5.50%	53.00%	57.00%	65.78%	\$0.00	8.40%	24.76	4.50
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	6.01%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	11.44%	24.76	4.50
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	3.00%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	8.81%	24.76	4.50
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	3.94%	5.50%	60.00%	58.00%	65.78%	\$0.00	9.54%	24.76	4.50
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	3.00%	5.50%	66.00%	74.00%	65.78%	\$0.00	9.70%	24.76	4.50
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	5.20%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.34%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	4.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	9.87%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	6.50%	5.50%	52.00%	55.00%	65.78%	\$0.00	10.94%	24.76	4.50
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	4.00%	5.50%	58.00%	62.00%	65.78%	\$0.00	9.18%	24.76	4.50
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	4.50%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	10.86%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.00%	5.50%	67.00%	67.00%	65.78%	\$0.00	8.93%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.40%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.74%	24.76	4.50

MEAN 9.69%
MAX 11.44%
MIN 7.97%

Projected Annual Earnings per Share	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.52	\$3.66	\$3.80	\$3.95	\$4.11	\$4.28	\$4.46	\$4.66	\$4.88	\$5.12	\$5.39	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05
Alliant Energy Corporation	LNT	\$1.69	\$1.78	\$1.88	\$1.98	\$2.09	\$2.21	\$2.33	\$2.46	\$2.59	\$2.74	\$2.89	\$3.05	\$3.21	\$3.39	\$3.58	\$3.77	\$3.98
Ameren Corporation	AEE	\$2.38	\$2.52	\$2.67	\$2.82	\$2.99	\$3.16	\$3.35	\$3.54	\$3.74	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18	\$5.47	\$5.77
American Electric Power Company, Inc.	AEP	\$3.59	\$3.66	\$3.72	\$3.79	\$3.86	\$3.94	\$4.01	\$4.11	\$4.24	\$4.39	\$4.58	\$4.80	\$5.07	\$5.35	\$5.64	\$5.95	\$6.28
Avista Corporation	AVA	\$1.89	\$1.95	\$2.01	\$2.07	\$2.13	\$2.19	\$2.26	\$2.33	\$2.42	\$2.53	\$2.64	\$2.78	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63
Black Hills Corporation	BKH	\$2.83	\$3.01	\$3.19	\$3.39	\$3.60	\$3.82	\$4.06	\$4.31	\$4.56	\$4.83	\$5.11	\$5.40	\$5.69	\$6.01	\$6.34	\$6.69	\$7.05
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.10	\$1.12	\$1.15	\$1.17	\$1.19	\$1.22	\$1.25	\$1.29	\$1.34	\$1.39	\$1.46	\$1.54	\$1.63	\$1.72	\$1.81	\$1.91
CMS Energy Corporation	CMS	\$1.89	\$2.00	\$2.12	\$2.25	\$2.39	\$2.53	\$2.68	\$2.84	\$3.01	\$3.18	\$3.36	\$3.55	\$3.74	\$3.95	\$4.16	\$4.39	\$4.64
Consolidated Edison, Inc.	ED	\$3.95	\$4.07	\$4.19	\$4.32	\$4.45	\$4.58	\$4.72	\$4.88	\$5.06	\$5.28	\$5.53	\$5.81	\$6.13	\$6.46	\$6.82	\$7.20	\$7.59
DTE Energy Company	DTE	\$4.45	\$4.67	\$4.91	\$5.16	\$5.42	\$5.69	\$5.98	\$6.29	\$6.61	\$6.96	\$7.34	\$7.73	\$8.16	\$8.61	\$9.08	\$9.58	\$10.11
El Paso Electric Company	EE	\$2.03	\$2.11	\$2.20	\$2.28	\$2.37	\$2.47	\$2.57	\$2.68	\$2.80	\$2.93	\$3.08	\$3.24	\$3.42	\$3.61	\$3.80	\$4.01	\$4.24
Eversource Energy	ES	\$2.95	\$3.13	\$3.32	\$3.51	\$3.73	\$3.95	\$4.19	\$4.44	\$4.69	\$4.96	\$5.25	\$5.54	\$5.84	\$6.17	\$6.51	\$6.86	\$7.24
IDACORP, Inc.	IDA	\$3.87	\$3.99	\$4.11	\$4.23	\$4.36	\$4.49	\$4.62	\$4.78	\$4.96	\$5.17	\$5.41	\$5.69	\$6.00	\$6.33	\$6.68	\$7.05	\$7.44
NorthWestern Corporation	NWE	\$2.90	\$3.01	\$3.13	\$3.26	\$3.38	\$3.52	\$3.66	\$3.81	\$3.98	\$4.17	\$4.38	\$4.61	\$4.86	\$5.13	\$5.41	\$5.71	\$6.02
OGE Energy Corp.	OGE	\$1.69	\$1.74	\$1.79	\$1.85	\$1.90	\$1.96	\$2.02	\$2.09	\$2.17	\$2.26	\$2.36	\$2.48	\$2.62	\$2.77	\$2.92	\$3.08	\$3.25
Otter Tail Corporation	OTTR	\$1.56	\$1.64	\$1.73	\$1.82	\$1.91	\$2.01	\$2.11	\$2.23	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.08	\$4.24	\$4.41	\$4.59	\$4.77	\$4.96	\$5.17	\$5.40	\$5.66	\$5.94	\$6.26	\$6.60	\$6.96	\$7.35	\$7.75	\$8.18
PNM Resources, Inc.	PNM	\$1.64	\$1.75	\$1.86	\$1.98	\$2.11	\$2.25	\$2.39	\$2.54	\$2.70	\$2.86	\$3.03	\$3.20	\$3.38	\$3.56	\$3.76	\$3.97	\$4.19
Portland General Electric Company	POR	\$2.04	\$2.12	\$2.21	\$2.29	\$2.39	\$2.48	\$2.58	\$2.69	\$2.81	\$2.95	\$3.09	\$3.26	\$3.43	\$3.62	\$3.82	\$4.03	\$4.26
SCANA Corporation	SCG	\$4.00	\$4.18	\$4.37	\$4.56	\$4.77	\$4.98	\$5.21	\$5.45	\$5.72	\$6.00	\$6.31	\$6.65	\$7.01	\$7.40	\$7.81	\$8.24	\$8.69
Wisconsin Energy Corporation	WEC	\$2.34	\$2.48	\$2.63	\$2.79	\$2.95	\$3.13	\$3.32	\$3.52	\$3.72	\$3.93	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.74
Xcel Energy Inc.	XEL	\$2.10	\$2.21	\$2.33	\$2.46	\$2.59	\$2.73	\$2.88	\$3.04	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$4.18	\$4.41	\$4.65	\$4.91

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	65.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	50.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.34	\$2.41	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.57	
Alliant Energy Corporation	LNT	\$1.19	\$1.24	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$2.62	\$98.58	
Ameren Corporation	AEE	\$1.68	\$1.78	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$3.79	\$142.79	
American Electric Power Company, Inc.	AEP	\$2.31	\$2.38	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$4.13	\$155.46	
Avista Corporation	AVA	\$1.38	\$1.43	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$2.39	\$89.94	
Black Hills Corporation	BKH	\$1.66	\$1.77	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$4.64	\$174.62	
CenterPoint Energy, Inc.	CNP	\$0.93	\$0.96	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$1.26	\$47.32	
CMS Energy Corporation	CMS	\$1.27	\$1.36	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$3.05	\$114.76	
Consolidated Edison, Inc.	ED	\$2.72	\$2.81	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$4.99	\$187.96	
DTE Energy Company	DTE	\$3.04	\$3.23	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$6.65	\$250.30	
El Paso Electric Company	EE	\$1.16	\$1.24	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$2.79	\$104.85	
Eversource Energy	ES	\$1.99	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$4.76	\$179.27	
IDACORP, Inc.	IDA	\$2.26	\$2.40	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$4.89	\$184.16	
NorthWestern Corporation	NWE	\$1.88	\$1.93	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$3.96	\$149.05	
OGE Energy Corp.	OGE	\$1.18	\$1.27	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$2.14	\$80.42	
Otter Tail Corporation	OTTR	\$1.36	\$1.34	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$2.36	\$88.82	
Pinnacle West Capital Corporation	PNW	\$2.63	\$2.76	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$5.38	\$202.46	
PNM Resources, Inc.	PNM	\$0.97	\$1.05	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.75	\$103.65	
Portland General Electric Company	POR	\$1.28	\$1.36	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$2.80	\$105.36	
SCANA Corporation	SCG	\$2.53	\$2.63	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$5.72	\$215.18	
Wisconsin Energy Corporation	WEC	\$1.76	\$1.87	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$3.78	\$142.09	
Xcel Energy Inc.	XEL	\$1.45	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$3.23	\$121.51	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$1.96	\$2.39	\$2.48	\$2.55	\$2.67	\$2.81	\$2.96	\$3.13	\$3.32	\$3.52	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.21
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$0.99	\$1.22	\$1.29	\$1.35	\$1.44	\$1.53	\$1.64	\$1.74	\$1.86	\$1.98	\$2.11	\$2.23	\$2.35	\$2.48	\$2.62	\$101.19
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.41	\$1.73	\$1.88	\$1.99	\$2.12	\$2.26	\$2.40	\$2.56	\$2.72	\$2.88	\$3.06	\$3.23	\$3.41	\$3.60	\$3.79	\$146.58
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$1.94	\$2.33	\$2.45	\$2.52	\$2.58	\$2.65	\$2.74	\$2.85	\$2.99	\$3.15	\$3.33	\$3.52	\$3.71	\$3.91	\$4.13	\$159.59
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.16	\$1.40	\$1.47	\$1.51	\$1.55	\$1.59	\$1.64	\$1.70	\$1.76	\$1.84	\$1.93	\$2.03	\$2.15	\$2.26	\$2.39	\$92.33
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.39	\$1.71	\$1.90	\$2.03	\$2.23	\$2.44	\$2.67	\$2.91	\$3.17	\$3.45	\$3.74	\$3.95	\$4.17	\$4.40	\$4.64	\$179.26
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.78	\$0.94	\$0.99	\$1.01	\$1.00	\$0.99	\$0.99	\$0.99	\$0.99	\$1.00	\$1.01	\$1.07	\$1.13	\$1.19	\$1.26	\$48.57
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.65	\$1.77	\$1.89	\$2.03	\$2.16	\$2.31	\$2.46	\$2.60	\$2.74	\$2.89	\$3.05	\$117.81
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.28	\$2.76	\$2.89	\$2.98	\$3.07	\$3.18	\$3.31	\$3.46	\$3.62	\$3.81	\$4.03	\$4.25	\$4.49	\$4.73	\$4.99	\$192.96
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.55	\$3.12	\$3.43	\$3.64	\$3.84	\$4.06	\$4.28	\$4.53	\$4.79	\$5.07	\$5.37	\$5.66	\$5.97	\$6.30	\$6.65	\$256.95
El Paso Electric Company	EE	(\$46.10)	\$0.00	\$0.98	\$1.19	\$1.32	\$1.41	\$1.50	\$1.59	\$1.70	\$1.82	\$1.95	\$2.09	\$2.25	\$2.37	\$2.50	\$2.64	\$2.79	\$107.63
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.67	\$2.05	\$2.11	\$2.17	\$2.37	\$2.58	\$2.80	\$3.04	\$3.29	\$3.56	\$3.84	\$4.06	\$4.28	\$4.51	\$4.76	\$184.03
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.89	\$2.29	\$2.54	\$2.69	\$2.81	\$2.95	\$3.10	\$3.27	\$3.47	\$3.70	\$3.95	\$4.17	\$4.40	\$4.64	\$4.89	\$189.05
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.58	\$1.92	\$1.99	\$2.04	\$2.16	\$2.29	\$2.44	\$2.60	\$2.78	\$2.98	\$3.20	\$3.37	\$3.56	\$3.75	\$3.96	\$153.01
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$0.99	\$1.20	\$1.36	\$1.45	\$1.47	\$1.50	\$1.53	\$1.57	\$1.61	\$1.66	\$1.72	\$1.82	\$1.92	\$2.03	\$2.14	\$82.56
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.14	\$1.40	\$1.32	\$1.29	\$1.36	\$1.44	\$1.52	\$1.61	\$1.70	\$1.80	\$1.90	\$2.01	\$2.12	\$2.24	\$2.36	\$91.18
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.20	\$2.68	\$2.90	\$3.05	\$3.19	\$3.34	\$3.50	\$3.68	\$3.88	\$4.10	\$4.34	\$4.58	\$4.83	\$5.10	\$5.38	\$207.84
PNM Resources, Inc.	PNM	(\$33.38)	\$0.00	\$0.81	\$1.00	\$1.14	\$1.24	\$1.35	\$1.48	\$1.61	\$1.75	\$1.90	\$2.06	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$106.40
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.07	\$1.31	\$1.45	\$1.54	\$1.61	\$1.70	\$1.79	\$1.89	\$2.00	\$2.12	\$2.26	\$2.38	\$2.51	\$2.65	\$2.80	\$108.16
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.12	\$2.59	\$2.73	\$2.84	\$3.03	\$3.24	\$3.47	\$3.72	\$3.99	\$4.29	\$4.61	\$4.87	\$5.14	\$5.42	\$5.72	\$220.90
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.48	\$1.81	\$1.98	\$2.10	\$2.22	\$2.34	\$2.47	\$2.61	\$2.75	\$2.90	\$3.05	\$3.21	\$3.39	\$3.58	\$3.78	\$145.86
Xcel Energy Inc.	XEL	(\$41.53)	\$0.00	\$1.21	\$1.49	\$1.64	\$1.75	\$1.85	\$1.96	\$2.07	\$2.19	\$2.32	\$2.46	\$2.61	\$2.75	\$2.90	\$3.06	\$3.23	\$124.73

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
30 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7] Long-Term Growth	[8] [9] [10] Payout Ratio			[11] Iterative Solution Proof	[12] Terminal P/E Ratio	[13] Terminal PEG Ratio	
		Price	Zacks	First Call	Line	High		2017	2020	2027				
Company	Ticker	Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	PEG Ratio
ALLETE, Inc.	ALE	\$65.17	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	11.43%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.81	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	\$0.00	10.21%	24.76	4.50
Ameren Corporation	AEE	\$52.81	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	10.42%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$63.96	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	11.84%	24.76	4.50
Avista Corporation	AVA	\$39.02	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	\$0.00	10.67%	24.76	4.50
Black Hills Corporation	BKH	\$62.20	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	12.82%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$26.21	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	\$0.00	10.42%	24.76	4.50
CMS Energy Corporation	CMS	\$42.81	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.89%	24.76	4.50
Consolidated Edison, Inc.	ED	\$74.27	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.98%	24.76	4.50
DTE Energy Company	DTE	\$98.59	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.11%	24.76	4.50
El Paso Electric Company	EE	\$46.40	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	\$0.00	9.96%	24.76	4.50
Eversource Energy	ES	\$55.97	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	12.00%	24.76	4.50
IDACORP, Inc.	IDA	\$79.86	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.49%	24.76	4.50
NorthWestern Corporation	NWE	\$57.08	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	11.39%	24.76	4.50
OGE Energy Corp.	OGE	\$34.22	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	\$0.00	11.46%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.04	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.40%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$78.34	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.74%	24.76	4.50
PNM Resources, Inc.	PNM	\$34.66	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	\$0.00	12.25%	24.76	4.50
Portland General Electric Company	POR	\$43.67	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	\$0.00	10.33%	24.76	4.50
SCANA Corporation	SCG	\$69.10	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	12.12%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$58.28	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.51%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.68	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.77%	24.76	4.50
											MEAN	10.83%		
											MAX	12.82%		
											MIN	9.40%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$8.01	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.80	\$206.89	
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.94	\$105.54	
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.21	\$150.42	
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.91	\$211.09	
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$3.11	\$111.58	
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.84	\$244.56	
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.97	\$70.47	
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.64	\$130.37	
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.49	\$196.00	
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.57	\$270.21	
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.59	\$128.30	
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$194.03	
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.72	\$204.83	
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$5.13	\$183.28	
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.98	\$106.38	
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.66	\$94.72	
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.41	\$229.39	
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.54	\$126.31	
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.45	\$123.57	
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.74	\$240.36	
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$4.15	\$148.25	
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$122.49	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$65.17)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$212.39
Alliant Energy Corporation	LNT	(\$37.81)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$108.34
Ameren Corporation	AEE	(\$52.81)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$154.42
American Electric Power Company, Inc.	AEP	(\$63.96)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$216.70
Avista Corporation	AVA	(\$39.02)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$114.54
Black Hills Corporation	BKH	(\$62.20)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$251.05
CenterPoint Energy, Inc.	CNP	(\$26.21)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$72.34
CMS Energy Corporation	CMS	(\$42.81)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$133.84
Consolidated Edison, Inc.	ED	(\$74.27)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$201.21
DTE Energy Company	DTE	(\$98.59)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$277.39
EI Paso Electric Company	EE	(\$46.40)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$131.71
Eversource Energy	ES	(\$55.97)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$199.18
IDACORP, Inc.	IDA	(\$79.86)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$210.27
NorthWestern Corporation	NWE	(\$57.08)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$188.15
OGE Energy Corp.	OGE	(\$34.22)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$109.21
Otter Tail Corporation	OTTR	(\$38.04)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$97.24
Pinnacle West Capital Corporation	PNW	(\$78.34)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$235.48
PNM Resources, Inc.	PNM	(\$34.66)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$129.66
Portland General Electric Company	POR	(\$43.67)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$126.86
SCANA Corporation	SCG	(\$69.10)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$246.75
Wisconsin Energy Corporation	WEC	(\$58.27)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$152.18
Xcel Energy Inc.	XEL	(\$41.68)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$125.74

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
90 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7]	[8] [9] [10] Long-Term Payout Ratio			[11]	[12]	[13]	
		Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	Terminal
Company	Ticker	Value												
ALLETE, Inc.	ALE	\$63.12	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	11.72%	24.76	4.50
Alliant Energy Corporation	LNT	\$37.28	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	\$0.00	10.34%	24.76	4.50
Ameren Corporation	AEE	\$51.16	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	10.71%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$62.46	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	12.07%	24.76	4.50
Avista Corporation	AVA	\$39.97	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	\$0.00	10.45%	24.76	4.50
Black Hills Corporation	BKH	\$60.88	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	13.02%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$24.63	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	\$0.00	11.01%	24.76	4.50
CMS Energy Corporation	CMS	\$41.65	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	\$0.00	11.14%	24.76	4.50
Consolidated Edison, Inc.	ED	\$73.00	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	10.13%	24.76	4.50
DTE Energy Company	DTE	\$96.53	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.30%	24.76	4.50
El Paso Electric Company	EE	\$46.04	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	\$0.00	10.03%	24.76	4.50
Eversource Energy	ES	\$54.51	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	12.24%	24.76	4.50
IDACORP, Inc.	IDA	\$78.56	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.63%	24.76	4.50
NorthWestern Corporation	NWE	\$56.75	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	11.44%	24.76	4.50
OGE Energy Corp.	OGE	\$32.82	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	\$0.00	11.86%	24.76	4.50
Otter Tail Corporation	OTTR	\$38.13	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.38%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.54	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.95%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.47	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	\$0.00	12.57%	24.76	4.50
Portland General Electric Company	POR	\$42.94	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	\$0.00	10.48%	24.76	4.50
SCANA Corporation	SCG	\$70.92	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.88%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$57.75	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.59%	24.76	4.50
Xcel Energy Inc.	XEL	\$40.63	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	\$0.00	11.01%	24.76	4.50
											MEAN	11.00%		
											MAX	13.02%		
											MIN	9.38%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$7.97	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.80	\$206.89	
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.94	\$105.54	
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.21	\$150.42	
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.91	\$211.09	
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$3.11	\$111.58	
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.84	\$244.56	
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.97	\$70.47	
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.64	\$130.37	
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.49	\$196.00	
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.57	\$270.21	
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.59	\$128.30	
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$194.03	
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.72	\$204.83	
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$5.13	\$183.28	
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.98	\$106.38	
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.66	\$94.72	
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.41	\$229.39	
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.54	\$126.31	
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.45	\$123.57	
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.74	\$240.36	
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$4.15	\$148.25	
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$122.49	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$63.12)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$212.39
Alliant Energy Corporation	LNT	(\$37.28)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$108.34
Ameren Corporation	AEE	(\$51.16)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$154.42
American Electric Power Company, Inc.	AEP	(\$62.46)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$216.70
Avista Corporation	AVA	(\$39.97)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$114.54
Black Hills Corporation	BKH	(\$60.88)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$251.05
CenterPoint Energy, Inc.	CNP	(\$24.63)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$72.34
CMS Energy Corporation	CMS	(\$41.64)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$133.84
Consolidated Edison, Inc.	ED	(\$73.00)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$201.21
DTE Energy Company	DTE	(\$96.53)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$277.39
EI Paso Electric Company	EE	(\$46.04)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$131.71
Eversource Energy	ES	(\$54.51)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$199.18
IDACORP, Inc.	IDA	(\$78.56)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$210.27
NorthWestern Corporation	NWE	(\$56.75)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$188.15
OGE Energy Corp.	OGE	(\$32.82)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$109.21
Otter Tail Corporation	OTTR	(\$38.13)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$97.24
Pinnacle West Capital Corporation	PNW	(\$76.54)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$235.48
PNM Resources, Inc.	PNM	(\$33.46)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$129.66
Portland General Electric Company	POR	(\$42.94)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$126.86
SCANA Corporation	SCG	(\$70.92)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$246.75
Wisconsin Energy Corporation	WEC	(\$57.75)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$152.18
Xcel Energy Inc.	XEL	(\$40.63)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$125.74

Multi-Stage Growth Discounted Cash Flow Model - Setting Terminal P/E at 24.76
180 Day Average Stock Price
High EPS Growth Rate Estimate in First Stage

Inputs	[1] Stock	[2] [3] [4] [5] [6] EPS Growth Rate Estimates					[7]	[8] [9] [10] Long-Term Payout Ratio			[11]	[12]	[13]	
		Price	Zacks	First Call	Line	High	Growth	2017	2020	2027	Proof	IRR	P/E Ratio	Terminal
Company	Ticker				Value									
ALLETE, Inc.	ALE	\$62.17	6.10%	5.00%	4.00%	6.10%	5.50%	64.00%	62.00%	65.78%	(\$0.00)	11.87%	24.76	4.50
Alliant Energy Corporation	LNT	\$38.10	5.50%	6.35%	6.00%	6.35%	5.50%	63.00%	61.00%	65.78%	\$0.00	10.14%	24.76	4.50
Ameren Corporation	AEE	\$50.93	6.50%	5.85%	6.00%	6.50%	5.50%	63.00%	63.00%	65.78%	(\$0.00)	10.75%	24.76	4.50
American Electric Power Company, Inc.	AEP	\$64.54	5.60%	1.86%	5.00%	5.60%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	11.76%	24.76	4.50
Avista Corporation	AVA	\$41.08	NA	5.65%	3.00%	5.65%	5.50%	69.00%	69.00%	65.78%	\$0.00	10.20%	24.76	4.50
Black Hills Corporation	BKH	\$60.81	6.20%	10.48%	7.50%	10.48%	5.50%	52.00%	53.00%	65.78%	(\$0.00)	13.03%	24.76	4.50
CenterPoint Energy, Inc.	CNP	\$23.92	5.00%	6.90%	2.00%	6.90%	5.50%	83.00%	85.00%	65.78%	\$0.00	11.29%	24.76	4.50
CMS Energy Corporation	CMS	\$42.49	6.00%	7.60%	6.00%	7.60%	5.50%	60.00%	61.00%	65.78%	\$0.00	10.96%	24.76	4.50
Consolidated Edison, Inc.	ED	\$75.04	3.10%	3.51%	3.00%	3.51%	5.50%	65.00%	65.00%	65.78%	(\$0.00)	9.88%	24.76	4.50
DTE Energy Company	DTE	\$95.85	6.00%	5.05%	6.00%	6.00%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.36%	24.76	4.50
El Paso Electric Company	EE	\$46.10	5.50%	6.50%	4.00%	6.50%	5.50%	53.00%	57.00%	65.78%	\$0.00	10.02%	24.76	4.50
Eversource Energy	ES	\$55.32	6.30%	6.01%	7.00%	7.00%	5.50%	60.00%	55.00%	65.78%	(\$0.00)	12.11%	24.76	4.50
IDACORP, Inc.	IDA	\$78.24	4.30%	4.00%	3.00%	4.30%	5.50%	55.00%	60.00%	65.78%	(\$0.00)	9.67%	24.76	4.50
NorthWestern Corporation	NWE	\$58.03	4.30%	3.94%	6.50%	6.50%	5.50%	60.00%	58.00%	65.78%	(\$0.00)	11.23%	24.76	4.50
OGE Energy Corp.	OGE	\$32.12	5.30%	6.45%	3.00%	6.45%	5.50%	66.00%	74.00%	65.78%	\$0.00	12.06%	24.76	4.50
Otter Tail Corporation	OTTR	\$36.11	NA	5.20%	6.00%	6.00%	5.50%	79.00%	64.00%	65.78%	\$0.00	9.87%	24.76	4.50
Pinnacle West Capital Corporation	PNW	\$76.93	4.90%	5.54%	4.00%	5.54%	5.50%	62.00%	64.00%	65.78%	(\$0.00)	10.90%	24.76	4.50
PNM Resources, Inc.	PNM	\$33.39	6.50%	6.85%	9.00%	9.00%	5.50%	52.00%	55.00%	65.78%	\$0.00	12.59%	24.76	4.50
Portland General Electric Company	POR	\$42.93	5.80%	5.97%	4.00%	5.97%	5.50%	58.00%	62.00%	65.78%	\$0.00	10.48%	24.76	4.50
SCANA Corporation	SCG	\$71.70	5.30%	5.87%	4.50%	5.87%	5.50%	58.00%	57.00%	65.78%	(\$0.00)	11.78%	24.76	4.50
Wisconsin Energy Corporation	WEC	\$59.85	6.00%	6.53%	6.00%	6.53%	5.50%	67.00%	67.00%	65.78%	\$0.00	9.27%	24.76	4.50
Xcel Energy Inc.	XEL	\$41.54	5.40%	NA	5.50%	5.50%	5.50%	62.00%	64.00%	65.78%	\$0.00	10.81%	24.76	4.50
											MEAN	10.96%		
											MAX	13.03%		
											MIN	9.27%		

Projected Annual Earnings per Share		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]
Company	Ticker	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ALLETE, Inc.	ALE	\$3.38	\$3.59	\$3.80	\$4.04	\$4.28	\$4.54	\$4.82	\$5.11	\$5.41	\$5.73	\$6.05	\$6.39	\$6.74	\$7.12	\$7.51	\$7.92	\$8.36
Alliant Energy Corporation	LNT	\$1.69	\$1.80	\$1.91	\$2.03	\$2.16	\$2.30	\$2.45	\$2.60	\$2.75	\$2.92	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83	\$4.04	\$4.26
Ameren Corporation	AEE	\$2.38	\$2.53	\$2.70	\$2.87	\$3.06	\$3.26	\$3.47	\$3.69	\$3.92	\$4.16	\$4.40	\$4.65	\$4.90	\$5.17	\$5.46	\$5.76	\$6.08
American Electric Power Company, Inc.	AEP	\$3.59	\$3.79	\$4.00	\$4.23	\$4.46	\$4.71	\$4.98	\$5.26	\$5.55	\$5.86	\$6.18	\$6.52	\$6.88	\$7.26	\$7.66	\$8.08	\$8.53
Avista Corporation	AVA	\$1.89	\$2.00	\$2.11	\$2.23	\$2.35	\$2.49	\$2.63	\$2.78	\$2.93	\$3.10	\$3.27	\$3.45	\$3.64	\$3.84	\$4.05	\$4.27	\$4.51
Black Hills Corporation	BKH	\$2.83	\$3.13	\$3.45	\$3.82	\$4.22	\$4.66	\$5.15	\$5.64	\$6.14	\$6.63	\$7.11	\$7.56	\$8.01	\$8.41	\$8.87	\$9.36	\$9.88
CenterPoint Energy, Inc.	CNP	\$1.08	\$1.15	\$1.23	\$1.32	\$1.41	\$1.51	\$1.61	\$1.72	\$1.83	\$1.94	\$2.06	\$2.18	\$2.30	\$2.42	\$2.56	\$2.70	\$2.85
CMS Energy Corporation	CMS	\$1.89	\$2.03	\$2.19	\$2.35	\$2.53	\$2.73	\$2.93	\$3.15	\$3.36	\$3.58	\$3.81	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99	\$5.27
Consolidated Edison, Inc.	ED	\$3.95	\$4.09	\$4.23	\$4.38	\$4.53	\$4.69	\$4.86	\$5.05	\$5.26	\$5.49	\$5.76	\$6.06	\$6.39	\$6.74	\$7.11	\$7.50	\$7.92
DTE Energy Company	DTE	\$4.45	\$4.72	\$5.00	\$5.30	\$5.62	\$5.96	\$6.31	\$6.69	\$7.08	\$7.48	\$7.91	\$8.35	\$8.81	\$9.29	\$9.81	\$10.35	\$10.91
El Paso Electric Company	EE	\$2.03	\$2.16	\$2.30	\$2.45	\$2.61	\$2.78	\$2.96	\$3.15	\$3.34	\$3.54	\$3.75	\$3.96	\$4.18	\$4.41	\$4.66	\$4.91	\$5.18
Eversource Energy	ES	\$2.95	\$3.16	\$3.38	\$3.61	\$3.87	\$4.14	\$4.43	\$4.73	\$5.03	\$5.35	\$5.67	\$6.00	\$6.33	\$6.67	\$7.04	\$7.43	\$7.84
IDACORP, Inc.	IDA	\$3.87	\$4.04	\$4.21	\$4.39	\$4.58	\$4.78	\$4.98	\$5.21	\$5.45	\$5.72	\$6.01	\$6.33	\$6.68	\$7.04	\$7.43	\$7.84	\$8.27
NorthWestern Corporation	NWE	\$2.90	\$3.09	\$3.29	\$3.50	\$3.73	\$3.97	\$4.23	\$4.50	\$4.78	\$5.06	\$5.36	\$5.66	\$5.98	\$6.30	\$6.65	\$7.02	\$7.40
OGE Energy Corp.	OGE	\$1.69	\$1.80	\$1.92	\$2.04	\$2.17	\$2.31	\$2.46	\$2.61	\$2.77	\$2.94	\$3.11	\$3.29	\$3.47	\$3.66	\$3.86	\$4.07	\$4.30
Otter Tail Corporation	OTTR	\$1.56	\$1.65	\$1.75	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.62	\$2.77	\$2.93	\$3.09	\$3.26	\$3.44	\$3.63	\$3.83
Pinnacle West Capital Corporation	PNW	\$3.92	\$4.14	\$4.37	\$4.61	\$4.86	\$5.13	\$5.42	\$5.72	\$6.03	\$6.37	\$6.72	\$7.09	\$7.48	\$7.89	\$8.32	\$8.78	\$9.27
PNM Resources, Inc.	PNM	\$1.64	\$1.79	\$1.95	\$2.12	\$2.31	\$2.52	\$2.75	\$2.98	\$3.22	\$3.45	\$3.68	\$3.90	\$4.12	\$4.34	\$4.58	\$4.84	\$5.10
Portland General Electric Company	POR	\$2.04	\$2.16	\$2.29	\$2.43	\$2.57	\$2.73	\$2.89	\$3.06	\$3.24	\$3.42	\$3.62	\$3.82	\$4.03	\$4.25	\$4.48	\$4.73	\$4.99
SCANA Corporation	SCG	\$4.00	\$4.23	\$4.48	\$4.75	\$5.03	\$5.32	\$5.63	\$5.96	\$6.30	\$6.66	\$7.04	\$7.43	\$7.84	\$8.27	\$8.72	\$9.20	\$9.71
Wisconsin Energy Corporation	WEC	\$2.34	\$2.49	\$2.66	\$2.83	\$3.01	\$3.21	\$3.42	\$3.64	\$3.86	\$4.10	\$4.33	\$4.58	\$4.83	\$5.10	\$5.38	\$5.68	\$5.99
Xcel Energy Inc.	XEL	\$2.10	\$2.22	\$2.34	\$2.47	\$2.60	\$2.74	\$2.90	\$3.05	\$3.22	\$3.40	\$3.59	\$3.78	\$3.99	\$4.21	\$4.44	\$4.69	\$4.95

Projected Annual Dividend Payout Ratio		[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	[46]
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
ALLETE, Inc.	ALE	64.00%	63.33%	62.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Alliant Energy Corporation	LNT	63.00%	62.33%	61.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Ameren Corporation	AEE	63.00%	63.00%	63.00%	63.00%	63.40%	63.79%	64.19%	64.59%	64.98%	65.38%	65.78%	65.78%	65.78%	65.78%	65.78%	
American Electric Power Company, Inc.	AEP	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Avista Corporation	AVA	69.00%	69.00%	69.00%	69.00%	68.54%	68.08%	67.62%	67.16%	66.70%	66.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Black Hills Corporation	BKH	52.00%	52.33%	52.67%	53.00%	54.83%	56.65%	58.48%	60.30%	62.13%	63.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
CenterPoint Energy, Inc.	CNP	83.00%	83.67%	84.33%	85.00%	82.25%	79.51%	76.76%	74.01%	71.27%	68.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
CMS Energy Corporation	CMS	60.00%	60.33%	60.67%	61.00%	61.68%	62.36%	63.05%	63.73%	64.41%	65.09%	65.78%	65.78%	65.78%	65.78%	65.78%	
Consolidated Edison, Inc.	ED	65.00%	65.00%	65.00%	65.00%	65.11%	65.22%	65.33%	65.44%	65.55%	65.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
DTE Energy Company	DTE	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
El Paso Electric Company	EE	53.00%	54.33%	55.67%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Eversource Energy	ES	60.00%	58.33%	56.67%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
IDACORP, Inc.	IDA	55.00%	56.67%	58.33%	60.00%	60.83%	61.65%	62.48%	63.30%	64.13%	64.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
NorthWestern Corporation	NWE	60.00%	59.33%	58.67%	58.00%	59.11%	60.22%	61.33%	62.44%	63.55%	64.66%	65.78%	65.78%	65.78%	65.78%	65.78%	
OGE Energy Corp.	OGE	66.00%	68.67%	71.33%	74.00%	72.83%	71.65%	70.48%	69.30%	68.13%	66.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Otter Tail Corporation	OTTR	79.00%	74.00%	69.00%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Pinnacle West Capital Corporation	PNW	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
PNM Resources, Inc.	PNM	52.00%	53.00%	54.00%	55.00%	56.54%	58.08%	59.62%	61.16%	62.70%	64.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
Portland General Electric Company	POR	58.00%	59.33%	60.67%	62.00%	62.54%	63.08%	63.62%	64.16%	64.70%	65.24%	65.78%	65.78%	65.78%	65.78%	65.78%	
SCANA Corporation	SCG	58.00%	57.67%	57.33%	57.00%	58.25%	59.51%	60.76%	62.01%	63.27%	64.52%	65.78%	65.78%	65.78%	65.78%	65.78%	
Wisconsin Energy Corporation	WEC	67.00%	67.00%	67.00%	67.00%	66.83%	66.65%	66.48%	66.30%	66.13%	65.95%	65.78%	65.78%	65.78%	65.78%	65.78%	
Xcel Energy Inc.	XEL	62.00%	62.67%	63.33%	64.00%	64.25%	64.51%	64.76%	65.01%	65.27%	65.52%	65.78%	65.78%	65.78%	65.78%	65.78%	

Projected Annual Cash Flows		[47]	[48]	[49]	[50]	[51]	[52]	[53]	[54]	[55]	[56]	[57]	[58]	[59]	[60]	[61]	[62]	[63]	Terminal Value
Company	Ticker	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	2031	
ALLETE, Inc.	ALE	\$2.44	\$2.56	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$5.80	\$206.89	
Alliant Energy Corporation	LNT	\$1.20	\$1.27	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$2.94	\$105.54	
Ameren Corporation	AEE	\$1.70	\$1.81	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$4.21	\$150.42	
American Electric Power Company, Inc.	AEP	\$2.48	\$2.65	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$5.91	\$211.09	
Avista Corporation	AVA	\$1.46	\$1.54	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$3.11	\$111.58	
Black Hills Corporation	BKH	\$1.80	\$2.00	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$6.84	\$244.56	
CenterPoint Energy, Inc.	CNP	\$1.02	\$1.10	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$1.97	\$70.47	
CMS Energy Corporation	CMS	\$1.31	\$1.42	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$3.64	\$130.37	
Consolidated Edison, Inc.	ED	\$2.75	\$2.85	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$5.49	\$196.00	
DTE Energy Company	DTE	\$3.10	\$3.32	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$7.57	\$270.21	
El Paso Electric Company	EE	\$1.22	\$1.33	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$3.59	\$128.30	
Eversource Energy	ES	\$2.03	\$2.11	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$194.03	
IDACORP, Inc.	IDA	\$2.32	\$2.49	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$5.72	\$204.83	
NorthWestern Corporation	NWE	\$1.97	\$2.08	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$5.13	\$183.28	
OGE Energy Corp.	OGE	\$1.26	\$1.40	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$2.98	\$106.38	
Otter Tail Corporation	OTTR	\$1.38	\$1.37	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$2.65	\$94.72	
Pinnacle West Capital Corporation	PNW	\$2.71	\$2.89	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$6.41	\$229.39	
PNM Resources, Inc.	PNM	\$1.01	\$1.13	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$3.54	\$126.31	
Portland General Electric Company	POR	\$1.33	\$1.44	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$3.45	\$123.57	
SCANA Corporation	SCG	\$2.60	\$2.74	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$6.74	\$240.36	
Wisconsin Energy Corporation	WEC	\$1.78	\$1.90	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$4.15	\$148.25	
Xcel Energy Inc.	XEL	\$1.45	\$1.55	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$3.42	\$122.49	

Projected Annual Data

Investor Cash Flows		[64]	[65]	[66]	[67]	[68]	[69]	[70]	[71]	[72]	[73]	[74]	[75]	[76]	[77]	[78]	[79]	[80]	[81]
Company	Ticker	Initial Outflow	2/28/17	12/31/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32
ALLETE, Inc.	ALE	(\$62.17)	\$0.00	\$2.04	\$2.51	\$2.68	\$2.82	\$3.02	\$3.22	\$3.44	\$3.67	\$3.92	\$4.17	\$4.44	\$4.68	\$4.94	\$5.21	\$5.50	\$212.39
Alliant Energy Corporation	LNT	(\$38.10)	\$0.00	\$1.01	\$1.24	\$1.33	\$1.40	\$1.51	\$1.62	\$1.74	\$1.86	\$1.99	\$2.12	\$2.26	\$2.39	\$2.52	\$2.66	\$2.80	\$108.34
Ameren Corporation	AEE	(\$50.93)	\$0.00	\$1.43	\$1.76	\$1.93	\$2.05	\$2.20	\$2.36	\$2.52	\$2.68	\$2.86	\$3.04	\$3.23	\$3.40	\$3.59	\$3.79	\$4.00	\$154.42
American Electric Power Company, Inc.	AEP	(\$64.54)	\$0.00	\$2.08	\$2.55	\$2.83	\$3.02	\$3.20	\$3.39	\$3.59	\$3.81	\$4.03	\$4.27	\$4.53	\$4.78	\$5.04	\$5.32	\$5.61	\$216.70
Avista Corporation	AVA	(\$41.08)	\$0.00	\$1.22	\$1.50	\$1.62	\$1.72	\$1.80	\$1.89	\$1.98	\$2.08	\$2.18	\$2.28	\$2.39	\$2.52	\$2.66	\$2.81	\$2.96	\$114.54
Black Hills Corporation	BKH	(\$60.81)	\$0.00	\$1.51	\$1.89	\$2.22	\$2.47	\$2.82	\$3.20	\$3.59	\$4.00	\$4.41	\$4.83	\$5.24	\$5.53	\$5.84	\$6.16	\$6.50	\$251.05
CenterPoint Energy, Inc.	CNP	(\$23.92)	\$0.00	\$0.86	\$1.06	\$1.19	\$1.28	\$1.33	\$1.37	\$1.40	\$1.44	\$1.47	\$1.49	\$1.51	\$1.59	\$1.68	\$1.77	\$1.87	\$72.34
CMS Energy Corporation	CMS	(\$42.49)	\$0.00	\$1.10	\$1.36	\$1.54	\$1.66	\$1.81	\$1.96	\$2.12	\$2.28	\$2.45	\$2.62	\$2.80	\$2.95	\$3.11	\$3.28	\$3.46	\$133.84
Consolidated Edison, Inc.	ED	(\$75.04)	\$0.00	\$2.31	\$2.80	\$2.95	\$3.05	\$3.16	\$3.29	\$3.43	\$3.59	\$3.77	\$3.98	\$4.20	\$4.43	\$4.68	\$4.94	\$5.21	\$201.21
DTE Energy Company	DTE	(\$95.85)	\$0.00	\$2.60	\$3.19	\$3.56	\$3.81	\$4.06	\$4.31	\$4.58	\$4.87	\$5.16	\$5.47	\$5.79	\$6.11	\$6.45	\$6.80	\$7.18	\$277.39
EI Paso Electric Company	EE	(\$46.10)	\$0.00	\$1.02	\$1.26	\$1.45	\$1.59	\$1.73	\$1.87	\$2.03	\$2.20	\$2.37	\$2.56	\$2.75	\$2.90	\$3.06	\$3.23	\$3.41	\$131.71
Eversource Energy	ES	(\$55.32)	\$0.00	\$1.70	\$2.10	\$2.19	\$2.28	\$2.50	\$2.74	\$3.00	\$3.27	\$3.55	\$3.85	\$4.16	\$4.39	\$4.63	\$4.89	\$5.16	\$199.18
IDACORP, Inc.	IDA	(\$78.24)	\$0.00	\$1.94	\$2.37	\$2.67	\$2.87	\$3.03	\$3.21	\$3.41	\$3.62	\$3.85	\$4.11	\$4.39	\$4.63	\$4.89	\$5.16	\$5.44	\$210.27
NorthWestern Corporation	NWE	(\$58.03)	\$0.00	\$1.65	\$2.04	\$2.19	\$2.30	\$2.50	\$2.71	\$2.93	\$3.16	\$3.41	\$3.66	\$3.93	\$4.15	\$4.37	\$4.62	\$4.87	\$188.15
OGE Energy Corp.	OGE	(\$32.12)	\$0.00	\$1.06	\$1.30	\$1.55	\$1.71	\$1.79	\$1.87	\$1.96	\$2.04	\$2.12	\$2.20	\$2.28	\$2.41	\$2.54	\$2.68	\$2.83	\$109.21
Otter Tail Corporation	OTTR	(\$36.11)	\$0.00	\$1.16	\$1.43	\$1.36	\$1.34	\$1.42	\$1.51	\$1.61	\$1.71	\$1.81	\$1.92	\$2.03	\$2.14	\$2.26	\$2.39	\$2.52	\$97.24
Pinnacle West Capital Corporation	PNW	(\$76.93)	\$0.00	\$2.27	\$2.78	\$3.08	\$3.29	\$3.48	\$3.69	\$3.91	\$4.14	\$4.38	\$4.64	\$4.92	\$5.19	\$5.48	\$5.78	\$6.09	\$235.48
PNM Resources, Inc.	PNM	(\$33.38)	\$0.00	\$0.85	\$1.06	\$1.25	\$1.39	\$1.56	\$1.73	\$1.92	\$2.11	\$2.31	\$2.51	\$2.71	\$2.86	\$3.01	\$3.18	\$3.36	\$129.66
Portland General Electric Company	POR	(\$42.93)	\$0.00	\$1.11	\$1.37	\$1.56	\$1.69	\$1.81	\$1.93	\$2.06	\$2.20	\$2.34	\$2.49	\$2.65	\$2.80	\$2.95	\$3.11	\$3.28	\$126.86
SCANA Corporation	SCG	(\$71.70)	\$0.00	\$2.18	\$2.68	\$2.88	\$3.03	\$3.28	\$3.55	\$3.83	\$4.13	\$4.45	\$4.79	\$5.15	\$5.44	\$5.74	\$6.05	\$6.39	\$246.75
Wisconsin Energy Corporation	WEC	(\$59.85)	\$0.00	\$1.49	\$1.84	\$2.02	\$2.15	\$2.29	\$2.42	\$2.57	\$2.72	\$2.87	\$3.02	\$3.18	\$3.35	\$3.54	\$3.73	\$3.94	\$152.18
Xcel Energy Inc.	XEL	(\$41.53)	\$0.00	\$1.21	\$1.49	\$1.65	\$1.76	\$1.86	\$1.97	\$2.09	\$2.21	\$2.34	\$2.48	\$2.63	\$2.77	\$2.92	\$3.08	\$3.25	\$125.74

Multi-Stage DCF Notes:

- [1] Source: Bloomberg; based on 30-, 90-, and 180-day historical average
- [2] Source: Zacks
- [3] Source: Yahoo! Finance
- [4] Source: Value Line
- [5] Equals indicated value (average, minimum, maximum) of Columns [2], [3], [4]
- [6] Source: Federal Reserve, Bureau of Economic Analysis
- [7] Source: Value Line
- [8] Source: Value Line
- [9] Source: Bloomberg Professional
- [10] Equals Column [1] + Column [62]
- [11] Equals result of Excel Solver function; goal: Column [10] equals \$0.00
- [12] Equals Column [61] / Column [30]
- [13] Equals Column [12] / (Column [6] x 100)
- [14] Source: Value Line
- [15] Equals Column [14] x (1 + Column [5])
- [16] Equals Column [15] x (1 + Column [5])
- [17] Equals Column [16] x (1 + Column [5])
- [18] Equals Column [17] x (1 + Column [5])
- [19] Equals Column [18] x (1 + Column [5])
- [20] Equals $(1 + (\text{Column [5]} + (((\text{Column [6]} - \text{Column [5]} / (2026 - 2021 + 1)) \times (2021 - 2020)))) \times \text{Column [19]}$
- [21] Equals $(1 + (\text{Column [5]} + (((\text{Column [6]} - \text{Column [5]} / (2026 - 2021 + 1)) \times (2022 - 2020)))) \times \text{Column [20]}$
- [22] Equals $(1 + (\text{Column [5]} + (((\text{Column [6]} - \text{Column [5]} / (2026 - 2021 + 1)) \times (2023 - 2020)))) \times \text{Column [21]}$
- [23] Equals $(1 + (\text{Column [5]} + (((\text{Column [6]} - \text{Column [5]} / (2026 - 2021 + 1)) \times (2024 - 2020)))) \times \text{Column [22]}$
- [24] Equals $(1 + (\text{Column [5]} + (((\text{Column [6]} - \text{Column [5]} / (2026 - 2021 + 1)) \times (2025 - 2020)))) \times \text{Column [23]}$
- [25] Equals Column [24] x (1 + Column [6])
- [26] Equals Column [25] x (1 + Column [6])
- [27] Equals Column [26] x (1 + Column [6])
- [28] Equals Column [27] x (1 + Column [6])
- [29] Equals Column [28] x (1 + Column [6])
- [30] Equals Column [29] x (1 + Column [6])
- [31] Equals Column [7]
- [32] Equals Column [31] + ((Column [35] - Column [31]) / 4)
- [33] Equals Column [32] + ((Column [35] - Column [31]) / 4)
- [34] Equals Column [33] + ((Column [35] - Column [31]) / 4)
- [35] Equals Column [8]
- [36] Equals Column [35] + ((Column [41] - Column [35]) / 6)
- [37] Equals Column [36] + ((Column [41] - Column [35]) / 6)
- [38] Equals Column [37] + ((Column [41] - Column [35]) / 6)
- [39] Equals Column [38] + ((Column [41] - Column [35]) / 6)
- [40] Equals Column [39] + ((Column [41] - Column [35]) / 6)
- [41] Equals Column [9]
- [42] Equals Column [9]
- [43] Equals Column [9]
- [44] Equals Column [9]
- [45] Equals Column [9]
- [46] Equals Column [9]
- [47] Equals Column [15] x Column [31]
- [48] Equals Column [16] x Column [32]
- [49] Equals Column [17] x Column [33]
- [50] Equals Column [18] x Column [34]
- [51] Equals Column [19] x Column [35]
- [52] Equals Column [20] x Column [36]
- [53] Equals Column [21] x Column [37]
- [54] Equals Column [22] x Column [38]
- [55] Equals Column [23] x Column [39]
- [56] Equals Column [24] x Column [40]
- [57] Equals Column [25] x Column [41]
- [58] Equals Column [26] x Column [42]
- [59] Equals Column [27] x Column [43]
- [60] Equals Column [28] x Column [44]
- [61] Equals Column [29] x Column [45]
- [62] Equals Column [30] x Column [46]
- [63] Equals Gordon Growth (Column [62] x (1 + Column [6])) / (Column [11] - Column [6]); or P/E (Column [12] x Column [30])
- [64] Equals negative net present value; discount rate equals Column [11], cash flows equal Column [65] through Column [81]
- [65] Equals \$0.00
- [66] Equals $(12/31/2017 - 2/28/2017) / 365 \times \text{Column [48]}$
- [67] Equals Column [48] x (1 + .5 x Column [5])
- [68] Equals Column [50]
- [69] Equals Column [51]
- [70] Equals Column [52]
- [71] Equals Column [53]
- [72] Equals Column [54]
- [73] Equals Column [55]
- [74] Equals Column [56]
- [75] Equals Column [57]
- [76] Equals Column [58]
- [77] Equals Column [59]
- [78] Equals Column [60]
- [79] Equals Column [61]
- [80] Equals Column [62]
- [81] Equals Column [62] + Column [63]

Schedule (RBH)-3

Ex-Ante Market Risk Premium
Market DCF Method Based - Bloomberg

[1]	[2]	[3]
S&P 500 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
12.78%	3.03%	9.75%

Notes:

[1] Source: Bloomberg Professional

[2] Source: Bloomberg Professional

[3] Equals [1] - [2]

Ex-Ante Market Risk Premium
Market DCF Method Based - Value Line

[1]	[2]	[3]
S&P 500 Est. Required Market Return	Current 30-Year Treasury (30-day average)	Implied Market Risk Premium
13.93%	3.03%	10.90%

Notes:

[1] Source: Value Line

[2] Source: Bloomberg Professional

[3] Equals [1] - [2]

Schedule (RBH)-4

Bloomberg and Value Line Beta Coefficients

Company	Ticker	[1]	[2]
		Bloomberg	Value Line
ALLETE, Inc.	ALE	0.671	0.75
Alliant Energy Corporation	LNT	0.583	0.70
Ameren Corporation	AEE	0.591	0.65
American Electric Power Company, Inc.	AEP	0.590	0.65
Avista Corporation	AVA	0.659	0.70
Black Hills Corporation	BKH	0.565	0.90
CenterPoint Energy, Inc.	CNP	0.711	0.85
CMS Energy Corporation	CMS	0.543	0.65
Consolidated Edison, Inc.	ED	0.442	0.55
DTE Energy Company	DTE	0.591	0.65
El Paso Electric Company	EE	0.762	0.70
Eversource Energy	ES	0.599	0.70
IDACORP, Inc.	IDA	0.734	0.75
NorthWestern Corporation	NWE	0.634	0.70
OGE Energy Corp.	OGE	0.700	0.90
Otter Tail Corporation	OTTR	0.807	0.85
Pinnacle West Capital Corporation	PNW	0.625	0.70
PNM Resources, Inc.	PNM	0.663	0.75
Portland General Electric Company	POR	0.619	0.70
SCANA Corporation	SCG	0.557	0.65
Wisconsin Energy Corporation	WEC	0.518	0.60
Xcel Energy Inc.	XEL	0.481	0.60
Mean		0.620	0.71

Notes:

[1] Source: Bloomberg Professional

[2] Source: Value Line

Schedule (RBH)-5

Capital Asset Pricing Model Results
Bloomberg and Value Line Derived Market Risk Premium

	[1]	[2]	[3]	[4]	[5]	[6]
	Ex-Ante Market Risk Premium				CAPM Result	
	Risk-Free Rate	Average Beta Coefficient	Bloomberg Market DCF Derived	Value Line Market DCF Derived	Bloomberg MRP	Value Line MRP
PROXY GROUP BLOOMBERG BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [7]	3.03%	0.620	9.75%	10.90%	9.08%	9.79%
Near-Term Projected 30-Year Treasury [8]	3.40%	0.620	9.75%	10.90%	9.45%	10.16%
Long-Term Projected 30-Year Treasury [9]	4.35%	0.620	9.75%	10.90%	10.40%	11.11%
Mean					9.64%	10.35%
PROXY GROUP VALUE LINE AVERAGE BETA COEFFICIENT						
Current 30-Year Treasury (30-day average) [9]	3.03%	0.711	9.75%	10.90%	9.97%	10.79%
Near-Term Projected 30-Year Treasury [10]	3.40%	0.711	9.75%	10.90%	10.33%	11.15%
Long-Term Projected 30-Year Treasury [11]	4.35%	0.711	9.75%	10.90%	11.28%	12.10%
Mean					10.53%	11.35%

Notes:

- [1] See Notes [7], [8], and [9]
 [2] Source: Schedule (RBH)-4
 [3] Source: Schedule (RBH)-3
 [4] Source: Schedule (RBH)-3
 [5] Equals Col. [1] + (Col. [2] x Col. [3])
 [6] Equals Col. [1] + (Col. [2] x Col. [4])
 [7] Source: Bloomberg Professional
 [8] Source: Blue Chip Financial Forecasts, Vol. 36, No. 3, March 1, 2017, at 2
 [9] Source: Blue Chip Financial Forecasts, Vol. 35, No. 12, December 1, 2016, at 14

Schedule (RBH)-6

Bond Yield Plus Risk Premium

	[1]	[2]	[3] 30-Year Treasury Yield	[4] Risk Premium	[5] Return on Equity
	Constant	Slope			
Current	-2.62%	-2.74%	3.03%	6.96%	10.00%
Near Term Projected	-2.62%	-2.74%	3.40%	6.65%	10.05%
Long-Term Projected	-2.62%	-2.74%	4.35%	5.98%	10.33%

Notes:

[1] Constant of regression equation

[2] Slope of regression equation

[3] Source: Current = Bloomberg Professional,

[3] Near Term Projected = Blue Chip Financial Forecasts, Vol. 36, No. 3, March 1, 2017, at 2

[3] Long Term Projected = Blue Chip Financial Forecasts, Vol. 35, No. 12, December 1, 2016, at 14

[4] Equals [1] + ln([3]) x [2]

[5] Equals [3] + [4]

Schedule (RBH)-7

Flotation Cost Adjustment

Two most recent open market common stock issuances per company, if available

Company	Date	Shares Issued	Offering Price	Underwriting Discount	Offering Expense	Net Proceeds Per Share	Total Flotation Costs	Gross Equity Issue Before Costs	Net Proceeds	Flotation Cost Percentage
Pepco Holdings, Inc.	3/5/2012	17,922,077	\$19.25	\$0.6738	\$500,000	\$18.55	\$12,574,999	\$344,999,982	\$332,424,983	3.645%
Pepco Holdings, Inc.	11/6/2008	16,100,000	\$16.50	\$0.6188	\$200,000	\$15.87	\$10,161,875	\$265,650,000	\$255,488,125	3.825%
ALLETE, Inc.	2/27/2014	3,220,000	\$49.75	\$1.7413	\$450,000	\$47.87	\$6,056,825	\$160,195,000	\$154,138,175	3.781%
ALLETE, Inc.	5/25/2001	7,475,000	\$23.68	\$0.9472	\$350,000	\$22.69	\$7,430,320	\$177,008,000	\$169,577,680	4.198%
Alliant Energy Corporation	7/1/2003	17,250,000	\$19.25	\$0.7700	\$370,000	\$18.46	\$13,652,500	\$332,062,500	\$318,410,000	4.111%
Alliant Energy Corporation	11/8/2001	9,775,000	\$28.00	\$1.0500	\$425,000	\$26.91	\$10,688,750	\$273,700,000	\$263,011,250	3.905%
Ameren Corp.	9/9/2009	21,850,000	\$25.25	\$0.7575	\$450,000	\$24.47	\$17,001,375	\$551,712,500	\$534,711,125	3.082%
Ameren Corp.	6/30/2004	10,925,000	\$42.00	\$1.2600	\$400,000	\$40.70	\$14,165,500	\$458,850,000	\$444,684,500	3.087%
American Electric Power Company, Inc.	4/1/2009	69,000,000	\$24.50	\$0.7350	\$400,000	\$23.76	\$51,115,000	\$1,690,500,000	\$1,639,385,000	3.024%
American Electric Power Company, Inc.	2/27/2003	57,500,000	\$20.95	\$0.6285	\$550,000	\$20.31	\$36,688,750	\$1,204,625,000	\$1,167,936,250	3.046%
Avista Corporation	12/11/2006	3,162,500	\$25.05	\$0.4800	\$300,000	\$24.48	\$1,818,000	\$79,220,625	\$77,402,625	2.295%
Black Hills Corporation	11/19/2015	5,980,000	\$40.25	\$1.4088	\$1,200,000	\$38.64	\$9,624,325	\$240,695,000	\$231,070,675	3.999%
Black Hills Corporation	11/12/2010	4,600,000	\$29.75	\$1.0413	\$276,650	\$28.65	\$5,066,400	\$136,850,000	\$131,783,600	3.702%
CenterPoint Energy, Inc.	6/9/2010	25,300,000	\$12.90	\$0.4515	\$390,000	\$12.43	\$11,812,950	\$326,370,000	\$314,557,050	3.619%
CenterPoint Energy, Inc.	9/10/2009	24,150,000	\$12.00	\$0.4200	\$345,000	\$11.57	\$10,488,000	\$289,800,000	\$279,312,000	3.619%
CMS Energy Corporation	3/30/2005	23,000,000	\$12.25	\$0.4288	\$325,000	\$11.81	\$10,187,400	\$281,750,000	\$271,562,600	3.616%
CMS Energy Corporation	10/7/2004	32,775,000	\$9.10	\$0.3185	\$325,000	\$8.77	\$10,763,838	\$298,252,500	\$287,488,663	3.609%
Consolidated Edison, Inc	5/11/2016	10,120,000	\$71.50	\$2.1450	\$550,000	\$69.30	\$22,257,400	\$723,580,000	\$701,322,600	3.076%
Consolidated Edison, Inc	9/27/2010	6,300,000	\$48.31	\$0.1899	\$500,000	\$48.04	\$1,696,370	\$304,321,500	\$302,625,130	0.557%
DTE Energy Company	6/19/2002	6,325,000	\$43.25	\$1.4056	\$250,000	\$41.80	\$9,140,420	\$273,556,250	\$264,415,830	3.341%
Eversource Energy	3/16/2009	18,975,000	\$20.20	\$0.6565	\$335,000	\$19.53	\$12,792,088	\$383,295,000	\$370,502,913	3.337%
Eversource Energy	12/6/2005	23,000,000	\$19.09	\$0.6200	\$340,000	\$18.46	\$14,600,000	\$439,070,000	\$424,470,000	3.325%
IDACORP, Inc.	12/9/2004	4,025,000	\$30.00	\$1.2000	\$300,000	\$28.73	\$5,130,000	\$120,750,000	\$115,620,000	4.248%
NorthWestern Corporation	9/29/2015	1,100,000	\$51.81	\$1.3300	\$1,000,000	\$49.57	\$2,463,000	\$56,991,000	\$54,528,000	4.322%
NorthWestern Corporation	11/5/2014	7,766,990	\$51.50	\$1.8025	\$1,000,000	\$49.57	\$14,999,999	\$399,999,985	\$384,999,986	3.750%
OGE Energy Corp.	8/21/2003	5,324,074	\$21.60	\$0.7900	\$325,000	\$20.75	\$4,531,018	\$114,999,998	\$110,468,980	3.940%
Otter Tail Corporation	9/18/2008	5,175,000	\$30.00	\$1.0875	\$400,000	\$28.84	\$6,027,813	\$155,250,000	\$149,222,188	3.883%
Otter Tail Corporation	12/7/2004	3,335,000	\$25.45	\$0.9500	\$300,000	\$24.41	\$3,468,250	\$84,875,750	\$81,407,500	4.086%
Pinnacle West Capital Corporation	4/8/2010	6,900,000	\$38.00	\$1.3300	\$190,000	\$36.64	\$9,367,000	\$262,200,000	\$252,833,000	3.572%
Pinnacle West Capital Corporation	4/27/2005	6,095,000	\$42.00	\$1.3650	\$250,000	\$40.59	\$8,569,675	\$255,990,000	\$247,420,325	3.348%
PNM Resources, Inc.	12/6/2006	5,750,000	\$30.79	\$1.0780	\$250,000	\$29.67	\$6,448,500	\$177,042,500	\$170,594,000	3.642%
PNM Resources, Inc.	3/23/2005	3,910,000	\$26.76	\$0.8697	\$200,000	\$25.84	\$3,600,527	\$104,631,600	\$101,031,073	3.441%
Portland General Electric Company	6/11/2013	12,765,000	\$29.50	\$0.9588	\$600,000	\$28.49	\$12,838,444	\$376,567,500	\$363,729,056	3.409%
Portland General Electric Company	3/5/2009	12,477,500	\$14.10	\$0.4935	\$375,000	\$13.58	\$6,532,646	\$175,932,750	\$169,400,104	3.713%
SCANA Corporation	5/11/2010	8,222,500	\$37.00	\$1.2950	\$350,000	\$35.66	\$10,998,138	\$304,232,500	\$293,234,363	3.615%
SCANA Corporation	12/31/2008	2,875,000	\$35.50	\$0.5325	\$350,000	\$34.85	\$1,880,938	\$102,062,500	\$100,181,563	1.843%
Wisconsin Energy Corporation	11/16/2005	5,290,000	\$53.70	\$1.7450	\$0	\$51.96	\$9,231,050	\$284,073,000	\$274,841,950	3.250%
Wisconsin Energy Corporation	11/20/2003	4,025,000	\$43.00	\$1.5050	\$0	\$41.50	\$6,057,625	\$173,075,000	\$167,017,375	3.500%
Xcel Energy Inc.	8/3/2010	21,850,000	\$21.50	\$0.6450	\$600,000	\$20.83	\$14,693,250	\$469,775,000	\$455,081,750	3.128%
Xcel Energy Inc.	9/9/2008	17,250,000	\$20.25	\$0.1500	\$600,000	\$20.07	\$3,187,500	\$349,312,500	\$346,125,000	0.913%
Mean							\$10,745,211	\$330,095,636		
							WEIGHTED AVERAGE FLOTATION COSTS:		3.255%	

Constant Growth Discounted Cash Flow Model Adjusted for Flotation Costs - 30 Day Average Stock Price

Company	Ticker	[1]	[2]	[3]	[4]		[6]	[7]	[8]	[9]	[10]	[11]
		Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield Current	Adjusted for Flot. Costs	Zacks Earnings Growth	First Call Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	DCF k(e)	Flotation Adjusted DCF k(e)
ALLETE, Inc.	ALE	\$2.14	\$65.17	3.28%	3.37%	3.48%	6.10%	5.00%	4.00%	5.03%	8.40%	8.51%
Alliant Energy Corporation	LNT	\$1.26	\$37.81	3.33%	3.43%	3.55%	5.50%	6.35%	6.00%	5.95%	9.38%	9.50%
Ameren Corporation	AEE	\$1.76	\$52.81	3.33%	3.43%	3.55%	6.50%	5.85%	6.00%	6.12%	9.55%	9.67%
American Electric Power Company, Inc.	AEP	\$2.36	\$63.96	3.69%	3.77%	3.89%	5.60%	1.86%	5.00%	4.15%	7.92%	8.05%
Avista Corporation	AVA	\$1.43	\$39.02	3.66%	3.74%	3.87%	NA	5.65%	3.00%	4.33%	8.07%	8.19%
Black Hills Corporation	BKH	\$1.78	\$62.20	2.86%	2.98%	3.08%	6.20%	10.48%	7.50%	8.06%	11.04%	11.14%
CenterPoint Energy, Inc.	CNP	\$1.07	\$26.21	4.08%	4.18%	4.32%	5.00%	6.90%	2.00%	4.63%	8.81%	8.95%
CMS Energy Corporation	CMS	\$1.33	\$42.81	3.11%	3.21%	3.32%	6.00%	7.60%	6.00%	6.53%	9.74%	9.85%
Consolidated Edison, Inc.	ED	\$2.76	\$74.27	3.72%	3.78%	3.90%	3.10%	3.51%	3.00%	3.20%	6.98%	7.11%
DTE Energy Company	DTE	\$3.30	\$98.59	3.35%	3.44%	3.56%	6.00%	5.05%	6.00%	5.68%	9.13%	9.24%
El Paso Electric Company	EE	\$1.24	\$46.40	2.67%	2.74%	2.84%	5.50%	6.50%	4.00%	5.33%	8.08%	8.17%
Eversource Energy	ES	\$1.90	\$55.97	3.39%	3.50%	3.62%	6.30%	6.01%	7.00%	6.44%	9.94%	10.06%
IDACORP, Inc.	IDA	\$2.20	\$79.86	2.75%	2.81%	2.90%	4.30%	4.00%	3.00%	3.77%	6.57%	6.67%
NorthWestern Corporation	NWE	\$2.10	\$57.08	3.68%	3.77%	3.90%	4.30%	3.94%	6.50%	4.91%	8.68%	8.81%
OGE Energy Corp.	OGE	\$1.21	\$34.22	3.54%	3.62%	3.75%	5.30%	6.45%	3.00%	4.92%	8.54%	8.66%
Otter Tail Corporation	OTTR	\$1.28	\$38.04	3.37%	3.46%	3.58%	NA	5.20%	6.00%	5.60%	9.06%	9.18%
Pinnacle West Capital Corporation	PNW	\$2.62	\$78.34	3.34%	3.43%	3.54%	4.90%	5.54%	4.00%	4.81%	8.24%	8.35%
PNM Resources, Inc.	PNM	\$0.97	\$34.66	2.80%	2.90%	3.00%	6.50%	6.85%	9.00%	7.45%	10.35%	10.45%
Portland General Electric Company	POR	\$1.28	\$43.67	2.93%	3.01%	3.11%	5.80%	5.97%	4.00%	5.26%	8.26%	8.37%
SCANA Corporation	SCG	\$2.45	\$69.10	3.55%	3.64%	3.76%	5.30%	5.87%	4.50%	5.22%	8.86%	8.98%
Wisconsin Energy Corporation	WEC	\$2.08	\$58.28	3.57%	3.68%	3.80%	6.00%	6.53%	6.00%	6.18%	9.86%	9.98%
Xcel Energy Inc.	XEL	\$1.44	\$41.68	3.45%	3.55%	3.67%	5.40%	NA	5.50%	5.45%	9.00%	9.12%

PROXY GROUP MEAN

8.84% 8.95%

Notes:

The proxy group DCF result is adjusted for flotation costs by dividing each company's expected dividend yield by (1 - flotation cost). The flotation cost adjustment is derived as the difference between the unadjusted DCF result and the DCF result adjusted for flotation costs.

- [1] Source: Bloomberg Professional
- [2] Source: Bloomberg Professional
- [3] Equals [1] / [2]
- [4] Equals [3] x (1 + 0.5 x [9])
- [5] Equals [4] / (1 - 0.0326)
- [6] Source: Zacks
- [7] Source: Yahoo! Finance
- [8] Source: Value Line
- [9] Equals Average([6], [7], [8])
- [10] Equals [4] + [9]
- [11] Equals [5] + [9]
- [12] Equals average [11] - average [10]

DCF Result Adjusted For Flotation Costs: 8.95%
 DCF Result Unadjusted For Flotation Costs: 8.84%
 Difference (Flotation Cost Adjustment): 0.12% [12]

Schedule (RBH)-8

Proxy Group Capital Structure

Company	Ticker	% Common Equity								
		2016Q3	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2	2015Q1	2014Q4	Average
ALLETE, Inc.	ALE	59.28%	59.08%	58.83%	58.04%	58.01%	58.93%	58.70%	56.98%	58.48%
Alliant Energy Corporation	LNT	50.68%	51.22%	51.65%	51.24%	51.27%	51.18%	50.32%	50.11%	50.96%
Ameren Corporation	AEE	53.99%	53.11%	52.82%	52.22%	53.40%	52.44%	52.88%	52.82%	52.96%
American Electric Power Company, Inc.	AEP	49.81%	49.66%	49.13%	48.82%	49.13%	49.63%	52.23%	52.11%	50.07%
Avista Corporation	AVA	54.97%	55.46%	55.13%	54.30%	54.95%	54.98%	54.81%	51.39%	54.50%
Black Hills Corporation	BKH	52.49%	52.26%	52.17%	52.10%	51.19%	50.96%	51.32%	52.23%	51.84%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
CMS Energy Corporation	CMS	51.30%	52.32%	51.42%	50.63%	51.44%	51.15%	51.35%	50.21%	51.23%
Consolidated Edison, Inc.	ED	49.95%	48.96%	49.29%	48.82%	51.02%	48.54%	50.44%	50.92%	49.74%
DTE Energy Company	DTE	50.13%	49.35%	50.53%	50.39%	50.32%	49.81%	48.42%	50.39%	49.92%
El Paso Electric Company	EE	47.73%	46.22%	45.95%	49.86%	49.94%	49.04%	48.79%	49.01%	48.32%
Eversource Energy	ES	55.12%	54.34%	54.51%	54.02%	54.83%	53.73%	53.84%	53.64%	54.25%
IDACORP, Inc.	IDA	53.15%	52.46%	50.70%	52.34%	52.25%	51.61%	49.38%	52.94%	51.85%
NorthWestern Corporation	NWE	47.72%	47.66%	47.54%	47.31%	46.01%	46.97%	47.54%	47.06%	47.23%
OGE Energy Corp.	OGE	56.23%	55.50%	55.17%	54.30%	54.38%	53.31%	52.98%	53.08%	54.37%
Otter Tail Corporation	OTTR	54.80%	54.15%	53.10%	52.75%	52.51%	52.32%	51.13%	49.80%	52.57%
Pinnacle West Capital Corporation	PNW	54.70%	53.13%	55.54%	55.50%	57.11%	55.72%	55.86%	57.54%	55.64%
PNM Resources, Inc.	PNM	46.07%	44.88%	45.35%	45.32%	44.76%	45.63%	46.11%	45.86%	45.50%
Portland General Electric Company	POR	49.72%	49.64%	50.89%	50.61%	50.31%	49.57%	44.11%	43.31%	48.52%
SCANA Corporation	SCG	51.44%	50.84%	52.77%	52.57%	52.55%	52.08%	53.72%	53.46%	52.43%
Wisconsin Energy Corporation	WEC	56.21%	55.88%	55.80%	55.39%	56.72%	55.93%	56.91%	56.59%	56.18%
Xcel Energy Inc.	XEL	53.45%	54.17%	54.68%	54.43%	53.02%	53.88%	54.97%	54.62%	54.15%
Mean		52.33%	51.92%	52.04%	51.95%	52.15%	51.78%	51.71%	51.62%	51.94%

Operating Company Capital Structure

Operating Company	Parent	% Common Equity								
		2016Q3	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2	2015Q1	2014Q4	Average
Ameren Illinois Company	AEE	55.82%	55.11%	53.67%	53.42%	55.55%	54.67%	54.39%	53.90%	54.57%
Union Electric Company	AEE	52.15%	51.10%	51.97%	51.03%	51.25%	50.21%	51.37%	51.74%	51.35%
AEP Texas Central Company	AEP	45.44%	45.01%	44.18%	43.63%	43.32%	47.46%	45.01%	42.39%	44.56%
AEP Texas North Company	AEP	43.17%	42.84%	42.64%	42.36%	45.03%	48.87%	47.15%	46.96%	44.88%
Appalachian Power Company	AEP	46.68%	46.41%	47.20%	46.77%	46.66%	46.50%	46.52%	45.83%	46.57%
Indiana Michigan Power Company	AEP	49.03%	48.50%	48.26%	52.65%	52.41%	52.08%	51.94%	51.36%	50.78%
Kentucky Power Company	AEP	43.52%	43.50%	43.58%	43.26%	43.72%	43.87%	44.19%	44.74%	43.80%
Kingsport Power Company	AEP	65.24%	64.34%	65.21%	59.70%	59.76%	60.44%	60.77%	61.00%	62.06%
Ohio Power Company	AEP	56.08%	54.87%	50.03%	50.09%	50.36%	50.33%	49.30%	48.96%	51.25%
Public Service Company of Oklahoma	AEP	48.52%	47.42%	46.80%	46.45%	46.30%	45.29%	44.66%	49.69%	46.89%
Southwestern Electric Power Company	AEP	46.12%	49.66%	49.51%	49.59%	49.88%	47.62%	46.25%	50.46%	48.64%
Wheeling Power Company	AEP	54.31%	54.08%	53.90%	53.73%	53.89%	53.82%	86.56%	79.75%	61.25%
ALLETE (Minnesota Power)	ALE	56.90%	56.63%	56.60%	55.86%	55.62%	57.67%	57.56%	55.24%	56.51%
Superior Water, Light and Power Company	ALE	61.65%	61.52%	61.06%	60.23%	60.40%	60.19%	59.83%	58.72%	60.45%
Alaska Electric Light and Power Company	AVA	59.29%	59.10%	58.86%	58.18%	58.09%	58.07%	57.83%	NA	58.49%
Avista Corporation	AVA	50.65%	51.82%	51.39%	50.41%	51.80%	51.90%	51.78%	51.39%	51.39%
Black Hills Power, Inc.	BKH	53.13%	53.13%	53.27%	53.35%	53.22%	53.20%	52.94%	52.23%	53.06%
Black Hills Colorado Electric Utility Company, LP	BKH	51.85%	51.39%	51.06%	50.85%	49.16%	48.72%	49.70%	NA	50.39%
Consumers Energy Company	CMS	51.30%	52.32%	51.42%	50.63%	51.44%	51.15%	51.35%	50.21%	51.23%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
DTE Electric Company	DTE	50.13%	49.35%	50.53%	50.39%	50.32%	49.81%	48.42%	50.39%	49.92%
Consolidated Edison Company of New York, Inc.	ED	50.27%	48.94%	50.10%	49.78%	50.47%	50.04%	49.96%	49.94%	49.94%
Orange and Rockland Utilities, Inc.	ED	49.63%	48.98%	48.47%	47.85%	51.56%	47.04%	50.91%	51.91%	49.54%
Rockland Electric Company	ED	NA	NA	NA	NA	NA	NA	NA	NA	NA
El Paso Electric Company	EE	47.73%	46.22%	45.95%	49.86%	49.94%	49.04%	48.79%	49.01%	48.32%
Connecticut Light and Power Company	ES	54.94%	54.68%	54.45%	53.05%	53.35%	52.25%	53.26%	53.11%	53.64%
NSTAR Electric Company	ES	55.38%	53.98%	55.76%	56.11%	59.18%	58.53%	58.22%	57.84%	56.87%
Public Service Company of New Hampshire	ES	56.19%	55.63%	54.04%	53.48%	53.56%	53.44%	53.40%	53.29%	54.13%
Western Massachusetts Electric Company	ES	54.00%	53.06%	53.78%	53.46%	53.25%	50.70%	50.48%	50.31%	52.38%
Idaho Power Co.	IDA	53.15%	52.46%	50.70%	52.34%	52.25%	51.61%	49.38%	52.94%	51.85%
Interstate Power and Light Company	LNT	48.99%	50.54%	51.52%	50.91%	50.90%	51.72%	50.09%	49.90%	50.57%
Wisconsin Power and Light Company	LNT	52.38%	51.89%	51.78%	51.56%	51.63%	50.65%	50.54%	50.32%	51.34%
NorthWestern Corporation	NWE	47.72%	47.66%	47.54%	47.31%	46.01%	46.97%	47.54%	47.06%	47.23%
Oklahoma Gas and Electric Company	OGE	56.23%	55.50%	55.17%	54.30%	54.38%	53.31%	52.98%	53.08%	54.37%
Otter Tail Power Company	OTTR	54.80%	54.15%	53.10%	52.75%	52.51%	52.32%	51.13%	49.80%	52.57%
Arizona Public Service Company	PNW	54.70%	53.13%	55.54%	55.50%	57.11%	55.72%	55.86%	57.54%	55.64%
Public Service Company of New Mexico	PNM	46.07%	44.88%	45.35%	45.32%	44.76%	45.63%	46.11%	45.86%	45.50%
Portland General Electric Company	POR	49.72%	49.64%	50.89%	50.61%	50.31%	49.57%	44.11%	43.31%	48.52%
Wisconsin Electric Power Company	WEC	57.27%	57.15%	56.95%	57.25%	57.07%	56.76%	59.02%	58.57%	57.50%
Wisconsin Public Service Corporation	WEC	55.15%	54.61%	54.65%	53.53%	56.36%	55.10%	54.80%	54.61%	54.85%
South Carolina Electric & Gas Co.	SCG	51.44%	50.84%	52.77%	52.57%	52.55%	52.08%	53.72%	53.46%	52.43%
Northern States Power Company - MN	XEL	52.08%	51.86%	53.68%	53.26%	51.95%	53.34%	53.03%	52.89%	52.76%
Northern States Power Company - WI	XEL	54.89%	54.57%	54.43%	54.27%	52.92%	52.53%	56.36%	55.18%	54.40%
Public Service Company of Colorado	XEL	56.37%	55.93%	56.49%	56.34%	56.00%	55.55%	56.94%	56.79%	56.30%
Southwestern Public Service Company	XEL	50.45%	54.30%	54.13%	53.83%	51.20%	54.08%	53.54%	53.62%	53.14%
Mean		52.34%	52.06%	52.05%	51.81%	52.03%	51.86%	52.51%	52.32%	52.14%

Source: SNL Financial

Proxy Group Capital Structure

Company	Ticker	% Long-Term Debt								
		2016Q3	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2	2015Q1	2014Q4	Average
ALLETE, Inc.	ALE	40.72%	40.92%	41.17%	41.96%	41.99%	41.07%	41.30%	43.02%	41.52%
Alliant Energy Corporation	LNT	49.32%	48.78%	48.35%	48.76%	48.73%	48.82%	49.68%	49.89%	49.04%
Ameren Corporation	AEE	46.01%	46.89%	47.18%	47.78%	46.60%	47.56%	47.12%	47.18%	47.04%
American Electric Power Company, Inc.	AEP	50.19%	50.34%	50.87%	51.18%	50.87%	50.37%	47.77%	47.89%	49.93%
Avista Corporation	AVA	45.03%	44.54%	44.87%	45.70%	45.05%	45.02%	45.19%	48.61%	45.50%
Black Hills Corporation	BKH	47.51%	47.74%	47.83%	47.90%	48.81%	49.04%	48.68%	47.77%	48.16%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
CMS Energy Corporation	CMS	48.70%	47.68%	48.58%	49.37%	48.56%	48.85%	48.65%	49.79%	48.77%
Consolidated Edison, Inc.	ED	50.05%	51.04%	50.71%	51.18%	48.98%	51.46%	49.56%	49.08%	50.26%
DTE Energy Company	DTE	49.87%	50.65%	49.47%	49.61%	49.68%	50.19%	51.58%	49.61%	50.08%
El Paso Electric Company	EE	52.27%	53.78%	54.05%	50.14%	50.06%	50.96%	51.21%	50.99%	51.68%
Eversource Energy	ES	44.88%	45.66%	45.49%	45.98%	45.17%	46.27%	46.16%	46.36%	45.75%
IDACORP, Inc.	IDA	46.85%	47.54%	49.30%	47.66%	47.75%	48.39%	50.62%	47.06%	48.15%
NorthWestern Corporation	NWE	52.28%	52.34%	52.46%	52.69%	53.99%	53.03%	52.46%	52.94%	52.77%
OGE Energy Corp.	OGE	43.77%	44.50%	44.83%	45.70%	45.62%	46.69%	47.02%	46.92%	45.63%
Otter Tail Corporation	OTTR	45.20%	45.85%	46.90%	47.25%	47.49%	47.68%	48.87%	50.20%	47.43%
Pinnacle West Capital Corporation	PNW	45.30%	46.87%	44.46%	44.50%	42.89%	44.28%	44.14%	42.46%	44.36%
PNM Resources, Inc.	PNM	53.93%	55.12%	54.65%	54.68%	55.24%	54.37%	53.89%	54.14%	54.50%
Portland General Electric Company	POR	50.28%	50.36%	49.11%	49.39%	49.69%	50.43%	55.89%	56.69%	51.48%
SCANA Corporation	SCG	48.56%	49.16%	47.23%	47.43%	47.45%	47.92%	46.28%	46.54%	47.57%
Wisconsin Energy Corporation	WEC	43.79%	44.12%	44.20%	44.61%	43.28%	44.07%	43.09%	43.41%	43.82%
Xcel Energy Inc.	XEL	46.55%	45.83%	45.32%	45.57%	46.98%	46.12%	45.03%	45.38%	45.85%
Mean		47.67%	48.08%	47.96%	48.05%	47.85%	48.22%	48.29%	48.38%	48.06%

Operating Company Capital Structure

Operating Company	Parent	% Long-Term Debt								Average
		2016Q3	2016Q2	2016Q1	2015Q4	2015Q3	2015Q2	2015Q1	2014Q4	
Ameren Illinois Company	AEE	44.18%	44.89%	46.33%	46.58%	44.45%	45.33%	45.61%	46.10%	45.43%
Union Electric Company	AEE	47.85%	48.90%	48.03%	48.97%	48.75%	49.79%	48.63%	48.26%	48.65%
AEP Texas Central Company	AEP	54.56%	54.99%	55.82%	56.37%	56.68%	52.54%	54.99%	57.61%	55.44%
AEP Texas North Company	AEP	56.83%	57.16%	57.36%	57.64%	54.97%	51.13%	52.85%	53.04%	55.12%
Appalachian Power Company	AEP	53.32%	53.59%	52.80%	53.23%	53.34%	53.50%	53.48%	54.17%	53.43%
Indiana Michigan Power Company	AEP	50.97%	51.50%	51.74%	47.35%	47.59%	47.92%	48.06%	48.64%	49.22%
Kentucky Power Company	AEP	56.48%	56.50%	56.42%	56.74%	56.28%	56.13%	55.81%	55.26%	56.20%
Kingsport Power Company	AEP	34.76%	35.66%	34.79%	40.30%	40.24%	39.56%	39.23%	39.00%	37.94%
Ohio Power Company	AEP	43.92%	45.13%	49.97%	49.91%	49.64%	49.67%	50.70%	51.04%	48.75%
Public Service Company of Oklahoma	AEP	51.48%	52.58%	53.20%	53.55%	53.70%	54.71%	55.34%	50.31%	53.11%
Southwestern Electric Power Company	AEP	53.88%	50.34%	50.49%	50.41%	50.12%	52.38%	53.75%	49.54%	51.36%
Wheeling Power Company	AEP	45.69%	45.92%	46.10%	46.27%	46.11%	46.18%	13.44%	20.25%	38.75%
ALLETE (Minnesota Power)	ALE	43.10%	43.37%	43.40%	44.14%	44.38%	42.33%	42.44%	44.76%	43.49%
Superior Water, Light and Power Company	ALE	38.35%	38.48%	38.94%	39.77%	39.60%	39.81%	40.17%	41.28%	39.55%
Alaska Electric Light and Power Company	AVA	40.71%	40.90%	41.14%	41.82%	41.91%	41.93%	42.17%	NA	41.51%
Avista Corporation	AVA	49.35%	48.18%	48.61%	49.59%	48.20%	48.10%	48.22%	48.61%	48.61%
Black Hills Power, Inc.	BKH	46.87%	46.87%	46.73%	46.65%	46.78%	46.80%	47.06%	47.77%	46.94%
Black Hills Colorado Electric Utility Company, LP	BKH	48.15%	48.61%	48.94%	49.15%	50.84%	51.28%	50.30%	NA	49.61%
Consumers Energy Company	CMS	48.70%	47.68%	48.58%	49.37%	48.56%	48.85%	48.65%	49.79%	48.77%
CenterPoint Energy, Inc.	CNP	NA	NA	NA	NA	NA	NA	NA	NA	NA
DTE Electric Company	DTE	49.87%	50.65%	49.47%	49.61%	49.68%	50.19%	51.58%	49.61%	50.08%
Consolidated Edison Company of New York, Inc.	ED	49.73%	51.06%	49.90%	50.22%	49.53%	49.96%	50.04%	50.06%	50.06%
Orange and Rockland Utilities, Inc.	ED	50.37%	51.02%	51.53%	52.15%	48.44%	52.96%	49.09%	48.09%	50.46%
Rockland Electric Company	ED	NA	NA	NA	NA	NA	NA	NA	NA	NA
El Paso Electric Company	EE	52.27%	53.78%	54.05%	50.14%	50.06%	50.96%	51.21%	50.99%	51.68%
Connecticut Light and Power Company	ES	45.06%	45.32%	45.55%	46.95%	46.65%	47.75%	46.74%	46.89%	46.36%
NSTAR Electric Company	ES	44.62%	46.02%	44.24%	43.89%	40.82%	41.47%	41.78%	42.16%	43.13%
Public Service Company of New Hampshire	ES	43.81%	44.37%	45.96%	46.52%	46.44%	46.56%	46.60%	46.71%	45.87%
Western Massachusetts Electric Company	ES	46.00%	46.94%	46.22%	46.54%	46.75%	49.30%	49.52%	49.69%	47.62%
Idaho Power Co.	IDA	46.85%	47.54%	49.30%	47.66%	47.75%	48.39%	50.62%	47.06%	48.15%
Interstate Power and Light Company	LNT	51.01%	49.46%	48.48%	49.09%	49.10%	48.28%	49.91%	50.10%	49.43%
Wisconsin Power and Light Company	LNT	47.62%	48.11%	48.22%	48.44%	48.37%	49.35%	49.46%	49.68%	48.66%
NorthWestern Corporation	NWE	52.28%	52.34%	52.46%	52.69%	53.99%	53.03%	52.46%	52.94%	52.77%
Oklahoma Gas and Electric Company	OGE	43.77%	44.50%	44.83%	45.70%	45.62%	46.69%	47.02%	46.92%	45.63%
Otter Tail Power Company	OTTR	45.20%	45.85%	46.90%	47.25%	47.49%	47.68%	48.87%	50.20%	47.43%
Arizona Public Service Company	PNW	45.30%	46.87%	44.46%	44.50%	42.89%	44.28%	44.14%	42.46%	44.36%
Public Service Company of New Mexico	PNM	53.93%	55.12%	54.65%	54.68%	55.24%	54.37%	53.89%	54.14%	54.50%
Portland General Electric Company	POR	50.28%	50.36%	49.11%	49.39%	49.69%	50.43%	55.89%	56.69%	51.48%
Wisconsin Electric Power Company	WEC	42.73%	42.85%	43.05%	42.75%	42.93%	43.24%	40.98%	41.43%	42.50%
Wisconsin Public Service Corporation	WEC	44.85%	45.39%	45.35%	46.47%	43.64%	44.90%	45.20%	45.39%	45.15%
South Carolina Electric & Gas Co.	SCG	48.56%	49.16%	47.23%	47.43%	47.45%	47.92%	46.28%	46.54%	47.57%
Northern States Power Company - MN	XEL	47.92%	48.14%	46.32%	46.74%	48.05%	46.66%	46.97%	47.11%	47.24%
Northern States Power Company - WI	XEL	45.11%	45.43%	45.57%	45.73%	47.08%	47.47%	43.64%	44.82%	45.60%
Public Service Company of Colorado	XEL	43.63%	44.07%	43.51%	43.66%	44.00%	44.45%	43.06%	43.21%	43.70%
Southwestern Public Service Company	XEL	49.55%	45.70%	45.87%	46.17%	48.80%	45.92%	46.46%	46.38%	46.86%
Mean		47.66%	47.94%	47.95%	48.19%	47.97%	48.14%	47.49%	47.68%	47.86%

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF JAY C. ZIMINSKY
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Jay C. Ziminsky. I am Director, Regulatory Strategy & Revenue
3 Policy, in the Regulatory Affairs Department of Pepco Holdings (PH). I am testifying on
4 behalf of Atlantic City Electric Company (ACE or the Company).

5 **Q2. What are your responsibilities in your role as Director of Regulatory Strategy &**
6 **Revenue Policy?**

7 A2. I am responsible for the coordination of revenue requirement, cost allocation, and
8 rate determinations in New Jersey, Delaware, Maryland, and the District of Columbia. In
9 addition, I am responsible for coordinating and supporting regulatory strategy, revenue
10 policy, and other regulatory compliance matters.

11 **Q3. Please state your educational background and professional experience.**

12 A3. I received a Bachelor of Science Degree in Business Administration with a
13 concentration in Accounting from Drexel University in 1988 and a Master in Business
14 Administration with a concentration in Finance from the University of Delaware in 1996.
15 I earned my Certified Public Accountant certification in the State of Pennsylvania in
16 1988.

17 In 1988, I joined Price Waterhouse as a Tax Associate. In 1991, I joined
18 Delmarva Power & Light Company (Delmarva) as a Staff Accountant in the General
19 Accounting section of the Controller's Department. In 1994, I joined the Management
20 Information Process Redesign team as a Senior Accountant. In 1995, I joined the

1 Conectiv Enterprises Business & Financial Management team as a Senior Financial
2 Analyst. In 1996, I was promoted to Finance & Accounting Manager of Conectiv
3 Communications, where I was later promoted to Finance & Accounting Director (in
4 1999) and Vice President – Finance (in 2000). In 2002, I joined the PHI Treasury
5 Department as Finance Manager. In 2006, I joined the PHI Regulatory Department and
6 was promoted to my current position in October 2008, where my responsibilities included
7 the coordination of revenue requirement determinations in New Jersey, Delaware and
8 Maryland as well as coordinating various other regulatory compliance matters. With the
9 consummation of the merger between Pepco Holdings, Inc. and Exelon Corporation, I
10 was promoted to my current position in April 2016. I am also the Co-Chairperson of the
11 New Jersey Utilities Association’s Finance & Regulatory Committee.

12 **Q4. Have you testified before the Board of Public Utilities (BPU or Board)?**

13 A4. Yes. I was a witness in ACE BPU Docket Nos. ER16030252, ER14030245,
14 ER12121071 and ER11080469. I have also testified before the Delaware Public Service
15 Commission, the Maryland Public Service Commission and the District of Columbia
16 Public Service Commission.

17 **Q5. What is the purpose of your Direct Testimony?**

18 A5. The purpose of my Direct Testimony is to present and explain the basis for the
19 development of the \$70,160,580 (excluding Sales and Use Tax)¹ Distribution-Related
20 Revenue Requirement. The \$70,160,580 revenue requirement is based on a test period,
21 which is the 12 month period ending July 31, 2017. This test period consists of 5 months
22 of actual data (August 2016 - December 2016) and 7 months of forecasted data (January

¹ The \$70,165,580 revenue requirement stated throughout this testimony excludes Sales and Use Tax. The revenue requirement including Sales and Use Tax is \$74,808,719.

1 2017 - July 2017) and will be updated with actual data when it becomes available. The
2 test period data were adjusted for known and measurable pro-forma adjustments that are
3 necessary to make the test period representative of the conditions that will exist during
4 the time that the rates to be established by the Board in this proceeding will be in effect. I
5 will present the separation of ACE system costs into its distribution component. I will
6 also provide the quantification and support for the pro-forma adjustments required to
7 adjust the test period to be representative of the rate-effective period. In addition, I
8 include the Consolidated Tax Adjustment (CTA) calculation required by the Board as a
9 result of its decision in I/M/O the Board's Review of the Applicability and Calculation of
10 a Consolidated Tax Adjustment, BPU Docket No. EO12121072. I am sponsoring
11 Schedules (JCZ)-1 through (JCZ)-19 that cover the areas detailed in this testimony.

12 This Direct Testimony and the attached schedules were prepared by me or under
13 my direct supervision and control. The sources for my testimony are Company records,
14 public documents, and my personal knowledge and experience.

15 **Q6. Have you relied on any other Direct Testimony in developing the Company's**
16 **requested Revenue Requirement of \$70,160,580?**

17 A6. Yes. In addition to my own Direct Testimony and Schedules, the development of
18 the \$70,160,580 revenue requirement includes and relies on the Direct Testimonies and
19 recommendations of Company Witnesses McGowan, McEvoy, Sullivan, and Tanos.

20 **Q7. What is the test period presented in this filing?**

21 A7. As previously noted, the test period used for the revenue requirement calculation
22 in this filing is 5 months of actual data and 7 months of forecasted data ending July 31,
23 2017. The test year used for class cost of service is the actual 12-month period ending

1 December 2016. The annual period during which new rates would be effective is
2 expected to be January 2018 through December 2018, which I will refer to in my Direct
3 Testimony as the “rate-effective period.” The start of the rate-effective period is nine
4 months after this filing, which is the date when New Jersey utilities have the right to
5 implement interim rates, subject to refund, if the Board has not acted within the required
6 statutory time period.²

7 **Q8. Is this test period a reasonable basis for establishing rates?**

8 A8. Yes. This test period, the 12 months ending July 31, 2017 -- is fully consistent
9 with the minimum filing requirements set by the Board in 1985 in In re Elizabethtown
10 Water Company Rate Case (BPU Docket No. WR8504330) that allows for recovery of
11 costs beyond the test year. This test period provides a proper matching of revenues,
12 expenses, and rate base that is largely consistent with the Board’s practices associated
13 with previous ACE proceedings. While the Company’s filed test year is consistent with
14 the Board’s policy, this does not represent the optimal approach to setting the Company’s
15 revenue requirement for the rate-effective period.

16 **Q9. Please explain why the Board’s test year policy is not the best approach.**

17 A9. Ratemaking, by its very nature, is an estimate of conditions likely to be incurred
18 during the first year that rates are in effect (the rate-effective period). Rates should be set
19 to reflect the cost of providing service to customers during that rate-effective period. To
20 put it another way, when rates are being set for 2018, those rates should match the cost of
21 providing service in 2018. The Board’s current test year policy does not follow that
22 principle, thus creating a timing mismatch that results in rates that do not accurately
23 reflect the cost of providing service during the rate-effective period.

² N.J.S.A. 48.2-21 and N.J.S.A. 48-2-21.1.

1 **Q10. How is a timing mismatch created?**

2 A10. Although the Company may file a partially historical and partially forecasted test
3 period, that test period data is historical by the time it is used to set new rates. In this
4 proceeding, the July 2017 test period contains 7 months of forecasted data, which will be
5 updated to actuals prior to rates going into effect by the January 2018 rate-effective date.
6 Moreover, the Board's policy to permit only certain types of post-test year adjustments
7 means that other more current cost data (including new rate base additions) are excluded,
8 and therefore not reflected in the new rates. Taken together, this means that the new rates
9 do not accurately reflect the cost of utility service at the time the rates become effective.

10 **Q11. Can you provide an illustration of the mismatch?**

11 A11. As I described above, the primary problem with the Board's approach is one of
12 timing combined with continued capital investment. This case is an example of the
13 problem I see with the current policy. Here, the test year ends on July 31, 2017, with
14 proposed rate base additions to be included through January 31, 2018 and limited rate
15 base additions after that date, despite the Company's continued investment pace to meet
16 the Company's commitment to spend a certain minimum amount on reliability. If the
17 case is resolved within nine months, new rates will become effective January 2018.³
18 Those rates, however, will not reflect all of ACE's investment in plant between July 2017
19 and January 2018, and will reflect none of the Company's investment in plant after
20 January 2018. Thus, applying the current policy results in 2018 rates that do not properly
21 match the cost of providing service in 2018.

22 **Q12. Is there an alternative approach that would eliminate the mismatch problem?**

³ The requirement to invest at least 90% of the Company's aggregate Reliability Improvement Plan budget was one of the conditions of the Board's approval of the merger between PHI and Exelon (Docket No. EM14060581, Stipulation of Settlement, Paragraph 16).

1 A12. Yes. The use of a fully forecasted test year -- in this case, the period from
2 January 2018 – December 2018 -- would eliminate the timing mismatch I described.
3 While the Company has not requested a fully forecasted test year in this proceeding, it
4 has proposed adjustments to include certain post-test period investments.

5 **Q13. Have you made any adjustments to the Company’s July 2017 test period as well as**
6 **included adjustments for recovery of certain post-test period investments?**

7 A13. In accordance with prior decisions of the Board, including In re Elizabethtown
8 Water Company Rate Case noted previously, I have included known and measurable pro-
9 forma adjustments to more accurately track costs during the rate-effective period
10 including all post-test period plant additions net of retirements from August 2017 –
11 January 2018 and certain additions net of retirements closed from February 2018 – March
12 2018, twelve months beyond the date this proceeding will have been filed.

13 **Q14. Please describe the Schedules that you support.**

14 A14. Schedule (JCZ)-1 presents a summary of the necessary financial and accounting
15 data for the test period ending July 31, 2017. Schedule (JCZ)-2 provides the calculation
16 of the increase in revenues necessary to earn the 7.83% rate of return supported by
17 Company Witness McGowan. This rate of return is still not expected to be achieved in
18 the rate-effective period, given the historical nature of test period data by the time new
19 rates go into effect in this filing. Company Witness Tanos provides support for the
20 details and additional billing comparisons in his Direct Testimony. Schedule (JCZ)-3
21 shows the unadjusted per-books earnings and rate base having a rate of return of 5.17%
22 which translates to a return on equity of 4.79%. Schedule (JCZ)-3 then displays
23 ratemaking adjustments that would be reflective of the rate-effective period. Absent

1 additional rate relief, this Schedule displays a fully adjusted rate of return of 4.81% for
2 the rate-effective period, which translates to a return on equity of only 4.07% and
3 emphasizes the need for full and current rate relief given the Company's continuing
4 investment level in its electric system. Schedule (JCZ)-3 also displays the effect of each
5 earnings and rate base pro-forma adjustment by component and provides for fully
6 adjusted earnings and rate base by component.

7 Schedules (JCZ)-4 through (JCZ)-19 provide the details of each of the operating
8 income, rate base, and pro-forma adjustments that I discuss later in my Direct Testimony.
9 Workpapers supporting my Schedules will be provided under separate cover.

10 **REVENUE REQUIREMENT DETERMINATION**

11 **Q15. How did you determine the \$70,160,580 revenue requirement?**

12 A15. I first developed the test period for the 12 month period ending July 31, 2017,
13 based on 5 months of actual data and 7 months of forecasted data by assembling the
14 revenues, expenses, and rate base for that time period. I reviewed that data to determine
15 whether any adjustments were necessary to reflect a full year of normal operating
16 conditions. As a result of that review, I made adjustments to reflect known and
17 measurable changes in revenues, expenses, and investments as well as to include those
18 adjustments proposed by Company Witness McEvoy. These adjustments are discussed
19 later in my Direct Testimony. After making all required adjustments, I determined the
20 Company's test period operating income by subtracting test period expenses from test
21 period revenues.

22 Next, by multiplying test period adjusted rate base by the overall rate of return
23 developed from the Direct Testimony of Company Witness McGowan, I determined the

1 required operating income. Subtracting the test period operating income from the
2 required operating income determines the operating income deficiency.

3 Finally, the operating income deficiency was adjusted for Federal and State
4 income taxes, revenue taxes, and Sales and Use Tax to establish the total requested
5 revenue requirement. A summary of these results is presented on Schedules (JCZ)-1
6 through (JCZ)-3.

7 **Q16. How was rate base developed for this filing?**

8 A16. Rate base was developed using data based on the Company's actual 5 months
9 totals and 7 months forecasted totals ending July 31, 2017. I have used these data to
10 calculate the necessary test period adjustments, including those adjustments proposed by
11 Company Witness McEvoy, to rate base and operating income as shown on Schedule
12 (JCZ)-1. Using these data, the test-period levels of Electric Plant in Service,
13 Depreciation Reserve, and Accumulated Deferred Income Tax Balances were calculated.
14 Materials and Supplies, Customer Deposits, and Customer Advances for Construction
15 were carried forward as rate-base items and apportioned to the electric-distribution
16 function based on allocations from the Company's Cost of Service Study. The Cash
17 Working Capital rate-base addition is based on the Company's lead/lag study performed
18 on historic data and applied to the test period operations.

19 **Q17. How was operating income developed?**

20 A17. The operating income was based on 5 months of actual data and 7 months of
21 forecasted data from January 2017 through July 2017. These data were then allocated to
22 ACE's distribution function. Operating income was then adjusted for known and
23 measurable changes. These adjustments are summarized on Schedule (JCZ)-3.

DISTRIBUTION COST OF SERVICE

1
2 **Q18. Please discuss the development of the ACE cost of service on a distribution-only**
3 **basis.**

4 A18. The basis for ACE's distribution-only cost of service is the distribution accounts
5 as specified in the Federal Energy Regulatory Commission (FERC) Uniform System of
6 Accounts. In addition, I have allocated to distribution a portion of other Company cost
7 elements functionalized as general, intangible, and miscellaneous. This method is
8 consistent with that provided in ACE's last base case filing, BPU Docket No.
9 ER16030252. The result of this separation, or functionalization of costs, is shown on
10 Schedule (JCZ)-1.

11 **Q19. Please describe the detail provided on Schedule (JCZ)-1.**

12 A19. Schedule (JCZ)-1 shows the items of rate base, revenue, expense, and return for
13 ACE for the total Company in column (3), titled "System Electric," and those same cost
14 elements for the distribution function in Column (4), titled "Distribution." Column (3)
15 shows total Company rate base of \$2,038,531,789, total operating revenues of
16 \$1,327,166,034, total operating expenses of \$1,203,363,684, and operating income of
17 \$123,802,350. As I described above, I separated each cost element into its distribution
18 component. The distribution component is shown in column (4) of this Schedule. The
19 distribution rate base for the Company is \$1,288,007,969, distribution operating revenues
20 are \$376,573,836, distribution operating expenses are \$309,935,246, and distribution
21 operating income is \$66,638,590. Additionally, I provided Company Witness Tanos with
22 the comparable functionalized distribution information for the 12 months ending
23 December 2016 to develop the Cost of Service Study included with his Direct Testimony.

1 This functionalized distribution information can be found in the Minimum Filing
2 Requirements, which are included in this filing.

3 **Q20. How are system distribution costs developed?**

4 A20. ACE's overall costs consist of supply, transmission, and distribution-related costs.
5 Distribution plant costs are those costs contained in FERC distribution accounts, numbers
6 360 to 373. Distribution expense costs are those costs contained in FERC distribution
7 accounts (inclusive of Customer Accounts Expense, Customer Service and Informational
8 Expenses, and Sales Expenses), numbers 580 through 916. Transmission Plant Costs are
9 from FERC's transmission accounts, numbered 350 through 359. Transmission Expense
10 costs are those costs contained in FERC transmission accounts, numbers 560 through
11 573. Other costs, such as General Plant and Administrative and General Expenses, are
12 contained in FERC accounts that are not specific to the transmission and distribution
13 functions and thus have to be functionalized to produce the distribution-related portion of
14 these costs.

15 **Q21. Was a lead/lag study prepared by the Company to determine the cash working
16 capital requirement in this filing?**

17 A21. Yes. The total per books ACE distribution cash working capital requirement is
18 \$88,367,435.

19 **Q22. What time periods were used in the lead/lag study?**

20 A22. The lead/lag study was prepared using calendar year 2015 data and 2016 data for
21 the collection lag.

22 **Q23. Have the factors developed in the lead/lag study been applied to test period results
23 of operations?**

1 A23. Yes. The cash working capital lag factors were computed based on historic data
2 and applied to the test period results of operations. The cash working capital components
3 follow the approach used in the Board’s recent decision in Jersey Central Power & Light
4 (JCP&L), BPU Docket No. 12111052 (dated March 18, 2015) [the “JCP&L Decision”].

5 **RATEMAKING ADJUSTMENTS**

6 **Q24. Please describe the purpose of the ratemaking adjustments detailed on Schedule**
7 **(JCZ)-3.**

8 A24. As I explained earlier, the ratemaking adjustments reflect known and measurable
9 changes to the test period data to provide for the revenues, expenses, and investment in
10 plant that will be generally representative of the term for which rates will be in effect. To
11 develop the test period data in this manner, the Company has included a number of
12 normalization and/or annualization adjustments to be reflective of the rate-effective
13 period. Generally, these adjustments follow the procedures submitted in the Company’s
14 last base case, BPU Docket No. ER16030252.

15 **Q25. What general guidance do you use for adjustments in terms of the time periods they**
16 **encompass?**

17 A25. The Board’s Order in In re Elizabethtown Water Company Rate Case, BPU
18 Docket No. WR8504330, provides guidance used in the development of the revenue
19 requirement in this filing in terms of (1) test period and (2) adjustments for known and
20 measurable changes to the test period data. Page 2 of the Order states:

21 Based upon the foregoing, the Board determines, for purposes of this
22 proceeding, that petitioner shall have the opportunity to make a record
23 with regard to: (a) known and measurable changes to income and
24 expense items for a period of nine months beyond the end of the test
25 year; (b) changes to rate base for a period of six months beyond the
26 end of the test year, provided there is clear a likelihood that such

1 proposed rate base additions shall be in service by the end of said six-
 2 month period, that such rate base additions are major in nature and
 3 consequence, and that such additions be substantiated with very
 4 reliable data; (c) changes to capitalization for a period three months
 5 past the end of the test year, provided that such changes are major in
 6 nature and consequence, and that the results of said proposed financing
 7 are actual prior to the Board’s determination in this case.

8
 9 ...

10
 11 Therefore, the above determinations reflect: (a) the Board’s ruling on
 12 the appropriate test year in this docket; (b) the guidelines that should
 13 apply to the test years to be filed in future by all major New Jersey
 14 Public Utilities; (c) the standard to apply for all out-of-period
 15 adjustments; and (d) the specific time periods to apply under the
 16 circumstances of this case to out-of-period adjustments.

17
 18 **Q26. Please list the ratemaking adjustments detailed in your Direct Testimony.**

19 A26. Below is a list of all of the Company’s proposed adjustments in this case, along
 20 with an indication of the sponsoring witness. My testimony contains details for each
 21 adjustment for which I am listed as the sponsoring witness. Company Witness McEvoy’s
 22 Direct Testimony contains details for the adjustments for which she is listed as the
 23 sponsoring witness.

Adj.	Sponsoring Witness	Adjustment Description
1	Ziminsky	Reflect the Revenue Change Associated with Weather Normalized Test Period Sales
2	Ziminsky	Reflect Revenue Associated with Customer Counts and Usage as of January 31, 2018
3	Ziminsky	Reflect Revenue Through Remainder of Rate-Effective Period (February 1, 2018 Through December 31, 2018)
4	McEvoy	Reflect Wage and Federal Insurance Contribution Act (FICA) Expense Changes Within Nine Months After End of Test Period
5	McEvoy	Reflect Wage and FICA Expense Changes for Rate-Effective Period
6	McEvoy	Reflect Benefits Expense Changes
7	McEvoy	Normalize Regulatory Commission Expense
8	Ziminsky	Include Prepaid Pension Asset in Rate Base and Reflect Pension Plan Returns in Pension Expense

9	Ziminsky	Include the Other Post-Employment Benefits (OPEB) Liability in Rate Base and Reflect OPEB Plan Returns in OPEB Expense
10	Ziminsky	Adjust Pension Service Related Expense
11	Ziminsky	Adjust OPEB Service Related Expense
12	Ziminsky	Remove Executive Incentive Expense
13	McEvoy	Adjust January 2017 Nor'easter
14	McEvoy	Bow Echo Storm and Winter Storm Jonas Adjustment
15	McEvoy	Adjust June 2016 Storm
16	McEvoy	Normalize Injuries and Damage Expense
17	McEvoy	Adjust Mays Landing Complex Rent
18	McEvoy	Annualize Depreciation Expenses on Year-End December 31, 2016 Plant Using Depreciation Rates Approved in Docket No. ER12121071
19	McEvoy	Restate PHI Service Company Asset Depreciation Expenses
20	McEvoy	Annualize Exelon Business Service Company Depreciation Expense
21	Ziminsky	Reflect Plant Additions from August 2017 through January 2018
22	Ziminsky	Reflect Plant Additions from February 2018 and March 2018
23	Ziminsky	Reflect Credit Facilities Cost
24	McEvoy	Restate Interest on Customer Deposit (IOCD) Expense
25	Ziminsky	Adjust Cost to Achieve (CTA)
26	Ziminsky	Reflect ACE Revenue Change Docket No. ER16030252
27	Ziminsky	Adjust Cash Working Capital
28	Ziminsky	Adjust Interest Synchronization

1

2 **Q27. Please describe Adjustment No. 1 – Reflect the Revenue Change Associated with**

3 **Weather Normalized Test Period Sales - Schedule (JCZ)-4.**

4 A27. Consistent with the treatment submitted in ACE’s last base rate case and with

5 prior Board approvals, including the Board’s recent JCP&L decision, this adjustment

6 restates distribution sales to reflect normal weather conditions for the test period. For the

7 5 months of data ending December 31, 2016, actual test period sales were 94,010 MWh

8 higher than normal weather, which is developed using 20 years of weather data consistent

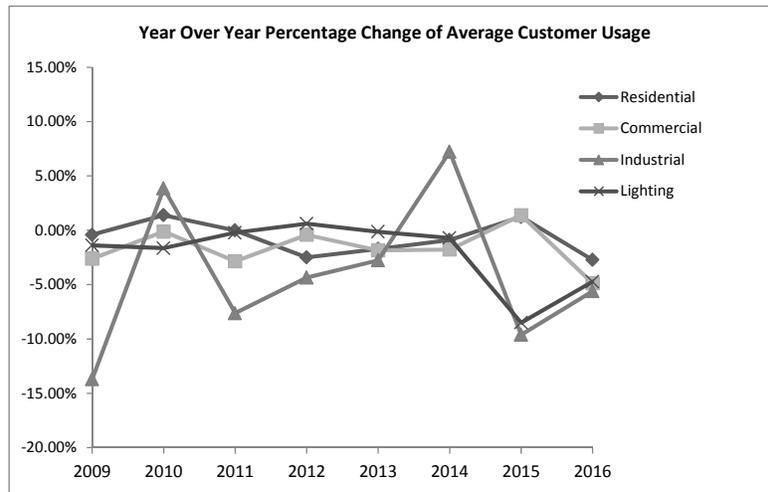
9 with the JCP&L decision. The use of a 20-year period for weather normalization is

1 consistent with the ratemaking adjustment in the Board's recent JCP&L Decision. In
2 order for the test period to be representative of normal weather, test period sales and
3 revenues must be adjusted. As shown on Schedule (JCZ)-4, weather normalization of
4 test period sales will result in a \$2,200,146 decrease to test period operating income.

5 **Q28. Please describe Adjustment No. 2 – Reflect Revenue Associated with Customer**
6 **Count and Usage Through January 31, 2018 - Schedule (JCZ)-5.**

7 A28. Consistent with the treatment submitted in the last case and the JCP&L decision,
8 this adjustment reflects the change in revenues associated with using a July 31, 2017
9 customer count to properly match the revenues with year-end rate base as well as the
10 change in revenues related to customer counts as of January 31, 2018 to properly match
11 the post test period plant closings proposed in Adjustment No. 21. The adjustment also
12 includes the change in revenues associated with customer usage from the end of the test
13 period through January 31, 2018 to similarly match the plant closings proposed in
14 Adjustment No. 21. Customer counts have increased for the residential class but the other
15 customer classes' counts have been fairly stagnant while customer usage has been
16 downward trending during recent years for the period shown in Schedule (JCZ)-5.1 and
17 Figure 1.

1 Figure 1



2

3 As shown on Schedule (JCZ)-5, this adjustment results in a \$144,230 decrease to
 4 test period operating income.

5 **Q29. Please describe Adjustment No. 3 – Reflect Revenue Through Remainder of Rate-
 6 Effective Period (February 1, 2018 Through December 31, 2018) - Schedule (JCZ)-6.**

7 A29. As noted in the Direct Testimony of Company Witnesses McGowan and Tanos,
 8 the Company continues to realize declining distribution revenues as its delivery of
 9 electricity decreases. Comparing the rate-effective period of January 2018 – December
 10 2018 to the same period in 2017, total distribution revenues are forecasted to decrease by
 11 1.45% or \$4,731,355, as shown in Schedule (JCZ)-6. As Schedule (JCZ)-6 also details,
 12 the primary drivers of this overall distribution revenue decrease from 2017 to 2018
 13 include:

- 14 • Energy Efficiency and Demand Side Management (0.92% decrease from 2017 to
 15 2018),
- 16 • Distributed Generation (0.91% decrease from 2017 to 2018), and
- 17 • Casino Closures (0.37% decrease from 2017 to 2018).

1 Despite 2018 forecasted increases in total distribution revenue related to factors
2 such as customer growth and other load growth (0.75% increase from 2017 to 2018) as
3 shown in Schedule (JCZ)-6, the aggregate impact of these items is a 1.45% decrease in
4 total distribution revenues from 2017 to 2018.

5 As base rates in this proceeding will be based on the test period level of revenues
6 and sales, the forecasted decline in total distribution revenues and sales in the rate-
7 effective period, the first twelve months after which rates in this proceeding go into
8 effect, would preclude the Company from having an opportunity to earn its authorized
9 rate of return. This adjustment relates to the total distribution revenue decreases
10 forecasted from February 1, 2018 through December 31, 2018 as Adjustment No. 2,
11 using the calculations used in the JCP&L Decision as well as ones the Company has
12 proposed in its recent filings, extend through January 2018, which is the first month of
13 the rate-effective period. Adjustment No. 3 encompasses the forecasted total distribution
14 revenue decrease from 2017 to 2018, so it includes the impacts of energy efficiency,
15 distributed generation, casino closures as well as customer growth and other load growth.

16 As shown on Schedule (JCZ)-6, this adjustment results in a \$2,558,043 decrease
17 to test period operating income.

18 **Q30. Please describe Adjustments Nos. 8 and 9 – Include Prepaid Pension Asset and the**
19 **OPEB Liability in Rate Base - Schedules (JCZ)-7 and (JCZ)-8.**

20 A30. The Company's books and records reflect the inclusion of a prepaid pension asset
21 and an OPEB Liability on its balance sheet. The prepaid pension asset arises when the
22 accumulated contributions and growth in pension plan assets exceed the accumulated
23 costs associated with pension obligations. The pension expense that the Company has

1 recorded is pursuant to - FASB Accounting Standards Codification Topic 715 (ASC 715)
2 “Compensation – Retirement Benefits.” Similarly, the OPEB Liability reflects the
3 accumulated costs associated with OPEB obligations exceeding the associated necessary
4 contributions and growth. For ratemaking purposes, I have matched the return-related
5 components of pension and OPEB expense with the inclusion of the pension plan assets
6 and OPEB plan liability that are factored into the related proposed rate base items. These
7 two balance sheet items should be included in rate base as I explain below. The Board
8 has not provided any guidance on their inclusion in prior base rate cases, and ACE
9 believes this is an appropriate opportunity to address that issue.

10 **Q31. Please describe the Prepaid Pension Asset.**

11 A31. As I noted earlier, the prepaid pension asset arises when the pension plan asset
12 balance exceeds the pension obligations’ accumulated expense. The Company’s pension
13 expense consists of two primary components. The first component is determined by the
14 Company’s independent actuarial firm from detailed information about ACE’s employee
15 and retiree populations, such as their ages, the ages of their spouses, their years of
16 service, their salary history, their age at retirement, mortality tables, and other
17 characteristics. These factors determine the Company’s liability for its employees’ and
18 retirees’ pension amounts. The second primary component is based on the amount of
19 assets that exist in the plan trust to service these obligations. This component is
20 determined by computing the amount of annual income/return generated by the plan
21 assets, which are invested in various investment vehicles. This income/return component
22 is netted against (subtracted from) the pension expense that the actuarial firm has
23 computed. For ratemaking purposes, I have included this pension plan return as part of

1 the prepaid pension adjustment as the return's impact on lowering pension expense is
2 properly matched to the pension plan assets on which the returns are based.

3 **Q32. Please describe the impact of pension plan returns on the pension expense included**
4 **in cost of service.**

5 A32. It is important to recognize that the return on plan assets provides for a lower
6 pension expense amount than what would have been recorded without the return on the
7 prepaid pension asset as shown in Schedules (JCZ)-7. This amount reflects the expected
8 return on long-term assets and actuarial gain/loss amortizations based on actual returns.
9 Due to the return-related components shown on Schedule (JCZ)-7, the adjusted test
10 period pension expense is \$4,436,873, or 27%, lower than it otherwise would be absent
11 the impact of those returns.

12 **Q33. Please summarize the proposed adjustment to include the prepaid pension asset in**
13 **rate base.**

14 A33. When ACE records a pension cost that is less than its contribution to the fund by
15 the Company, thereby reducing its cost of service, a prepaid asset is created. The
16 Company's prepaid pension asset includes the accumulated amount of pension cost,
17 which has reduced the Company's cost of service. Further, the Company is prohibited by
18 law from withdrawing an equivalent amount of funds from the pension trust fund to
19 offset the reduction in revenues generated by the reduced pension cost.

20 ACE's pension cost is reduced by the returns associated with the externally
21 funded pension asset. The impact of the prepaid pension asset results in a working
22 capital requirement that should be included in rate base. Its inclusion is based on
23 essentially the same reasons that rate base is reduced by accumulated deferred income

1 taxes, which are used to reduce rate base since deferred tax expense amounts are
2 collected in rates, but there is no concurrent payment of taxes to the Internal Revenue
3 Service. As such, the Company experiences a positive cash flow from the deferred taxes
4 collected in rates. Rate base is reduced by the accumulated deferred taxes since the
5 amounts represent cash paid to ACE by customers that has been retained by the Company
6 for use in its business.

7 Reduced pension cost has the opposite effect on the Company's cash requirement
8 and rate base because ACE's revenues are lowered by the reduced pension cost and there
9 is no offsetting source of cash.

10 To the extent that necessary cash contributions are made by ACE to the pension
11 plan, the pension expense reflected in Adjustment No. 8 includes the impact of the return
12 on that contribution. Over the past ten years, ACE has made \$165 million in pension plan
13 cash contributions.

14 As shown on Schedule (JCZ)-7, this adjustment results in a \$2,624,410 increase
15 to test period operating income and a \$41,916,899 increase to net rate base.

16 **Q34. Is there precedent in any of the jurisdictions of PHI's other utilities that allows for**
17 **the inclusion of prepaid pension asset in rate base?**

18 A34. Yes. All of the other public service commissions that regulate PHI's other
19 utilities (Delmarva – Delaware and Maryland; Potomac Electric Power Company
20 (Pepco) – Maryland and District of Columbia (DC)) have authorized the inclusion of the
21 prepaid pension asset in rate base.

1 In Order No. 81517 in Pepco Maryland Case No. 9092 (dated July 19, 2007), the
2 Maryland Public Service Commission made the following decision to approve the
3 inclusion of the prepaid pension asset in rate base:

4 Upon review of the record, the Commission finds that Pepco has
5 presented sufficient documentation that Pepco funded the disputed
6 assets without using ratepayer funds, and therefore, we agree with
7 Pepco's and Staff's final position that no exclusion is warranted for the
8 prepaid pension balances.
9

10 In Order No. 14712 in Pepco DC Formal Case No. 1053 (dated January 30, 2008),
11 the District of Columbia Public Service Commission made the following decision to
12 include the prepaid pension asset in rate base as well as treat the OPEB Liability in the
13 same manner as the prepaid pension asset:

14 The Company's inclusion of Prepaid Pension Asset/OPEB Liability in
15 the rate base is consistent with Commission precedent. In an earlier
16 case concerning BA-DC, the Commission found that BA-DC was
17 required to continue its policy of placing an amount equal to the SFAS
18 accrual into an external funding mechanism to the extent that tax
19 advantaged vehicles exist, with any accruals in excess of that amount
20 applied as a reduction to rate base. In a subsequent case involving
21 Pepco, the Commission similarly found that "as in the BA-DC case, it
22 is appropriate that Pepco account for any amounts not externally
23 funded as a reduction to the rate base." The Commission finds that
24 investor-supplied cash contributions have resulted in an asset from
25 which Pepco's customers receive a tangible benefit in the form of
26 reduced pension expenses. Therefore, investors are entitled to earn a
27 return on the capital they provided. If the Prepaid Pension Asset is
28 included in rate base, the related OPEB Liability should also be
29 included as a reduction. Both the asset and liability result from the
30 existence of a differential between the Company's obligation regarding
31 future benefits owed to current employees and the level of those
32 benefits the Company funds currently. The Prepaid Pension Asset and
33 the OPEB Liability are closely related and it would be inconsistent to
34 include one and not the other.
35

36 In summary, the public service commissions in all of PHI's other jurisdictions
37 allow the inclusion of the prepaid pension asset in rate base. All recognize that the

1 prepaid pension asset has been funded by the regulated utility to the level required, that
2 the regulated utility cannot access these funds, and that the pension expense included in
3 cost of service is lowered because of the return on the prepaid pension asset, which is
4 included in the calculation of the pension cost determined by the utility's actuary.

5 **Q35. Please describe the OPEB Liability.**

6 A35. As I noted earlier, the OPEB Liability reflects the accumulated costs associated
7 with OPEB obligations exceeding the associated contributions and growth. As noted in
8 Schedule (JCZ)-8, the adjustment for OPEB Liability would be a \$526,110 increase to
9 test period operating income and a \$21,545,143 decrease to rate base.

10 **Q36. Is there precedent in any of the jurisdictions of PHI's other utilities that allows for**
11 **the inclusion of the OPEB Liability in rate base?**

12 A36. Yes. PHI's other utilities in their respective jurisdictions (Delmarva – Delaware
13 and Maryland; Pepco – Maryland and DC) have all been authorized to reflect the OPEB
14 Liability in rate base.

15 **Q37. Please summarize the ratemaking impact of the inclusion of both Prepaid Pension**
16 **Asset and OPEB Liability in rate base and the respective plan returns in earnings.**

17 A37. In Adjustment No. 8, the Prepaid Pension Asset adjustment results in a
18 \$2,624,410 increase to test period operating income and a \$41,916,899 increase to rate
19 base as shown in Schedule (JCZ)-7. This schedule also shows that pension expense was
20 \$4,436,873, or 27%, lower than it otherwise would have been due to pension plan-related
21 returns.

22 In Adjustment No. 9, the OPEB Liability adjustment results in a \$526,110
23 increase in test period operating income, a \$21,545,143 decrease to rate base as shown in

1 Schedule (JCZ)-8. This schedule also shows OPEB expense was \$889,451, or 42%, lower
2 than it otherwise would have as a result of the OPEB plan asset returns.

3 **Q38. Please describe Adjustment Nos. 10 and 11 - Reflect Pension and OPEB Service-**
4 **Related Expenses.**

5 A38. These adjustments reflect the changes to the unadjusted test period service-related
6 and interest-related components of pension and OPEB expense to their respective
7 actuarial-determined amounts. Service-related costs relate to pension and OPEB benefits
8 that employees earned during the year while the interest-related costs relate to the
9 carrying cost of the future obligation of the Company to pay those benefits. The actuarial-
10 determined amounts would be more reflective of these costs during the rate-effective
11 period and are consistent with the Company's previous base rate case filings in which the
12 actuarial-determined costs data were used for the purposes of pension and OPEB
13 ratemaking. As shown in Schedule (JCZ)-9, Adjustment No. 10 related to pension service
14 and interest expense results in a \$103,366 decrease on earnings. As reflected in Schedule
15 (JCZ)-10, Adjustment No. 11 related to OPEB service and interest expense results in a
16 \$12,905 increase on earnings.

17 **Q39. Please describe Adjustment No. 12 - Remove Executive Incentive Expense -**
18 **Schedule (JCZ)-11.**

19 A39. This adjustment removes the test period level of executive incentive expense
20 associated with financial-related goals of the Executive Incentive Compensation Plan
21 (EICP) and the Long-Term Incentive Plan (LTIP). The Company disagrees with this
22 adjustment because these "compensation at risk" payments are an important component
23 of the Company's total executive compensation and are likely to continue to be so in the

1 future. As such, the Company reserves the right to seek recovery of these costs in future
2 rate case filings. As shown on Schedule (JCZ)-11, this adjustment results in a \$1,069,784
3 increase to test-period operating income.

4 **Q40. Are you proposing the inclusion of post-test period plant additions in the cost of**
5 **service in this proceeding?**

6 A40. Yes, I have proposed two adjustments related to post-test period plant additions
7 based on two time periods: the first being the immediate six months following the test
8 period (the August 2017 through January 2018 time period) and the second being the two
9 months following January 2018 (February 2018 and March 2018).

10 **Q41. Why are you proposing the inclusion of these post-test period plant additions in cost**
11 **of service?**

12 A41. These plant additions represent known and measurable plant additions that will be
13 providing service to ACE's customers during the rate-effective period. Simply put, the
14 inclusion of these plant additions in the revenue-requirement determination of this
15 proceeding matches the benefit that customers will realize to the associated cost to the
16 Company from this investment. The plant additions will be in service within the next 12
17 months, making them "used and useful" during the rate-effective period and providing a
18 benefit to ACE's customers. These projects and their associated dollars have been
19 evaluated as part of the Company's Asset Management planning process. For those
20 projects that are customer-driven relating to new service requests, I have synchronized
21 those additions with additional revenues associated with the anticipated customer growth
22 forecasted by the Company based on the average revenue per customer by customer
23 class.

1 I will update as much of the requested post-test period plant expenditures and
2 customer additions as possible during the course of this proceeding. Whether updated to
3 actual or not, the projects included in my adjustments clearly fall within the category of
4 being “known and measurable.” These projects will provide service to our customers
5 during the rate-effective period and it is appropriate to match the cost of providing that
6 benefit to customers during the time the benefits are being realized.

7 **Q42. Provide the source of your plant-addition information.**

8 A42. Company Witness Sullivan provides support for the post-test period plant
9 additions, including the nature of the projects, the category type of the projects, and the
10 cost of the projects. He also demonstrates the post-test period plant additions are major
11 in nature and consequence and should be included in the proposed revenue requirement.
12 It should be noted that the plant additions reflect the amount that will be placed in service
13 and are used and useful for customers, not the total capital expenditures that Company
14 Witness Sullivan details in his Direct Testimony.

15 In terms of how distribution-related capital expenditures are forecasted into plant
16 closings, I have used the following relationships to link when capital expenditures are
17 forecasted to be closed to plant in service:

- 18 • Projects in the Construction Work in Progress (CWIP) balance at end of the
19 test period are ratably forecasted to be placed in service over next six months;
- 20 • Capital projects in the post-test period capital expenditures are generally
21 forecasted to be placed in service three months after the expenditure. As
22 shown in Schedule (JCZ)-12.1, unique capital projects’ in-service dates are

1 continuously reviewed and modified as needed in this adjustment as they may
2 not follow the three-month guideline.

3 All projects included in the test-period CWIP balance and post-test period capital
4 expenditures described in Company Witness Sullivan's Direct Testimony are reviewed in
5 terms of forecasted closing date, so the closing date is adjusted as needed in the event that
6 a project's in-service date does not follow the general forecasted closing guidelines. The
7 variability in any projects' forecasted closings by month can be seen in Schedule (JCZ)-
8 12.1.

9 **Q43. Please describe Adjustment No. 21 - Reflect Distribution Plant Additions from**
10 **August 2017 – January 2018 - Schedule (JCZ)-12.**

11 A43. Consistent with the treatment submitted in the last case and approved in the
12 JCP&L decision, this adjustment reflects the effect of the August 2017 to January 2018
13 distribution-related investment. As described in the Direct Testimony of Witness
14 Sullivan, these project categories include:

15 Reliability

- 16 • System Performance;
- 17 • Corrective Capital Replacement;
- 18 • Emergency;
- 19 • Distribution Automation;

20 Load

- 21 • Capacity Expansion;

22 Customer-Driven

- 23 • Customer Driven;

1 General

- 2 • General (Distribution’s portion of projects such as Communication Equipment and
3 Facilities).

4 Inclusion of this “known and measurable” post-test period distribution-related
5 plant investment is consistent with Board practice, which was established in the Board’s
6 ruling in In re Elizabethtown Water Company Rate Case, BPU Docket No. WR8504330
7 and confirmed in the JCP&L Decision. My proposed adjustment to rate base and
8 operating income is shown on Schedule (JCZ)-12 and results in a \$651,516 decrease to
9 test period operating income and a \$48,739,842 increase to net rate base. Schedule
10 (JCZ)-12.1 provides detail of this adjustment by project and by month.

11 **Q44. Please describe Adjustment No. 22 - Reflect Distribution Plant Additions from**
12 **February 2018 – March 2018 - Schedule (JCZ)-13.**

13 A44. This proposed adjustment relates to non-revenue generating plant additions that
14 will be providing service to customers during the rate-effective period. As I discussed
15 previously, this investment should be included in cost of service to match the
16 corresponding benefits that customers realize from these projects in the rate-effective
17 period. As discussed in the Direct Testimony of Company Witness Sullivan, the Project
18 Categories include:

19 Reliability

- 20 • System Performance;
- 21 • Corrective Capital Replacement;
- 22 • Emergency;
- 23 • Distribution Automation;

1 Load

- 2 • Capacity Expansion

3 My proposed adjustment to rate base and operating income is shown on Schedule
4 (JCZ)-13 and results in a \$61,526 decrease to test period operating income and a
5 \$5,371,302 increase to net rate base. Schedule (JCZ)-13.1 provides detail of this
6 adjustment by project and by month.

7 **Q45. Please describe Adjustment No. 23 – Reflect Credit Facility Expense - Schedule**
8 **(JCZ)-14.**

9 A45. Consistent with the treatment submitted in the last case, this adjustment provides
10 for recognition in the cost of service of the test period amount of ACE’s share of the PHI
11 credit facility. The Board has not yet made a decision on credit facility costs in prior base
12 rate cases. This \$1.5 billion credit facility is vital to the day-to-day working capital needs
13 of the Company and is a requirement by the various credit rating agencies to maintain
14 ACE’s separate corporate credit rating. An adjustment is necessary due to the accounting
15 for this cost in the Company’s financial statements as interest expense, which is not
16 incorporated in the embedded cost of debt. Without this adjustment, the actual cost
17 would not be included in ACE’s cost of service.

18 This credit facility allows the Company to borrow in the commercial paper
19 market. This market has been ACE’s primary source of short-term liquidity for years and
20 the credit facility assures investors that ACE has a committed line of credit with banks in
21 the event of a liquidity problem. In tight credit periods, where the commercial paper
22 market cannot be relied upon due to liquidity concerns, the credit facility provides the
23 Company with a backstop borrowing mechanism to handle day-to-day cash requirements.

1 The credit facility and its impact on liquidity are vital in maintaining the Company's
2 current credit ratings.

3 **Q46. Is there precedent in any of the jurisdictions of PHI's other utilities that allows for**
4 **the recovery of the cost of credit facilities?**

5 A46. Yes. PHI's other utilities (Delmarva - Delaware and Maryland; Pepco - Maryland
6 and DC) all have authorized the amortization of the jurisdictional cost of the credit
7 facility with rate base treatment of the unamortized balance.

8 **Q47. What costs are included in your adjustment?**

9 A47. Costs include both amortization of the start-up costs of the credit facility, as well
10 as annual fees paid to maintain the facility. As shown on Schedule (JCZ)-14, this
11 adjustment results in a \$387,304 decrease to test period operating income and a \$568,524
12 increase in net rate base.

13 **Q48. Please describe Adjustment No. 25 – Adjust Costs to Achieve (CTA) - Schedule**
14 **(JCZ)-15.**

15 A48. This adjustment proposes the establishment of a regulatory asset in rate base for
16 the costs to achieve merger synergy benefits for customers. This regulatory asset
17 (\$12,304,843) includes costs incurred both before (\$7,265,107) and during (\$5,039,737)
18 the test period. The amortization of these costs would be proposed in the revenue
19 requirement in the next base rate case when the Company would demonstrate the merger
20 synergy benefits exceed the amortization expense related to the cost to achieve regulatory
21 asset. The proposed amortization period would be 5 years; however as previously noted,
22 the amortization expense is not factored in to the revenue requirement in this proceeding.

1 This adjustment increases earnings by \$2,719,272 and increases rate base by \$6,639,279
2 as shown in Schedule (JCZ)-15.

3 **Q49. Please describe Adjustment No. 26 – Reflect ACE Revenue Change Docket No.**
4 **ER16030252 - Schedule (JCZ)-16.**

5 A49. This adjustment reflects the annualized impact of the \$45 million increase in
6 effect as of August 24, 2016 as authorized in BPU Docket No. ER16030252. While the
7 majority of that rate increase is reflected in the 12 months ending July 2017 test period in
8 this proceeding, the revenue related to the remaining portion of Docket No.
9 ER16030252's rate-effective period (August 1, 2017 – August 23, 2017) requires an
10 adjustment to earnings of \$1,640,999 as shown in Schedule (JCZ)-16.

11 **Q50. Please describe Adjustment No. 27 – Adjust Cash Working Capital - Schedule**
12 **(JCZ)-17.**

13 A50. This adjustment reflects the inclusion of the calculated cash working capital effect
14 of the pro-forma earnings adjustments by applying the cash working capital ratios to the
15 applicable data. This adjustment results in a \$12,516 decrease to the test period rate base
16 as shown in Schedule (JCZ)-17.

17 **Q51. Please describe Adjustment No. 28 – Adjust Interest Synchronization - Schedule**
18 **(JCZ)-18.**

19 A51. Consistent with the treatment submitted in the last case and with prior Board
20 decisions, this adjustment synchronizes the interest expense used in the cost of service's
21 income tax calculation to that calculated using the adjusted rate base and the tax
22 deductible component included in the cost of capital sponsored by Company Witness

1 McGowan. As shown on Schedule (JCZ)-18, this adjustment results in a \$1,048,323
2 increase to test period operating income.

3 **Q52. Can you summarize the adjustments that are included in this filing?**

4 A52. Yes. Schedule (JCZ)-3 displays all of the pro-forma adjustments included in this
5 filing and details the earnings and rate base effect of each adjustment.

6 **Q53. Please summarize the Company's overall revenue deficiency.**

7 A53. Schedule (JCZ)-2 displays the calculation of the Company's revenue deficiency
8 of \$70,160,580 excluding Sales and Use Tax, and \$74,808,719 including Sales and Use
9 Tax. These calculations include the effects of all of the pro-forma adjustments to the test
10 period level of earnings and rate base and uses Company Witness McGowan's supplied
11 rate of return of 7.83%.

12 **Q54. Please address the filing requirements included in the Board's Order in BPU Docket**
13 **No. EO12121072 related to its Review of the Applicability and Calculation of a**
14 **CTA.**

15 A54. As part of the Board's decision in Docket No. EO12121072, utilities are to
16 include a calculation of the CTA as part of their next base rate case petitions. The
17 calculation is based on the Board's modifications approved in that proceeding. As shown
18 in Schedule (JCZ)-19, the Board's approved calculation method does not result in a rate
19 base reduction related to the CTA. The tax years used for the calculation include 2011 –
20 2015 in compliance with the BPU's approved calculation method of using the 5 previous
21 tax years prior to the start of the test period.

22 **Q55. Does this conclude your Direct Testimony?**

23 A55. Yes, it does.

Schedule (JCZ)-1

Atlantic City Electric Company
5+7 Months Ending July 2017
Rate of Return Analysis

(1)	(2)	(3)	(4)
Line No.	<u>Item</u>	<u>System Electric</u>	<u>Distribution</u>
1	<u>Rate Base</u>		
2	Electric Plant in Service	\$ 3,730,211,633	\$ 2,451,926,511
3	Less: Depreciation Reserve	\$ 948,237,760	\$ 670,421,433
4	Net Plant in Service	<u>\$ 2,781,973,873</u>	<u>\$ 1,781,505,078</u>
5			
6	Plant Held For Future Use	\$ 12,757,399	\$ 6,584,025
7	Materials & Supplies	\$ 22,722,445	\$ 20,713,780
8	Cash Working Capital	\$ 131,599,087	\$ 88,367,435
9	Customer Advances	\$ (493,900)	\$ (493,900)
10	Customer Deposits	\$ (33,133,624)	\$ (33,133,624)
11	Def Federal and State Tax Bal	\$ (876,893,491)	\$ (575,534,826)
12	Total Rate Base	<u>\$ 2,038,531,789</u>	<u>\$ 1,288,007,969</u>
13			
14	Total Rate Base	\$ 2,038,531,789	\$ 1,288,007,969
15			
16	<u>Earnings</u>		
17	Operating Revenues	\$ 1,327,166,034	\$ 376,573,836
18			
19	O & M Expense	\$ 978,542,966	\$ 227,588,801
20	Deprec and Amort Expense	\$ 170,564,022	\$ 59,217,587
21	Taxes Other than Income Taxes	\$ 6,005,705	\$ 4,672,271
22	Net ITC Adjustment	\$ (378,100)	\$ (152,570)
23	IOCD	\$ 38,316	\$ 38,316
24	State Income Tax	\$ 1,000	\$ -
25	Federal Income Tax	\$ (19,459,397)	\$ (117,941,084)
26	Deferred SIT Expense	\$ 11,204,537	\$ 4,091,495
27	Deferred FIT Expense	\$ 56,844,636	\$ 132,420,430
28			
29	Total Operating Expenses	\$ 1,203,363,684	\$ 309,935,246
30			
31	Operating Income	<u>\$ 123,802,350</u>	<u>\$ 66,638,590</u>
32			
33	Rate of Return	<u>6.07%</u>	<u>5.17%</u>

Schedule (JCZ)-2

Atlantic City Electric Company
5+7 Months Ending July 2017
Determination of Revenue Requirements

(1) Line No.	(2) <u>Item</u>	(3) \$
1	Adjusted Net Rate Base	\$ 1,370,621,016
2		
3	Required Rate of Return	<u>7.83%</u>
4		
5	Required Operating Income	\$ 107,319,626
6		
7	Pro Forma Operating Income	<u>\$ 65,939,159</u>
8		
9	Operating Income Deficiency	\$ 41,380,466
10		
11	Revenue Conversion Factor	<u>1.6955</u>
12		
13	Revenue Requirement	\$ 70,160,580
14		
15	Sales & Use Tax Factor	<u>1.06625</u>
16		
17	Revenue Requirement (Adjusted for Sales & Use Tax)	\$ 74,808,719

Schedule (JCZ)-3

Atlantic City Electric Company
5+7 Months Ending July 2017
Distribution Adjustments

(1) Line No.	(2) Item	(3) Witness	(4) Earnings	(5) Rate Base	(6) ROR	(7) ROE	(8) Rev. Req. Def. (Exc.) Exclude Sales & Use Tax
1	Per Books - 5+7 Months Ending July 2017	Ziminsky	\$ 66,638,590	\$ 1,288,007,969	5.17%	4.79%	\$ 58,007,182
3	Adjustments:						
4	Adj 1 Weather Normalization	Ziminsky	\$ (2,200,146)				
5	Adj 2 Proform Customer Count and Customer Usage as of January 2018	Ziminsky	\$ (144,230)				
6	Adj 3 Adjust Declining Revenue in Rate Effective Period	Ziminsky	\$ (2,558,043)				
7	Adj 4 Annualize Wage and FICA changes through April 2018	McEvoy	\$ (1,504,458)				
8	Adj 5 Proform Wage Rate Changes for Rate Effective Period	McEvoy	\$ (124,121)				
9	Adj 6 Annualize Benefit changes through July 2018	McEvoy	\$ (202,300)				
10	Adj 7 Regulatory Commission Expense Adjustment	McEvoy	\$ 72,074				
11	Adj 8 Include Pension Asset and Return Related Expense	Ziminsky	\$ 2,624,410	\$ 41,916,899			
12	Adj 9 Include OPEB Liability and Return Related Expense	Ziminsky	\$ 526,110	\$ (21,545,143)			
13	Adj 10 Adjust Pension Service Related Expense	Ziminsky	\$ (103,366)				
14	Adj 11 Adjust OPEB Service Related Expense	Ziminsky	\$ 12,905				
15	Adj 12 Remove Executive Incentive Expense	Ziminsky	\$ 1,069,784				
16	Adj 13 Adjust January 2017 Nor'easter Storm	McEvoy	\$ (327,959)	\$ 819,898			
17	Adj 14 Bow Echo & Jonas Storm Adjustment	McEvoy	\$ (225,658)				
18	Adj 15 Adjust June 2016 Storm	McEvoy	\$ (306,652)	\$ 840,006			
19	Adj 16 Normalize Injury & Damage Expense	McEvoy	\$ (1,075,710)				
20	Adj 17 Mays Landing Complex Rent	McEvoy	\$ -				
21	Adj 18 Annualize Depreciation Expense @ YE December 2016 Plant	McEvoy	\$ (725,043)	\$ (725,043)			
22	Adj 19 Servco Assets @ ACE Approved Depreciation Rates	McEvoy	\$ 244,889				
23	Adj 20 Annualize BSC Depreciation Expense	McEvoy	\$ (4,435)				
24	Adj 21 Reflect Plant Additions from August 2017 through January 2018	Ziminsky	\$ (651,516)	\$ 48,739,842			
25	Adj 22 Reflect Plant Additions in February 2018 and March 2018	Ziminsky	\$ (61,526)	\$ 5,371,302			
26	Adj 23 Credit Facilities Fee	Ziminsky	\$ (387,304)	\$ 568,524			
27	Adj 24 Interest on Customer Deposit	McEvoy	\$ (55,730)				
28	Adj 25 Adjust Cost To Achieve (CTA)	Ziminsky	\$ 2,719,272	\$ 6,639,279			
29	Adj 26 Reflect ACE Revenue Change ER16030252	Ziminsky	\$ 1,640,999				
30	Adj 27 Adjust Cash Working Capital	Ziminsky	\$ -	\$ (12,516)			
31	Adj 28 Interest Synchronization	Ziminsky	\$ 1,048,323				
33		Adjustment Total	\$ (699,430)	\$ 82,613,047			
35		Adjusted Total	\$ 65,939,159	\$ 1,370,621,016	4.81%	4.07%	\$ 70,160,580

Atlantic City Electric Company
5+7 Months Ending July 2017
Rate of Return Analysis

(1) Line No.	(2) Item	(3) System Electric	(4) Distribution	(5) Proforma Adjustments	(6) Fully Adjusted
1	Rate Base				
2	Electric Plant in Service	\$ 3,730,211,633	\$ 2,451,926,511	\$ 45,203,534	\$ 2,497,130,045
3	Less: Depreciation Reserve	\$ 948,237,760	\$ 670,421,433	\$ (10,284,599)	\$ 660,136,834
4	Net Plant in Service	<u>\$ 2,781,973,873</u>	<u>\$ 1,781,505,078</u>	<u>\$ 55,488,133</u>	<u>\$ 1,836,993,211</u>
5					
6	Plant Held For Future Use	\$ 12,757,399	\$ 6,584,025	\$ -	\$ 6,584,025
7	Materials & Supplies	\$ 22,722,445	\$ 20,713,780	\$ -	\$ 20,713,780
8	Cash Working Capital	\$ 131,599,087	\$ 88,367,435	\$ 49,027,586	\$ 137,395,021
9	Customer Advances	\$ (493,900)	\$ (493,900)	\$ -	\$ (493,900)
10	Customer Deposits	\$ (33,133,624)	\$ (33,133,624)	\$ -	\$ (33,133,624)
11	Def Federal and State Tax Bal	\$ (876,893,491)	\$ (575,534,826)	\$ (21,902,671)	\$ (597,437,497)
12	Total Rate Base	<u>\$ 2,038,531,789</u>	<u>\$ 1,288,007,969</u>	<u>\$ 82,613,047</u>	<u>\$ 1,370,621,016</u>
13					
14	Total Rate Base	\$ 2,038,531,789	\$ 1,288,007,969	\$ 82,613,047	\$ 1,370,621,016
15					
16	Earnings				
17	Operating Revenues	\$ 1,327,166,034	\$ 376,573,836	\$ (5,529,627)	\$ 371,044,209
18					
19	O & M Expense	\$ 978,542,966	\$ 227,588,801	\$ (4,677,983)	\$ 222,910,818
20	Deprec and Amort Expense	\$ 170,564,022	\$ 59,217,587	\$ 2,024,733	\$ 61,242,320
21	Taxes Other than Income Taxes	\$ 6,005,705	\$ 4,672,271	\$ (15,815)	\$ 4,656,456
22	Net ITC Adjustment	\$ (378,100)	\$ (152,570)	\$ 94,218	\$ (58,352)
23	IOCD	\$ 38,316	\$ 38,316	\$ -	\$ 38,316
24	State Income Tax	\$ 1,000	\$ -	\$ (496,895)	\$ (496,895)
25	Federal Income Tax	\$ (19,459,397)	\$ (117,941,084)	\$ (1,758,456)	\$ (119,699,540)
26	Deferred SIT Expense	\$ 11,204,537	\$ 4,091,495	\$ -	\$ 4,091,495
27	Deferred FIT Expense	\$ 56,844,636	\$ 132,420,430	\$ -	\$ 132,420,430
28					
29	Total Operating Expenses	<u>\$ 1,203,363,684</u>	<u>\$ 309,935,246</u>	<u>\$ (4,830,197)</u>	<u>\$ 305,105,049</u>
30					
31	Operating Income	<u>\$ 123,802,350</u>	<u>\$ 66,638,590</u>	<u>\$ (699,430)</u>	<u>\$ 65,939,159</u>
32					
33	Rate of Return	<u>6.07%</u>	<u>5.17%</u>		<u>4.81%</u>

Atlantic City Electric Company
5+7 Months Ending July 2017
Proforma Earnings Adjustments

(1) Line No.	(2) Adjustment	(3) Revenue	(4) O&M	(5) Deprec Amort	(6) Other Taxes	(7) SIT	(8) FIT	(9) IOCD	(10) Total Expense	(11) Earnings
1	Weather Normalization	\$ (3,730,274)			\$ (10,669)	\$ (334,764)	\$ (1,184,694)		\$ (1,530,127)	\$ (2,200,146)
2	Proform Customer Count and Customer Usage as of January 2018	\$ (244,537)			\$ (699)	\$ (21,945)	\$ (77,662)		\$ (100,307)	\$ (144,230)
3	Adjust Declining Revenue in Rate Effective Period	\$ (4,337,075)			\$ (12,404)	\$ (389,220)	\$ (1,377,408)		\$ (1,779,032)	\$ (2,558,043)
4	Annualize Wage and FICA changes through April 2018		\$ 2,543,462			\$ (228,912)	\$ (810,093)		\$ 1,504,458	\$ (1,504,458)
5	Proform Wage Rate Changes for Rate Effective Period		\$ 209,841			\$ (18,886)	\$ (66,834)		\$ 124,121	\$ (124,121)
6	Annualize Benefit changes through July 2018		\$ 342,013			\$ (30,781)	\$ (108,931)		\$ 202,300	\$ (202,300)
7	Regulatory Commission Expense Adjustment		\$ (121,849)			\$ 10,966	\$ 38,809		\$ (72,074)	\$ 72,074
8	Include Pension Asset and Return Related Expense		\$ (4,436,873)			\$ 399,319	\$ 1,413,144		\$ (2,624,410)	\$ 2,624,410
9	Include OPEB Liability and Return Related Expense		\$ (889,451)			\$ 80,051	\$ 283,290		\$ (526,110)	\$ 526,110
10	Adjust Pension Service Related Expense		\$ 174,752			\$ (15,728)	\$ (55,658)		\$ 103,366	\$ (103,366)
11	Adjust OPEB Service Related Expense		\$ (21,817)			\$ 1,964	\$ 6,949		\$ (12,905)	\$ 12,905
12	Remove Executive Incentive Expense		\$ (1,808,595)			\$ 162,774	\$ 576,038		\$ (1,069,784)	\$ 1,069,784
13	Adjust January 2017 Nor'easter Storm		\$ 554,453			\$ (49,901)	\$ (176,593)		\$ 327,959	\$ (327,959)
14	Bow Echo & Jonas Storm Adjustment		\$ 381,501			\$ (34,335)	\$ (121,508)		\$ 225,658	\$ (225,658)
15	Adjust June 2016 Storm		\$ 518,430			\$ (46,659)	\$ (165,120)		\$ 306,652	\$ (306,652)
16	Normalize Injury & Damage Expense		\$ 1,818,614			\$ (163,675)	\$ (579,229)		\$ 1,075,710	\$ (1,075,710)
17	Mays Landing Complex Rent		\$ -			\$ -	\$ -		\$ -	\$ -
18	Annualize Depreciation Expense @ YE December 2016 Plant			\$ 1,225,770		\$ (110,319)	\$ (390,408)		\$ 725,043	\$ (725,043)
19	Servco Assets @ ACE Approved Depreciation Rates			\$ (414,014)		\$ 37,261	\$ 131,863		\$ (244,889)	\$ 244,889
20	Annualize BSC Depreciation Expense			\$ 7,498		\$ (675)	\$ (2,388)		\$ 4,435	\$ (4,435)
21	Reflect Plant Additions from August 2017 through January 2018			\$ 1,101,464		\$ (99,132)	\$ (350,816)		\$ 651,516	\$ (651,516)
22	Reflect Plant Additions in February 2018 and March 2018			\$ 104,016		\$ (9,361)	\$ (33,129)		\$ 61,526	\$ (61,526)
23	Credit Facilities Fee		\$ 654,783			\$ (58,930)	\$ (208,548)		\$ 387,304	\$ (387,304)
24	Interest on Customer Deposit					\$ (8,480)	\$ (30,009)	\$ 94,218	\$ 55,730	\$ (55,730)
25	Adjust Cost To Achieve (CTA)		\$ (4,597,248)			\$ 413,752	\$ 1,464,223		\$ (2,719,272)	\$ 2,719,272
26	Reflect ACE Revenue Change ER16030252	\$ 2,782,258			\$ 7,957	\$ 249,687	\$ 883,615		\$ 1,141,259	\$ 1,640,999
27	Adjust Cash Working Capital					\$ -	\$ -		\$ -	\$ -
28	Interest Synchronization					\$ (230,965)	\$ (817,358)		\$ (1,048,323)	\$ 1,048,323
29										
30	Total	\$ (5,529,627)	\$ (4,677,983)	\$ 2,024,733	\$ (15,815)	\$ (496,895)	\$ (1,758,456)	\$ 94,218	\$ (4,830,197)	\$ (699,430)

Atlantic City Electric Company
5+7 Months Ending July 2017
Proforma Rate Base Adjustments

(1) Line No.	(2) Adjustment	(3) Plant In Service	(4) Depreciation Reserve	(5) Net Plant	(6) Cash Working Capital	(7) Deferred SIT	(8) Deferred FIT	(9) Rate Base
1	Weather Normalization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Proform Customer Count and Customer Usage as of January 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Adjust Declining Revenue in Rate Effective Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Annualize Wage and FICA changes through April 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Proform Wage Rate Changes for Rate Effective Period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Annualize Benefit changes through July 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Regulatory Commission Expense Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Include Pension Asset and Return Related Expense	\$ -	\$ -	\$ -	\$ 70,865,425	\$ (6,377,888)	\$ (22,570,638)	\$ 41,916,899
9	Include OPEB Liability and Return Related Expense	\$ -	\$ -	\$ -	\$ (36,424,587)	\$ 3,278,213	\$ 11,601,231	\$ (21,545,143)
10	Adjust Pension Service Related Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Adjust OPEB Service Related Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Remove Executive Incentive Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Adjust January 2017 Nor'easter Storm	\$ -	\$ -	\$ -	\$ 1,386,133	\$ (124,752)	\$ (441,483)	\$ 819,898
14	Bow Echo & Jonas Storm Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Adjust June 2016 Storm	\$ -	\$ -	\$ -	\$ 1,420,128	\$ (127,812)	\$ (452,311)	\$ 840,006
16	Normalize Injury & Damage Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Mays Landing Complex Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Annualize Depreciation Expense @ YE December 2016 Plant	\$ -	\$ 1,225,770	\$ (1,225,770)	\$ -	\$ 110,319	\$ 390,408	\$ (725,043)
19	Servco Assets @ ACE Approved Depreciation Rates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Annualize BSC Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Reflect Plant Additions from August 2017 through January 2018	\$ 40,940,577	\$ (9,490,443)	\$ 50,431,019	\$ -	\$ -	\$ (1,691,177)	\$ 48,739,842
22	Reflect Plant Additions in February 2018 and March 2018	\$ 4,262,957	\$ (2,019,926)	\$ 6,282,883	\$ -	\$ -	\$ (911,581)	\$ 5,371,302
23	Credit Facilities Fee	\$ -	\$ -	\$ -	\$ 568,524	\$ -	\$ -	\$ 568,524
24	Interest on Customer Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Adjust Cost To Achieve (CTA)	\$ -	\$ -	\$ -	\$ 11,224,478	\$ (1,010,203)	\$ (3,574,996)	\$ 6,639,279
26	Reflect ACE Revenue Change ER16030252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Adjust Cash Working Capital	\$ -	\$ -	\$ -	\$ (12,516)	\$ -	\$ -	\$ (12,516)
28	Interest Synchronization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29								
30	Total	\$ 45,203,534	\$ (10,284,599)	\$ 55,488,133	\$ 49,027,586	\$ (4,252,123)	\$ (17,650,549)	\$ 82,613,047

Schedule (JCZ)-4

Atlantic City Electric Company
5+7 Months Ending July 2017
5 Months Ending December 31, 2016 Test Year
Weather Normalization Adjustment
Adjustment No. 1

(1) Line No.	(2) Item	(3) \$
1	Change in Distribution Revenue	\$ (3,730,274)
2		
3	Revenue Tax	\$ (10,669)
4		
5	State Income Tax	\$ (334,764)
6		
7	Federal Income Tax	\$ (1,184,694)
8		
9	Total Expense	<u>\$ (1,530,127)</u>
10		
11	Earnings	<u>\$ (2,200,146)</u>

Schedule (JCZ)-5

Atlantic City Electric Company
5+7 Months Ending July 2017
Proform Customer Count and Customer Usage as of January 31, 2018
Adjustment No. 2

(1) <u>Line</u> <u>No.</u>	(2) <u>Item</u>	(3) <u>\$</u>
1	Revenues from Customers as of July 31, 2017	\$ 776,495
2		
3	Revenue from Customers as of January 31, 2018	\$ (355,089)
4		
5	Revenue from Change Customer Usage as of January 31, 2018	<u>\$ (665,943)</u>
6		
7	Revenue	\$ (244,537)
8		
9	Revenue Tax	\$ (699)
10		
11	State Income Tax	\$ (21,945)
12		
13	Federal Income Tax	<u>\$ (77,662)</u>
14		
15	Total Expense	\$ (100,307)
16		
17	Earnings	<u><u>\$ (144,230)</u></u>

Schedule (JCZ)-5.1

ATLANTIC CITY ELECTRIC COMPANY
AVERAGE USE PER CUSTOMER BY CUSTOMER CLASS
2009-2016 Average Use & Year over Year Increases/Decreases

(1) Line No.	(2) Year	(3) <u>Average Use Per Customer (kWh/Customer)</u>			
		<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
1	2008	9,089	69,882	1,159,540	94,759
2	2009	9,052	68,048	1,000,734	93,448
3	2010	9,178	67,965	1,039,300	91,909
4	2011	9,177	66,022	960,062	91,700
5	2012	8,948	65,747	918,280	92,253
6	2013	8,794	64,527	892,911	92,127
7	2014	8,715	63,381	957,442	91,478
8	2015	8,823	64,253	865,428	83,706
9	2016	8,582	61,125	816,981	79,749
10					
11	<u>Year over Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
12	<u>Increase/Decrease</u>				
13					
14	2009	(37)	(1,834)	(158,806)	(1,311)
15	2010	126	(83)	38,566	(1,539)
16	2011	(1)	(1,943)	(79,237)	(209)
17	2012	(229)	(275)	(41,782)	553
18	2013	(154)	(1,219)	(25,369)	(126)
19	2014	(79)	(1,147)	64,530	(649)
20	2015	108	872	(92,014)	(7,772)
21	2016	(241)	(3,128)	(48,447)	(3,956)
22					
23	<u>Year over Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Lighting</u>
24	<u>Increase/Decrease</u>				
25					
26	2009	-0.41%	-2.62%	-13.70%	-1.38%
27	2010	1.39%	-0.12%	3.85%	-1.65%
28	2011	-0.01%	-2.86%	-7.62%	-0.23%
29	2012	-2.50%	-0.42%	-4.35%	0.60%
30	2013	-1.72%	-1.85%	-2.76%	-0.14%
31	2014	-0.90%	-1.78%	7.23%	-0.70%
32	2015	1.23%	1.38%	-9.61%	-8.50%
33	2016	-2.73%	-4.87%	-5.60%	-4.73%

Schedule (JCZ)-6

Atlantic City Electric Company
5+7 Months Ending July 2017
Impact of Declining Sales Revenue in Rate Effective Period (February 2018 - December 2018)

(1) Line No.	(2) <u>Item</u>	(3) <u>Amount (\$)</u>		
1	<u>ACE Distribution Revenues</u>			
2	2018 Forecasted Revenues - Net	\$ 321,509,637		
3	2017 Forecasted Revenues - Net	<u>\$ 326,240,992</u>		
4	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
5				
6	<u>Declining Revenue Adjustment Calculation</u>			
7	2018 vs. 2017 - Annual Forecasted Net Distribution Revenue Variance	\$ (4,731,355)		
8	2018 vs. 2017 - Monthly Forecasted Distribution Revenue Variance	\$ (394,280)		
9	Number of applicable months	<u>11</u>		
10	Declining Sales Revenue (February 2018 - December 2018)	\$ (4,337,075)		
11				
12	Revenue tax	\$ (12,404)		
13	State Income Tax	\$ (389,220)		
14	Federal Income Tax	<u>\$ (1,377,408)</u>		
15	Total Expense	\$ (1,779,032)		
16				
17	Earnings	<u>\$ (2,558,043)</u>		
18				
19				
20				
21	<u>Revenue Forecast</u>			
22	<u>Item</u>	<u>2017</u>	<u>2018</u>	2018 vs. 2017 %
23	Total Revenues	\$ 365,567,771	\$ 360,836,416	
24	Realized Revenues - Docket No. ER16030252	<u>\$ 39,326,779</u>	<u>\$ 39,326,779</u>	
25	Net Revenues	<u>\$ 326,240,992</u>	<u>\$ 321,509,637</u>	
26				
27	Variance Versus Prior Year	\$ (3,548,011)	\$ (4,731,355)	-1.45%
28				
29	Usage/Customer/Load (1)	\$ 4,190,472	\$ 2,444,892	0.75%
30	Casinos (2)	\$ (1,026,518)	\$ (1,202,909)	-0.37%
31	Energy Efficiency/Demand Side Management (3)	\$ (2,335,508)	\$ (2,989,933)	-0.92%
32	Distributed Generation (4)	<u>\$ (4,376,458)</u>	<u>\$ (2,983,405)</u>	-0.91%
33	Total	<u>\$ (3,548,011)</u>	<u>\$ (4,731,355)</u>	<u>-1.45%</u>
34				
35	<u>Notes</u>			

- 36 (1): includes impact of economic conditions, price changes, customer growth and other load growth
37 (2): includes net impact of 2016 closure of Trump Taj Mahal and Casino as well as reopening of Showboat as a hotel only, including direct and indirect multiplier effects.
38 (3): estimates based on state level program spend allocated to Atlantic City Electric
39 (4): represents load changes from photovoltaic solar installations

Schedule (JCZ)-7

Atlantic City Electric Company
5+7 Months Ending July 2017
Pension Balance and Return Related Expense Adjustment
Adjustment No. 8

(1) Line No.	(2) <u>Item</u>	(3) Return-Related Total \$	(4) Expense %	(5) ACE %	(6) ACE Dist %	(7) ACE Dist \$
	<u>Earnings</u>					
1	Pension Expense - Return Related					\$ (4,436,873)
2	State Income Tax					\$ 399,319
3	Federal Income Tax					\$ 1,413,144
4	Total Expense					<u>\$ (2,624,410)</u>
5						
6	Earnings					<u>\$ 2,624,410</u>
7						
8	<u>2017 Forecasted Actuary Report</u>					
9	<u>ACE</u>					
10	Service Cost					
11	Interest Cost					
12	Prior Service Credit					
13	Expected Return on Plan Assets	\$ (13,143,394)	46.14%	100.00%	91.22%	\$ (5,532,197)
14	(Gain)/Loss Amortization	\$ 9,370,408	46.14%	100.00%	91.22%	\$ 3,944,106
15	Total	<u>\$ (3,772,986)</u>	46.14%	100.00%	91.22%	<u>\$ (1,588,091)</u>
16						
17	<u>Service Company</u>					
18	Service Cost					
19	Interest Cost					
20	Prior Service Credit					
21	Expected Return on Plan Assets	\$ (28,314,799)	86.73%	25.39%	91.22%	\$ (5,686,955)
22	(Gain)/Loss Amortization	\$ 16,383,437	86.73%	25.39%	91.22%	\$ 3,290,572
23	Total	<u>\$ (11,931,362)</u>	86.73%	25.39%	91.22%	<u>\$ (2,396,384)</u>
24						
25	<u>Exelon Business Service Company</u>					
26	Service Cost					
27	Interest Cost					
28	Prior Service Credit					
29	Expected Return on Plan Assets	\$ (1,038,549)	86.73%	100.00%	91.22%	\$ (821,668)
30	(Gain)/Loss Amortization	\$ 466,740	86.73%	100.00%	91.22%	\$ 369,270
31	Total	<u>\$ (571,810)</u>	86.73%	100.00%	91.22%	<u>\$ (452,398)</u>
32						
33	<u>Total</u>					
34	Service Cost					
35	Interest Cost					
36	Prior Service Credit					
37	Expected Return on Plan Assets	\$ (42,496,742)				\$ (12,040,820)
38	(Gain)/Loss Amortization	\$ 26,220,585				\$ 7,603,948
39	Total	<u>\$ (16,276,158)</u>				<u>\$ (4,436,873)</u>
40						
41						
42	<u>Rate Base</u>					
43						
44	ACE - December 2016 Balance	\$ 77,686,281				
45						
46	ACE Distribution Allocation	91.22%				
47	Pension Balance - Dist	<u>\$ 70,865,425</u>				
48						
49	Deferred State Income Tax	\$ (6,377,888)				
50	Deferred Federal Income Tax	<u>\$ (22,570,638)</u>				
51	Rate Base	<u>\$ 41,916,899</u>				
52						
53						
54	<u>ACE Pension Balance</u>	Total	Utility	Non-Utility		
55	ACE Actual Balance 12/31/16	\$85,192,219	\$81,246,446	\$3,945,773		
56						
57	<u>Service Company Balance to ACE</u>					
58	Actual Balance 12/31/16		(\$3,560,165)			

Schedule (JCZ)-8

Atlantic City Electric Company
5+7 Months Ending July 2017
OPEB Balance and Return Related Expense Adjustment
Adjustment No. 9

(1) Line No.	(2) Item	(3) Return-Related Total \$	(4) Expense %	(5) ACE %	(6) ACE Dist %	(7) ACE Dist \$
1	<u>Earnings</u>					
2	OPEB Expense - Return Related					\$ (889,451)
3	State Income Tax					\$ 80,051
4	Federal Income Tax					\$ 283,290
5	Total Expense					<u>\$ (526,110)</u>
6						
7	Earnings					<u>\$ 526,110</u>
8						
9	<u>2017 Forecasted Actuary Report</u>					
10	<u>ACE</u>					
11	Service Cost					
12	Interest Cost					
13	Prior Service Credit					
14	Expected Return on Plan Assets	\$ (4,579,877)	46.14%	100.00%	91.22%	\$ (1,927,720)
15	(Gain)/Loss Amortization	\$ 3,671,139	46.14%	100.00%	91.22%	\$ 1,545,222
16	Total	<u>\$ (908,738)</u>	46.14%	100.00%	91.22%	<u>\$ (382,498)</u>
17						
18	<u>Service Company</u>					
19	Service Cost					
20	Interest Cost					
21	Prior Service Credit					
22	Expected Return on Plan Assets	\$ (4,831,408)	86.73%	25.39%	91.22%	\$ (970,376)
23	(Gain)/Loss Amortization	\$ 2,712,894	86.73%	25.39%	91.22%	\$ 544,878
24	Total	<u>\$ (2,118,514)</u>	86.73%	25.39%	91.22%	<u>\$ (425,498)</u>
25						
26	<u>Exelon Business Service Company</u>					
27	Service Cost					
28	Interest Cost					
29	Prior Service Credit					
30	Expected Return on Plan Assets	\$ (132,721)	86.73%	100.00%	91.22%	\$ (105,005)
31	(Gain)/Loss Amortization	\$ 29,766	86.73%	100.00%	91.22%	\$ 23,550
32	Total	<u>\$ (102,955)</u>	86.73%	100.00%	91.22%	<u>\$ (81,455)</u>
33						
34	<u>Total</u>					
35	Service Cost					
36	Interest Cost					
37	Prior Service Credit					
38	Expected Return on Plan Assets	\$ (9,544,006)				\$ (3,003,101)
39	(Gain)/Loss Amortization	\$ 6,413,799				\$ 2,113,650
40	Total	<u>\$ (3,130,207)</u>				<u>\$ (889,451)</u>
41						
42	<u>Rate Base</u>					
43						
44	ACE - December 2016 Balance	\$ (39,930,483)				
45						
46	ACE Distribution Allocation		91.22%			
47	OPEB Balance	<u>\$ (36,424,587)</u>				
48						
49	Deferred State Income Tax	\$ 3,278,213				
50	Deferred Federal Income Tax	<u>\$ 11,601,231</u>				
51	Rate Base	<u>\$ (21,545,143)</u>				
52						
53						
54	<u>ACE OPEB Balance</u>		<u>Total</u>	<u>Utility</u>	<u>Non-Utility</u>	
55	<u>ACE Actual Balance 12/31/16</u>		(\$33,628,919)	(\$32,118,430)	(\$1,510,485)	
56						
57	<u>Service Company Balance to ACE</u>					
58	<u>Actual Balance 12/31/16</u>			(\$7,812,053)		

Schedule (JCZ)-9

Atlantic City Electric Company
5+7 Months Ending July 2017
Pension Expense Adjustment - Service Related
Adjustment No. 10

(1) Line No.	(2) Total \$ \$	(3) Expense %	(4) ACE %	(5) ACE Dist %	(6) ACE Dist \$
1	<u>Adjustment</u>				
2					\$ 174,752
3					\$ (15,728)
4					\$ (55,658)
5					<u>\$ (103,366)</u>
6					
7	<u>2017 Forecasted Actuary Report</u>				
8	<u>ACE</u>				
9	\$ 6,581,504	46.14%	100.00%	91.22%	\$ 2,770,226
10	\$ 7,804,050	46.14%	100.00%	91.22%	\$ 3,284,809
11	\$ (161,923)	46.14%	100.00%	91.22%	\$ (68,155)
12					
13					
14	<u>\$ 14,223,631</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 5,986,881</u>
15					
16	<u>Service Company</u>				
17	\$ 20,104,629	86.73%	25.39%	91.22%	\$ 4,037,964
18	\$ 26,911,017	86.73%	25.39%	91.22%	\$ 5,405,009
19	\$ 1,268,029	86.73%	25.39%	91.22%	\$ 254,680
20					
21					
22	<u>\$ 48,283,675</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 9,697,654</u>
23					
24	<u>Exelon Business Service Company</u>				
25	\$ 337,500	86.73%	100.00%	91.22%	\$ 267,019
26	\$ 700,314	86.73%	100.00%	91.22%	\$ 554,066
27	\$ (1,477)	86.73%	100.00%	91.22%	\$ (1,168)
28					
29					
30	<u>\$ 1,036,337</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 819,918</u>
31					
32	<u>Total</u>				
33	\$ 27,023,633				\$ 7,075,210
34	\$ 35,415,381				\$ 9,243,885
35	\$ 1,104,629				\$ 185,357
36	\$ -				\$ -
37	\$ -				\$ -
38	<u>\$ 63,543,643</u>				<u>\$ 16,504,452</u>
39					
40	<u>5+7 M/E July 2017 Expense</u>				
41	<u>ACE</u>				
42	\$ 6,783,517	46.14%	100.00%	91.22%	\$ 2,855,256
43	\$ 7,780,208	46.14%	100.00%	91.22%	\$ 3,274,774
44	\$ (162,144)	46.14%	100.00%	91.22%	\$ (68,248)
45					
46					
47	<u>\$ 14,401,581</u>	<u>46.14%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 6,061,782</u>
48					
49	<u>Service Company</u>				
50	\$ 20,721,723	86.73%	25.39%	91.22%	\$ 4,161,905
51	\$ 26,687,709	86.73%	25.39%	91.22%	\$ 5,360,159
52	\$ 1,269,762	86.73%	25.39%	91.22%	\$ 255,028
53					
54					
55	<u>\$ 48,679,193</u>	<u>86.73%</u>	<u>25.39%</u>	<u>91.22%</u>	<u>\$ 9,777,092</u>
56					
57	<u>Exelon Business Service Company</u>				
58	\$ 345,902	86.73%	100.00%	91.22%	\$ 273,667
59	\$ 717,748	86.73%	100.00%	91.22%	\$ 567,860
60	\$ (1,514)	86.73%	100.00%	91.22%	\$ (1,197)
61					
62					
63	<u>\$ 1,062,137</u>	<u>86.73%</u>	<u>100.00%</u>	<u>91.22%</u>	<u>\$ 840,329</u>
64					
65	<u>Total</u>				
66	\$ 27,851,142				\$ 7,290,828
67	\$ 35,185,666				\$ 9,202,792
68	\$ 1,106,104				\$ 185,583
69	\$ -				\$ -
70	\$ -				\$ -
71	<u>\$ 64,142,911</u>				<u>\$ 16,679,203</u>

Schedule (JCZ)-10

Atlantic City Electric Company
5+7 Months Ending July 2017
OPEB Expense Adjustment - Service Related
Adjustment No. 11

(1) Line No.	(2) Total \$ \$	(3) Expense %	(4) ACE %	(5) ACE Dist %	(6) ACE Dist \$
Adjustment					
2					\$ (21,817)
3					\$ 1,964
4					\$ 6,949
5					<u>\$ 12,905</u>
2017 Forecasted Actuary Report					
ACE					
9	\$ 1,011,071	46.14%	100.00%	91.22%	\$ 425,571
10	\$ 3,961,145	46.14%	100.00%	91.22%	\$ 1,667,289
11	\$ (2,200,963)	46.14%	100.00%	91.22%	\$ (926,409)
12					
13					
14	<u>\$ 2,771,253</u>	46.14%	100.00%	91.22%	\$ 1,166,450
Service Company					
17	\$ 1,657,600	86.73%	25.39%	91.22%	\$ 332,925
18	\$ 5,269,946	86.73%	25.39%	91.22%	\$ 1,058,455
19	\$ (2,449,805)	86.73%	25.39%	91.22%	\$ (492,037)
20					
21					
22	<u>\$ 4,477,741</u>	86.73%	25.39%	91.22%	\$ 899,343
Exelon Business Service Company					
25	\$ 83,393	86.73%	100.00%	91.22%	\$ 65,978
26	\$ 146,633	86.73%	100.00%	91.22%	\$ 116,012
27	\$ (153,977)	86.73%	100.00%	91.22%	\$ (121,822)
28					
29					
30	<u>\$ 76,050</u>	86.73%	100.00%	91.22%	\$ 60,168
Total					
33	\$ 2,752,064				\$ 824,474
34	\$ 9,377,724				\$ 2,841,756
35	\$ (4,804,745)				\$ (1,540,268)
36	\$ -				\$ -
37	\$ -				\$ -
38	<u>\$ 7,325,044</u>				\$ 2,125,961
5+7 M/E July 2017 Expense					
ACE					
42	\$ 1,069,622	46.14%	100.00%	91.22%	\$ 450,216
43	\$ 3,944,738	46.14%	100.00%	91.22%	\$ 1,660,383
44	\$ (2,203,970)	46.14%	100.00%	91.22%	\$ (927,675)
45					
46					
47	<u>\$ 2,810,390</u>	46.14%	100.00%	91.22%	\$ 1,182,924
Service Company					
50	\$ 1,753,592	86.73%	25.39%	91.22%	\$ 352,204
51	\$ 5,244,087	86.73%	25.39%	91.22%	\$ 1,053,262
52	\$ (2,453,152)	86.73%	25.39%	91.22%	\$ (492,709)
53					
54					
55	<u>\$ 4,544,527</u>	86.73%	25.39%	91.22%	\$ 912,757
Exelon Business Service Company					
58	\$ 72,208	86.73%	100.00%	91.22%	\$ 57,129
59	\$ 126,967	86.73%	100.00%	91.22%	\$ 100,452
60	\$ (133,325)	86.73%	100.00%	91.22%	\$ (105,483)
61					
62					
63	<u>\$ 65,850</u>	86.73%	100.00%	91.22%	\$ 52,098
Total					
66	\$ 2,895,422				\$ 859,549
67	\$ 9,315,791				\$ 2,814,096
68	\$ (4,790,447)				\$ (1,525,867)
69					\$ -
70					\$ -
71	<u>\$ 7,420,767</u>				\$ 2,147,778

Schedule (JCZ)-11

Atlantic City Electric Company
5+7 Months Ending July 2017
Remove Executive Incentive Expense
Adjustment No. 12

(1) Line No.	(2) <u>Item</u>	(3)
1	<u>Earnings:</u>	
2	O & M Expense	\$ (1,808,595)
3	State Income Tax	\$ 162,774
4	Federal Income Tax	\$ 576,038
5	Total Expense	<u>\$ (1,069,784)</u>
6		
7	Earnings	<u>\$ 1,069,784</u>

Schedule (JCZ)-12

Atlantic City Electric Company
5+7 Months Ending July 2017
August 2017 - January 2018 Plant Closings
Adjustment No. 21

(1) Line No.	(2) <u>Item</u>	(3) Aug 2017 - Jan 2018 \$	
1	<u>Earnings</u>		
2	Distribution		
3	Book Depreciation Expense	2.44%	\$ 916,669
4			
5	State Tax Depreciation Expense - MACRS	3.75%	\$ 1,653,735
6	Federal Tax Depreciation Expense - Bonus	50.00%	\$ 16,898,706
7	Federal Tax Depreciation Expense - Bonus	40.00%	\$ 4,120,878
8	Federal Tax Depreciation Expense - MACRS	3.75%	\$ 865,501
9			
10	General		
11	Book Depreciation Expense	5.48%	\$ 184,794
12			
13	State Tax Depreciation Expense - MACRS	14.29%	\$ 1,119,580
14	Federal Tax Depreciation Expense - Bonus	50.00%	\$ 3,112,880
15	Federal Tax Depreciation Expense - Bonus	40.00%	\$ 644,459
16	Federal Tax Depreciation Expense - MACRS	14.29%	\$ 582,807
17			
18	Deferred State Income Tax		\$ 150,467
19	Deferred Federal Income Tax		\$ 8,740,655
20	State Income Tax		\$ (249,598)
21	Federal Income Tax		\$ (9,091,471)
22	Total Expense		<u>\$ 651,516</u>
23			
24	Earnings		<u>\$ (651,516)</u>
25			
26	<u>Rate Base</u>		
27	Plant in Service		
28	Distribution Plant Closings		\$ 44,099,606
29	Retirements		\$ (6,531,188)
30	Adjustment to Plant in Service		<u>\$ 37,568,418</u>
31			
32	General Plant Closings		\$ 8,591,215
33	Retirements		(\$4,894,484)
34	Adjustment to General Plant Closings		<u>\$ 3,696,731</u>
35	Distribution Allocation Ratio		91.22%
36	Adjustment to General Plant Closings		\$ 3,372,158
37			
38	Depreciation Reserve		
39	Depreciation Expense		\$ 1,505,493
40	Retirements		\$ (10,995,936)
41	Adjustment to Depreciation Reserve		<u>\$ (9,490,443)</u>
42			
43	Net Plant		\$ 50,431,019
44			
45	Deferred State Income Tax		\$ - *
46	Deferred Federal Income Tax		<u>\$ (1,691,177) **</u>
47			
48	Net Rate Base Adjustment		<u>\$ 48,739,842</u>
49			

(1)	<u>Distribution Plant Closings</u>							Total
Line No.	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Forecast Jan-18		
53	\$ 82,354	\$ 82,354	\$ 82,374	\$ 95,277	\$ 134,956	\$ 233,920	\$ 711,237	
54	\$ 224,069	\$ 224,069	\$ 224,069	\$ 1,467,528	\$ 1,118,795	\$ 1,105,290	\$ 4,363,822	
55	\$ 1,227,558	\$ 987,575	\$ 916,684	\$ 4,063,944	\$ 6,550,558	\$ 3,069,245	\$ 16,815,564	
56	\$ 423,223	\$ 423,223	\$ 423,223	\$ 1,574,697	\$ 944,611	\$ 752,194	\$ 4,541,171	
57	\$ 433,502	\$ 433,502	\$ 433,502	\$ 3,189,683	\$ 3,516,401	\$ 3,400,031	\$ 11,406,618	
58	\$ 258,870	\$ 258,870	\$ 258,870	\$ 1,657,264	\$ 2,085,806	\$ 1,741,514	\$ 6,261,194	
59	\$ 506,857	\$ 506,857	\$ 606,857	\$ 1,785,499	\$ 3,418,923	\$ 1,766,221	\$ 8,591,215	
60	<u>\$ 3,156,434</u>	<u>\$ 2,916,451</u>	<u>\$ 2,945,580</u>	<u>\$ 13,833,892</u>	<u>\$ 17,770,050</u>	<u>\$ 12,068,415</u>	<u>\$ 52,690,821</u>	

* Company is in State NOLC Position, all Plant Closing adjustments state deferred income taxes show \$0

** Company is projecting its Federal NOLC balance to be increasing in 2017 and decreasing in 2018. Deferred taxes related to Plant Closings in 2017 reflect an NOLC Deferred Tax Asset offset. Plant Closings in 2018 do not reflect an NOLC DTA offset.

Schedule (JCZ)-12.1

Atlantic City Electric Company
Closings to Plant in Service
(Dollar in Thousands)

Budget No.	Budget Description	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Forecast Jan-18	Total
<u>Capacity Expansion</u>								
UDSALM76D	Court Substation 23 kV Retirement	43	43	43	43	43	-	217
UDLALPM1	Peermont - Reconfigure Feeders	1	1	1	1	1	176	181
UDSALM78M	DOROTHY SUBSTATION UPGRADE T1	33	33	33	33	33	-	167
UDLAPN7D	ACE Reg-Underbuilt Distribution Rebuild	-	-	-	-	40	40	80
UDLALM7P	Feeder Load Relief-P'ville	2	2	2	15	15	15	52
UDLALM7C	Feeder Load Relief-Capemay	3	3	3	3	3	3	15
Total Capacity Expansion Plant Closing		<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 95</u>	<u>\$ 135</u>	<u>\$ 234</u>	<u>\$ 711</u>
<u>Corrective Capital Replacement</u>								
UDLARM4E	Atlantic Reg - Dist Reject Pole Rplmt	163	163	163	714	714	725	2,641
UDLARM42	Differential Pole R/M Bell	-	-	-	399	-	-	399
UDLARM4GA	Misc Distr Blanket-Glassboro	8	8	8	53	53	54	183
UDLARM4WA	Misc Distr Blanket -Winslow	6	6	6	43	58	59	178
UDLARM4H	Avian Protection - Improvements	7	7	7	51	51	48	172
UDLARM4PA	Misc Distr Blanket-P'ville	7	7	7	48	48	49	166
UDSARD9D	IR ATL SUB DETERIORATE DIST BKRS REPLMNT	2	2	2	7	73	72	159
UDSARD8E	ATL BATTERY & CHARGER REPLMNT	15	15	15	52	19	15	130
UDLARM4CA	Misc Distr Blanket-Capemay -Capemay	4	4	4	30	30	30	103
UDSARD8F	ATLANTIC DIST SUBSTATION BUSHING REPLMNT	6	6	6	32	35	15	100
UDLARM4CC	Cape May-Replace Deteriorated BD Cable	1	1	1	10	10	10	33
UDLARM4GC	Glassboro-Replace Deteriorated BD Cable	1	1	1	10	10	10	33
UDLARM4PC	Pleasantville-Replace Deteriorated BD Ca	1	1	1	10	10	10	33
UDLARM4WC	Winslow - Replace Deteriorated BD Cable	1	1	1	10	10	10	33
Total Corrective Capital Replacement Plant Closing		<u>\$ 224</u>	<u>\$ 224</u>	<u>\$ 224</u>	<u>\$ 1,468</u>	<u>\$ 1,119</u>	<u>\$ 1,105</u>	<u>\$ 4,364</u>
<u>System Performance</u>								
UDLARM4A2	ACR Installatons - ACE	317	317	317	1,262	1,262	1,281	4,758
UDLARM4F	Priority Ckt Improve- Atl Reg	194	194	194	771	740	223	2,314
UDLARM63A	ATL Reg-Misc Reliability Improvements	89	89	89	617	622	270	1,776
UDSARD8S2	Scull: New Land	-	-	-	-	1,287	1	1,288
UDSARD8RB	Williamstown - Retire 69/34 kV equipment	-	-	-	-	854	-	854
UDSARD8G	ATLANTIC - PHI SPARE TRANSFORMERS	67	67	67	252	80	300	833
UDLARM4AD	Planned URD Cable Replacement	29	29	29	201	200	205	693
UDSARD8M	ADD SCADA/RTU CAPABILITY	16	16	16	243	239	106	636
UDLARM4A3	ACE - Single Phase Recloser Device	28	28	28	110	110	111	413
UDLARM4J	Atlantic Region - Recloser Replacements	17	17	17	116	116	118	399
UDLARM4N	AC Network Transformer Replacements	43	43	43	43	116	43	332
UDLARM4AQ	ACE-Upg for Multiple Device Operations	14	14	14	96	96	98	331
UDSARD8F2	Replace GE Type U Bushings	20	20	20	95	103	33	292
UDSALMH2	HIGH ST SUB - ESTABLISH 69/12kV 40MVA	252	14	5	9	6	-	285
UDSARD8A8	ACE: Water Detection Systems	-	-	-	-	272	-	272
UDSARD8J	Atlantic: Substation Animal Protection	15	15	15	59	59	59	222
UDSARD8A13	Relocate 12kV Feeder Arresters	29	29	29	29	29	29	171
UDLARM4AO	Padmount Transformer Replacements	7	7	7	49	49	50	169
UDLARM4M	Atlantic Reg - Customer Reliability Impr	7	7	7	48	48	49	166
UDSARD8A11	Scull T2: Replace LTC	-	-	-	-	150	-	150
UDLALMH1	High Street Sub-Reconf Mullica Hill	59	59	1	1	1	-	121
UDSARD8SC	ATLANTIC REG CKT SWITCHER UPGRADE	3	3	3	13	41	28	92
UDSARD8A	ATL - SUBSTATION PLANNED IMPROV	2	2	2	18	19	39	81
UDSARD8SE	ADD RECLOSE CONTROL CAPABILITY	5	5	5	20	20	20	75
UDLARM4A1	Relocate 12kV Feeder Arresters (LineSup)	1	1	1	7	7	7	26
UDLARM4GS1	Carneys Point to Churchtown Transfer	4	5	2	3	11	-	25
UDLALM7G6	High St - Distribution Underbuild	3	3	3	3	3	-	13
UDSARD8RH	PITMAN RETIRE SUBSTATION	-	-	-	-	10	-	10
UDSARD9SH	BEESEYS POINT - CONVERT 4 TO 12kV	4	3	2	-	-	-	9
UDLARM4GA1	Carneys Point Sub 4 kV to 12 kV	3	0	2	1	-	-	7
Total System Performance Plant Closing		<u>\$ 1,228</u>	<u>\$ 988</u>	<u>\$ 917</u>	<u>\$ 4,064</u>	<u>\$ 6,551</u>	<u>\$ 3,069</u>	<u>\$ 16,816</u>
<u>T&D Automation</u>								
UDLARDA1	DA ATL DISTRIBUTION AUTOMATION	170	170	170	665	170	170	1,513
UORAODA1G	GLASSBORO COM WRK-RADIOS INLINE EQUIPMNT	61	61	61	246	186	61	675
UORAODA1P	PVILL COMM WORK: RADIOS INLINE EQUIPMENT	61	61	61	246	125	61	614
UORAORCA	Install Radio Controllers	35	35	35	142	142	142	531
UDSARDA1	ATL REG SUB AUTOMATION-DOE REIMBURSABLE	32	32	32	42	103	107	349
UORAORCPP	PVILLE - RADIO CONTROL FOR CAP CNTRL	15	15	15	62	62	62	231
UORAORCPG	Install Radio-Control for Capacitor Cont	14	14	14	57	57	48	204
UDLARM4PT	P'ville Install Capacitor Bank Heads	10	10	10	49	49	50	177

UORAOBR1G	COMM WORK-COLLECTOR DATA NETWK GL	16	16	16	16	16	16	94
UORAORBAG	Rplc Batteries-Devices & Radio-Glassboro	2	2	2	13	13	13	44
UORAORBAP	Rplc Batteries-Devices & Radio-P'ville	2	2	2	13	13	13	44
UORAOA1W	WINSLOW COMM WORK-RADIOS INLINE EQUIPMNT	5	5	5	19	5	5	42
UORAORBTG	GLASSBORO COMM WORK - RADIO INLINE EQUIP	2	2	2	2	2	2	10
UORAORBAC	Replace Batteries in Auto Field Device	0	0	0	2	2	2	7
UORAORBAW	Replace Batteries in Automated Winslow	0	0	0	2	2	2	7
Total T&D Automation Plant Closing		<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 1,575</u>	<u>\$ 945</u>	<u>\$ 752</u>	<u>\$ 4,541</u>

Emergency

UDLARM3G1	Glassboro-Emergency Restoration Blanket	175	175	175	1,310	1,382	1,340	4,557
UDLARM3P1	P'ville-Emergency Restoration Blanket	103	103	103	772	939	995	3,016
UDLARM3W1	Winslow-Emergency Restoration Blanket	64	64	64	460	516	475	1,643
UDLARM3C1	Capemay-Emergency Restoration Blanket	61	61	61	428	450	443	1,504
UDSARD71	ATLANTIC DISTRIBUTION SUBST EMERGENCY	11	11	11	85	88	80	286
UORAOR1	ATL REGION UNSCHEDULE RADIO	11	11	11	79	79	11	202
UDLARM40	Atlantic Reg-Repape Failed Submarine/ Ne	8	8	8	56	64	56	199
Total Emergency Plant Closing		<u>\$ 434</u>	<u>\$ 434</u>	<u>\$ 434</u>	<u>\$ 3,190</u>	<u>\$ 3,516</u>	<u>\$ 3,400</u>	<u>\$ 11,407</u>

Customer Driven

UDLACS1G	Glassboro - New Services & Street Light	59	59	59	467	510	484	1,638
UDLACS1P	P'ville - New Services & Street Light	50	50	50	376	440	410	1,375
UDLACS1W	Winslow - New Services & Street Light	21	21	21	156	181	162	563
UDLACS1C	Cape May - New Services & Street Light	21	21	21	151	164	159	537
UDLACMR1	Atlantic Meter Blanket	37	37	37	54	279	43	487
UDLACS2P	New Load-P'ville-Res Infrastructure	20	20	20	77	88	83	308
UDLACH0G	Glassboro - Highway Relos Blanket	12	12	12	83	85	84	286
UDLACHOP	P'ville - Highway Relos Blanket	8	8	8	58	69	63	213
UDLACS3P	P'ville - Facility Relocations -Non Hwy	6	6	6	44	54	50	165
UDLACS2G	New Load-Glassboro-Infrastructure	6	6	6	45	47	47	157
UDLACH0C	Capemay - Highway Relocations	5	5	5	37	41	39	134
UDLACHOW	Winslow - Highway Relos Blanket	4	4	4	29	32	30	104
UDLACSOL	Solar Projects - Dist Line Upgrades	3	3	3	19	22	20	68
UDLACS3G	Glassboro - Facility Relocations -Non Hwy	2	2	2	17	22	19	63
UDLACS2W	New Load-Winslow-Res Infrastructure	2	2	2	14	17	14	50
UDLACS3C	Capemay - Facility Relocations -Non Hwy	2	2	2	12	14	13	45
UDLACS3W	Winslow - Facility Relocations -Non Hwy	1	1	1	10	13	11	38
UDLACS2C	New Load-Capemay-Res Infrastructure	1	1	1	9	9	9	30
Total Customer Driven Plant Closing		<u>\$ 259</u>	<u>\$ 259</u>	<u>\$ 259</u>	<u>\$ 1,657</u>	<u>\$ 2,086</u>	<u>\$ 1,742</u>	<u>\$ 6,261</u>

General

UOICONS	North Star Blanket (UOICONS)	383	383	383	1,148	1,148	1,148	4,593
CMP163	Atlantic Region: Upgrade Fuel Island	-	-	-	-	1,442	-	1,442
UOICO	Technology Blanket (UOICO)	20	20	20	143	146	148	498
UOICO055	PD IT Hardware Blanket - PHI (UOICO055)	16	16	16	109	109	109	374
UOFAOF32	ACE ROUTER BINARY UPGRADES	14	14	14	85	85	85	297
UOFAOF33	ACE REG - IDS DESIGN BUILD INSTALL	19	19	19	78	78	78	292
UOTAOGT1	Atl General Equipment Blanket	8	8	8	58	58	58	200
UOICBMR10	Smart Grid Services (UOICBMR10)	11	11	11	43	43	43	162
UOFAOSFE	Salem/Woodstown Sub Fiber Entrances	-	-	-	-	140	-	140
CMP76-2009	ACE Additions & Improvements	-	-	-	125	-	-	125
UOIAO001	Mobile Data Terminals ACE	4	4	4	29	29	29	100
CMP172	CP Roof top critical HVAC 4-65 ton units	-	-	100	-	-	-	100
CMP82-2010	ACE Office Furniture & Equipment	-	-	-	84	-	-	84
UORAO2015	ACE Telemetrics Replacement	13	13	13	13	13	13	80
CMP140	Att Reg:Electric Vehicles	4	4	4	17	17	17	63
CMP164	HVAC Replacement All OPS	-	-	-	-	58	-	58
CMP112	Green Initiatives	3	3	3	18	18	3	45
UOICOECH	Telecom Engineering Central Hardware (UOICOECH)	1	1	1	10	10	10	35
UOICOFCW	Centralized Firewall Clusters & Management Appliance (UOICOFCW)	1	1	1	10	10	10	34
UOICONOCH	PHI Network Operating Center Hardware (UOICONOCH)	2	2	2	8	8	8	30
UOTAOMR1	Meter - Tools for Atlantic Region	1	1	1	9	9	9	29
UOICOCSC	Power Delivery Cyber Security Clusters (UOICOCSC)	1	1	1	7	7	7	25
UORAORBSP	DA ATL PV Broadband Wireless Base Units	4	4	4	4	4	4	22
UOICBMR12	Enterprise Network Access Control System (UOICBMR12)	1	1	1	5	5	5	20
CMP83	Security Systems & Equip - ACE	2	2	2	2	2	2	13
UOICOCTC	Power Delivery Network Central Time Clocks (UOICOCTC)	1	1	1	3	3	3	12
UDLAM5	ACE-Removal & Salvage Capitalized Equip.	(0)	(0)	(0)	(12)	(1)	(1)	(16)
UDLAOSV5	Atl Reg Salvage Scrap Wire/Cable'	(3)	(3)	(3)	(212)	(23)	(23)	(268)
Total General Plant Closing		<u>\$ 507</u>	<u>\$ 507</u>	<u>\$ 607</u>	<u>\$ 1,785</u>	<u>\$ 3,419</u>	<u>\$ 1,766</u>	<u>\$ 8,591</u>

Total Plant Closing		<u>\$ 3,156</u>	<u>\$ 2,916</u>	<u>\$ 2,946</u>	<u>\$ 13,834</u>	<u>\$ 17,770</u>	<u>\$ 12,068</u>	<u>\$ 52,691</u>
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Schedule (JCZ)-12.2

Atlantic City Electric Company
5+7 Months Ending July 2017
August 2017 - January 2018 Plant Closings
Tax Calculation to Determine 2017 Portion of Deferred
Income Taxes That Do Defer Tax Due to NOLC in 2017

(1) Line No.	(2) <u>Item</u>	(3) Aug 2017 - Jan 2018 \$							
1	Earnings								
2	Distribution								
3	Book Depreciation Expense	2.44%	\$691,856						
4									
5	State Tax Depreciation Expense - MACRS	3.75%	\$1,267,403						
6	Federal Tax Depreciation Expense - Bonus	50.00%	\$16,898,706						
7	Federal Tax Depreciation Expense - Bonus	40.00%	\$0						
8	Federal Tax Depreciation Expense - MACRS	3.75%	\$633,701						
9									
10	General								
11	Book Depreciation Expense	5.48%	\$137,281						
12									
13	State Tax Depreciation Expense - MACRS	14.29%	\$889,412						
14	Federal Tax Depreciation Expense - Bonus	50.00%	\$3,112,880						
15	Federal Tax Depreciation Expense - Bonus	40.00%	\$0						
16	Federal Tax Depreciation Expense - MACRS	14.29%	\$444,706						
17									
18	Deferred State Income Tax		\$119,491						
19	Deferred Federal Income Tax		\$7,049,478						
20	State Income Tax		(\$194,113)						
21	Federal Income Tax		(\$7,313,558)						
22	Total Expense		<u>\$490,435</u>						
23									
24	Earnings		<u>(\$490,435)</u>						
25									
26	Rate Base								
27	Plant in Service								
28	Distribution								
29	Distribution Plant Closings		\$33,797,412						
30	Retirements		<u>(\$5,442,656)</u>						
31	Adjustment to Plant in Service		<u>\$28,354,755</u>						
32									
33	General								
34	General Plant Closings		\$6,824,994						
35	Retirements		<u>(\$4,078,736)</u>						
36	Adjustment to General Plant Closings		<u>\$2,746,258</u>						
37	Distribution Allocation Ratio		91.22%						
38	Adjustment to General Plant Closings		\$2,505,136						
39									
40	Depreciation Reserve								
41	Depreciation Expense		\$1,165,828						
42	Retirements		<u>(\$9,163,280)</u>						
43	Adjustment to Depreciation Reserve		<u>(\$7,997,451)</u>						
44									
45	Net Plant		\$38,857,343						
46									
47	Deferred State Income Tax		\$0 *						
48	Deferred Federal Income Tax		<u>(\$7,049,478) **</u>						
49									
50	Net Rate Base Adjustment		<u>\$31,807,865</u>						
51									
52	Plant Closings	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total	
53		Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18		
54	Capacity Expansion	82,354	82,354	82,374	95,277	134,956	-	477,317	
55	Corrective Capital Replacement	224,069	224,069	224,069	1,467,528	1,118,795	-	3,258,532	
56	System Performance	1,227,558	987,575	916,684	4,063,944	6,550,558	-	13,746,319	
57	T&D Automation	423,223	423,223	423,223	1,574,697	944,611	-	3,788,977	
58	Emergency	433,502	433,502	433,502	3,189,683	3,516,401	-	8,006,588	
59	Customer Driven	258,870	258,870	258,870	1,657,264	2,085,806	-	4,519,680	
60	General Plant	506,857	506,857	606,857	1,785,499	3,418,923	-	6,824,994	
61	Total	3,156,434	2,916,451	2,945,580	13,833,892	17,770,050	-	40,622,406	
62									
63	* Company is in State NOLC Position, all Plant Closing adjustments state deferred income taxes show \$0								
64	** Company is projecting its Federal NOLC balance to be increasing in 2017 and decreasing in 2018. Deferred taxes related to								
65	Plant Closings in 2017 reflect an NOLC Deferred Tax Asset offset. Plant Closings in 2018 do not reflect an								
66	NOLC DTA offset.								

Schedule (JCZ)-13

Atlantic City Electric Company
5+7 Months Ending July 2017
February 2018 - March 2018 Plant Closings
Adjustment No. 22

(1) Line No.	(2) Item			(3) Feb 2018 - Mar 2018
				\$
1	Earnings			
2	Distribution			
3	Book Depreciation Expense	2.44%	\$	104,016
4				
5	State Tax Depreciation Expense - MACRS	3.75%	\$	241,501
6	Federal Tax Depreciation Expense - Bonus	40.00%	\$	2,576,008
7	Federal Tax Depreciation Expense - MACRS	3.75%	\$	144,900
8				
9	Deferred State Income Tax		\$	12,374
10	Deferred Federal Income Tax		\$	911,581
11	State Income Tax		\$	(21,735)
12	Federal Income Tax		\$	(944,711)
13	Total Expense		\$	61,526
14				
15	Earnings		\$	(61,526)
16				
17	Rate Base			
18	Plant in Service			
19	Distribution Plant Closings		\$	6,440,020
20	Retirements		\$	(2,177,063)
21	Adjustment to Plant in Service		\$	4,262,957
22				
23	Depreciation Reserve			
24	Depreciation Expense		\$	157,136
25	Retirements		\$	(2,177,063)
26	Adjustment to Depreciation Reserve		\$	(2,019,926)
27				
28	Net Plant		\$	6,282,883
29				
30	Deferred State Income Tax		\$	-
31	Deferred Federal Income Tax		\$	(911,581)
32				
33	Net Rate Base Adjustment		\$	5,371,302
34				
35				
36	Distribution Plant Closings			
37		Forecast	Forecast	Total
		Feb-18	Mar-18	
38	Capacity Expansion	\$ 20,807	\$ 20,807	\$ 41,613
39	Corrective Capital Replacement	\$ 292,369	\$ 292,369	\$ 584,738
40	System Performance	\$ 1,008,702	\$ 1,715,143	\$ 2,723,846
41	T&D Automation	\$ 169,876	\$ 169,876	\$ 339,752
42	Emergency	\$ 1,375,036	\$ 1,375,036	\$ 2,750,071
43	Total	\$ 2,866,789	\$ 3,573,230	\$ 6,440,020
44				

45 * Company is in State NOLC Position, all Plant Closing adjustments state deferred income taxes show \$0

46 ** Company is projecting its Federal NOLC balance to be decreasing in 2018. Thus, there is no Federal NOLC offset for 2018 Plant Closing adjustments.

Schedule (JCZ)-13.1

**Atlantic City Electric Company
Forecasted Closings to Plant in Service**

(Dollar in Thousands)

Budget No.	Budget Description	Forecast	Forecast	Total
		Feb-18	Mar-18	
<u>Capacity Expansion</u>				
UDLAPN7D	ACE Reg-Underbuilt Distribution Rebuild	10	10	20
UDLALM7P	Feeder Load Relief-P'ville	6	6	11
UDLALM7G	Feeder Load Relief-Glassboro	4	4	7
UDLALM7C	Feeder Load Relief-Capemay	2	2	4
Total Capacity Expansion Plant Closing		<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 42</u>
<u>Corrective Capital Replacement</u>				
UDLARM4E	Atlantic Reg - Dist Reject Pole Rplmt	167	167	333
UDLARM4GA	Misc Distr Blanket-Glassboro	23	23	45
UDLARM4WA	Misc Distr Blanket -Winslow	21	21	43
UDLARM4PA	Misc Distr Blanket-P'ville	21	21	42
UDSARD9D	IR ATL SUB DETERIORATE DIST BKRS REPLMNT	13	13	26
UDLARM4H	Avian Protection - Improvements	13	13	26
UDLARM4CA	Misc Distr Blanket-Capemay -Capemay	13	13	26
UDSARD8V	ACE - DIST SUBST NERC PHYSICLE SECURITY	6	6	12
UDSARD8F	ATLANTIC DIST SUBSTATION BUSHING REPLMNT	3	3	7
UDLARM4CC	Cape May-Replace Deteriorated BD Cable	3	3	6
UDLARM4GC	Glassboro-Replace Deteriorated BD Cable	3	3	6
UDLARM4PC	Pleasantville-Replace Deteriorated BD Ca	3	3	6
UDLARM4WC	Winslow - Replace Deteriorated BD Cable	3	3	6
UDSARD8E	ATL BATTERY & CHARGER REPLMNT	1	1	3
Total Corrective Capital Replacement Plant Closing		<u>\$ 292</u>	<u>\$ 292</u>	<u>\$ 585</u>
<u>System Performance</u>				
UDLARM4A2	ACR Installatons - ACE	480	480	960
UDLARM4GB	Penns Grove Sub-4kV to 12kV	-	706	706
UDLARM63A	ATL Reg-Misc Reliability Improvements	107	107	213
UDLARM4F	Priority Ckt Improve- Atl Reg	84	84	167
UDSARD8G	ATLANTIC - PHI SPARE TRANSFORMERS	65	65	130
UDLARM4AD	Planned URD Cable Replacement	51	51	102
UDLARM4A3	ACE - Single Phase Recloser Device	42	42	84
UDLARM4AQ	ACE-Upg for Multiple Device Operations	42	42	83
UDLARM4N	AC Network Transformer Replacements	30	30	59
UDLARM4M	Atlantic Reg - Customer Reliability Impr	21	21	42
UDLARM4J	Atlantic Region - Recloser Replacements	17	17	34
UDSARD8A	ATL - SUBSTATION PLANNED IMPROV	17	17	33
UDSARD8J	Atlantic: Substation Animal Protection	15	15	30
UDLARM4AO	Padmount Transformer Replacements	13	13	27
UDSARD8M	ADD SCADA/RTU CAPABILITY	7	7	15
UDSARD8SE	ADD RECLOSE CONTROL CAPABILITY	7	7	15
UDSARD8F2	Replace GE Type U Bushings	6	6	12
UDSARD8SC	ATLANTIC REG CKT SWITCHER UPGRADE	3	3	7
UDLARM4A1	Relocate 12kV Feeder Arresters (LineSup)	2	2	4
Total System Performance Plant Closing		<u>\$ 1,009</u>	<u>\$ 1,715</u>	<u>\$ 2,724</u>

T&D Automation

UORAORCA	Install Radio Controllers	50	50	100
UDSARDA1	ATL REG SUB AUTOMATION-DOE REIMBURSABLE	41	41	83
UORAORCPP	PVILLE - RADIO CONTROL FOR CAP CNTRL	23	23	45
UDLARM4PT	P'ville Install Capacitor Bank Heads	20	20	40
UORAORCPG	Install Radio-Control for Capacitor Cont	14	14	29
UORAORBAG	Rplc Batteries-Devices & Radio-Glassboro	4	4	7
UORAORBAP	Rplc Batteries-Devices & Radio-PVille	4	4	7
UDLARM4CT	Cape May: Install Capacitor Bank Head	3	3	6
UDLARM4GT	Glassboro Install Capacitor Bank	3	3	6
UDLARM4WT	Winslow Install Capacitor Bank	3	3	6
UORAORCPC	Install Radio-Control for Capacitor Cont	2	2	3
UORAORCPW	Install Radio-Control for Capacitor Cont	2	2	3
UORAORBAC	Replace Batteries in Auto Field Device	1	1	1
UORAORBAW	Replace Batteries in Automated Winslow	1	1	1
UORAODA1P	PVILL COMM WORK: RADIOS INLINE EQUIPMENT	(0)	(0)	(0)
Total T&D Automation Plant Closing		<u>\$ 170</u>	<u>\$ 170</u>	<u>\$ 340</u>

Emergency

UDLARM3G1	Glassboro-Emergency Restoration Blanket	567	567	1,134
UDLARM3P1	P'ville-Emergency Restoration Blanket	398	398	796
UDLARM3W1	Winslow-Emergency Restoration Blanket	185	185	370
UDLARM3C1	Capemay-Emergency Restoration Blanket	177	177	354
UDSARD71	ATLANTIC DISTRIBUTION SUBST EMERGENCY	24	24	48
UDLARM40	Atlantic Reg-Repace Failed Submarine/ Ne	24	24	47
Total Emergency Plant Closing		<u>\$ 1,375</u>	<u>\$ 1,375</u>	<u>\$ 2,750</u>

Total Plant Closing

\$ 2,867 \$ 3,573 \$ 6,440

Schedule (JCZ)-14

Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Credit Facilities Cost
Adjustment No. 23

(1) Line No.	(2) <u>Item</u>	(3) \$
1	<u>Earnings</u>	
2	Expense	\$ 654,783 (1)
3		
4	State Income Tax	\$ (58,930)
5	Federal Income Tax	\$ (208,548)
6	Total Expense	<u>\$ 387,304</u>
7		
8	Earnings	<u>\$ (387,304)</u>
9		
10	<u>Rate Base</u>	
11	Amortizable Balance	<u>\$ 568,524 (2)</u>
12		
13		
14		
15	(1) Annual amortization of start-up costs	\$ 186,973
16	Annual cost of maintaining credit facility	\$ 530,833
17	Total ACE expense	<u>\$ 717,807</u>
18		
19	ACE System	\$ 717,807
20	Allocation to Distribution	91.22%
21	ACE Distribution	<u>\$ 654,783</u>
22		
23		
24	(2) Amortizable Balance	\$ 623,245
25	Allocation to Distribution	91.22%
26	ACE Distribution	<u>\$ 568,524</u>

Schedule (JCZ)-15

Atlantic City Electric Company
5+7 Months Ending July 2017
Adjust Cost To Achieve (CTA)
Adjustment No. 25

(1) Line No.	(2) Item	(3) Detail
1	<u>Earnings</u>	
2	Remove 5+7 July 2017 Test Period Costs to Achieve	\$ (5,039,737)
3	Distribution Allocation	<u>91.22%</u>
4	Adjustment to Cost To Achieve - Distribution	\$ (4,597,248)
5		
6	State Income Tax	\$ 413,752
7	Federal Income Tax	<u>\$ 1,464,223</u>
8	Total Expense	\$ (2,719,272)
9		
10	Earnings	<u>\$ 2,719,272</u>
11		
12	<u>Rate Base</u>	
13		
14	Regulatory Asset - CTA Balance	\$ 12,304,843 (1)
15	Distribution Allocation	<u>91.22%</u>
16	CTA Balance - Distribution	\$ 11,224,478
17		
18	Deferred State Income Tax	\$ (1,010,203)
19	Deferred Federal Income Tax	\$ (3,574,996)
20		
21	Total Rate Base	<u>\$ 6,639,279</u>
22		
23		
24	(1) Pre Test Period Cost To Achieve Expense	\$ 7,265,107
25	Test Period Cost To Achieve Expense	<u>\$ 5,039,737</u>
26	Total Cost To Achieve	\$ 12,304,843

Schedule (JCZ)-16

Atlantic City Electric Company
5+7 Months Ending July 2017
Revenue Annualization
Resulting from Docket No. 16030252
Adjustment No. 26

(1) Line No.	(2) Item	(3) \$
1	Docket No. ER16030252 Approved - Effective 08/24/16	
2	Distribution Sales Revenues	\$ 45,000,000
3	Adjustment to Annualize Revenues	
4	Distribution Sales Revenues	\$ 2,782,258
5	<u>Expenses</u>	
6	Revenue Tax	\$ 7,957
7	State Income Tax	\$ 249,687
8	Federal Income Tax	\$ 883,615
9	Total Expense	<u>\$ 1,141,259</u>
10	Earnings	<u><u>\$ 1,640,999</u></u>

Schedule (JCZ)-17

(1) Line No.	(2) Adjustment	(3) Revenue	(4) O&M	(5) Deprec/Amort	(6) Other Taxes	(7) SIT	(8) DSIT	(9) FIT	(10) DFIT	(11) IOCD	(12) Total Expense	(13) Earnings
1	Weather Normalization	\$ (3,730,274)			\$ (10,669)	\$ (334,764)		\$ (1,184,694)			\$ (1,530,127)	\$ (2,200,146)
2	Reflect Customer Count as of July 2017	\$ (244,537)			\$ (699)	\$ (21,945)		\$ (77,662)			\$ (100,307)	\$ (144,230)
3	Proform Customer Count and Customer Usage as of January 2018	\$ (4,337,075)			\$ (12,404)	\$ (389,220)		\$ (1,377,408)			\$ (1,779,032)	\$ (2,558,043)
4	Annualize Wage and FICA changes through April 2018		\$ 2,543,462			\$ (228,912)		\$ (810,093)			\$ 1,504,458	\$ (1,504,458)
5	Proform Wage Rate Changes for Rate Effective Period		\$ 209,841			\$ (18,886)		\$ (66,834)			\$ 124,121	\$ (124,121)
6	Annualize Benefit changes through July 2018		\$ 342,013			\$ (30,781)		\$ (108,931)			\$ 202,300	\$ (202,300)
7	Regulatory Commission Expense Adjustment		\$ (121,849)			\$ 10,966		\$ 38,809			\$ (72,074)	\$ 72,074
8	Include Pension Asset and Return Related Expense		\$ (4,436,873)			\$ 399,319		\$ 1,413,144			\$ (2,624,410)	\$ 2,624,410
9	Include OPEB Liability and Return Related Expense		\$ (889,451)			\$ 80,051		\$ 283,290			\$ (526,110)	\$ 526,110
10	Adjust Pension Service Related Expense		\$ 174,752			\$ (15,728)		\$ (55,658)			\$ 103,366	\$ (103,366)
11	Adjust OPEB Service Related Expense		\$ (21,817)			\$ 1,964		\$ 6,949			\$ (12,905)	\$ 12,905
12	Remove Executive Incentive Expense		\$ (1,808,595)			\$ 162,774		\$ 576,038			\$ (1,069,784)	\$ 1,069,784
13	Adjust January 2017 Nor'easter Storm		\$ 554,453			\$ (49,901)		\$ (176,593)			\$ 327,959	\$ (327,959)
14	Bow Echo & Jonas Storm Adjustment		\$ 381,501			\$ (34,335)		\$ (121,508)			\$ 225,658	\$ (225,658)
15	Adjust June 2016 Storm		\$ 518,430			\$ (46,659)		\$ (165,120)			\$ 306,652	\$ (306,652)
16	Normalize Injury & Damage Expense		\$ 1,818,614			\$ (163,675)		\$ (579,229)			\$ 1,075,710	\$ (1,075,710)
17	Mays Landing Complex Rent		\$ -			\$ -		\$ -			\$ -	\$ -
18	Annualize Depreciation Expense @ YE December 2016 Plant			\$ 1,225,770		\$ -	\$ (110,319)	\$ -	\$ (390,408)		\$ 725,043	\$ (725,043)
19	Servco Assets @ ACE Approved Depreciation Rates			\$ (414,014)		\$ 37,261		\$ 131,863			\$ (244,889)	\$ 244,889
20	Annualize BSC Depreciation Expense			\$ 7,498		\$ (675)		\$ (2,388)			\$ 4,435	\$ (4,435)
21	Reflect Plant Additions from August 2017 through January 2018			\$ 1,101,464		\$ (249,598)	\$ 150,467	\$ (9,091,471)	\$ 8,740,655		\$ 651,516	\$ (651,516)
22	Reflect Plant Additions in February 2018 and March 2018			\$ 104,016		\$ (21,735)	\$ 12,374	\$ (944,711)	\$ 911,581		\$ 61,526	\$ (61,526)
23	Credit Facilities Fee		\$ 654,783			\$ (58,930)		\$ (208,548)			\$ 387,304	\$ (387,304)
24	Interest on Customer Deposit					\$ (8,480)		\$ (30,009)		\$ 94,218	\$ 55,730	\$ (55,730)
25	Adjust Cost To Achieve (CTA)		\$ (4,597,248)			\$ 413,752		\$ 1,464,223			\$ (2,719,272)	\$ 2,719,272
26	Reflect ACE Revenue Change ER16030252	\$ 2,782,258			\$ 7,957	\$ 249,687		\$ 883,615			\$ 1,141,259	\$ 1,640,999
27	Interest Synchronization					\$ (230,965)		\$ (817,358)			\$ (1,048,323)	\$ 1,048,323
28												
29	Total	\$ (5,529,627)	\$ (4,677,983)	\$ 2,024,733	\$ (15,815)	\$ (549,416)	\$ 52,521	\$ (11,020,284)	\$ 9,261,829	\$ 94,218	\$ (4,830,197)	\$ (699,430)
30	Cash Working Capital Ratio		6.723%	15.052%	17.488%							
31	Cash Working Capital Requirement		\$ (314,514)	\$ 304,764	\$ (2,766)					\$ -		\$ (12,516)

Schedule (JCZ)-18

Atlantic City Electric Company
5+7 Months Ending July 2017
Interest Synchronization
Adjustment No. 28

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Adjusted Rate Base	\$ 1,370,621,016
2		
3	Weighted Cost Rate	
4	Long Term Debt	2.77%
5		
6	Proforma Interest Expense	<u>\$ 37,966,202</u>
7		
8	Test Year Interest Expense	\$ 35,399,929
9		
10	Change in Interest Expense	<u>\$ 2,566,273</u>
11		
12	Taxable Income	\$ (2,566,273)
13		
14	Operating Expense	
15	State Income Tax	\$ (230,965)
16	Federal Income Tax	<u>\$ (817,358)</u>
17	Total Expense	<u>\$ (1,048,323)</u>
18		
19	Earnings	<u><u>\$ 1,048,323</u></u>

Schedule (JCZ)-19

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF KRISTIN M. MCEVOY
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Kristin M. McEvoy. My title is Manager, Revenue Performance, in
3 the Regulatory Affairs Department of Pepco Holdings LLC (PHI). I am testifying on
4 behalf of Atlantic City Electric Company (ACE or the Company).

5 **Q2. What are your responsibilities in your role as Manager, Revenue Performance?**

6 A2. My responsibilities include the revenue requirement determinations for ACE in
7 New Jersey and Delmarva Power in Delaware and Maryland, as well as coordinating
8 other regulatory compliance matters.

9 **Q3. Please state your educational background and professional experience.**

10 A3. I hold a Bachelor of Science degree in Finance and a Masters of Business
11 Administration degree from Rowan University. I have been employed by PHI since
12 October of 2006 serving in various accounting and finance, and regulatory functions.

13 I was recently promoted within the Regulatory Affairs Department to my current
14 position. In my previous Regulatory Affairs role, I was responsible for filings related to
15 the Delaware Standard Offer Service Program, Renewable Portfolio Standard, Qualified
16 Fuel Cell Provider, Demand Side Management, Environmental Surcharge, Gas Cost Rate,
17 and other related activities. In my prior accounting and finance role, I was responsible for
18 recording all regulated revenues and managing multiple deferral accounting mechanisms
19 for the Potomac Electric Power Company, led numerous projects and served as an interim
20 supervisor providing oversight and coordination of other team members' responsibilities.

1 Prior to joining PHI, I was employed by a manufacturing company for eight
2 years, holding various accounting and finance positions with increasing levels of
3 responsibility.

4 **Q4. What is the purpose of your Direct Testimony?**

5 A4. The purpose of my Direct Testimony is to present and explain portions of the
6 basis for the development of the Distribution-Related Revenue Requirement. The
7 \$70,160,580 revenue requirement is based on the test period ending July 31, 2017 and
8 described in more detail in the Direct Testimony of Company Witness Ziminsky. I am
9 sponsoring Schedules (KMMc)-1 through (KMMc)-13 that support the areas detailed in
10 this Direct Testimony.

11 This Direct Testimony and the attached schedules were prepared by me or under
12 my direct supervision and control. The sources for my testimony are Company records,
13 public documents, and my personal knowledge and experience.

14 **Q5. Please describe the Schedules that you support.**

15 A5. Schedules (KMMc)-1 through (KMMc)-13 provide the details of each of the
16 operating income, rate base, and pro-forma adjustments that I discuss later in my Direct
17 Testimony. Work papers supporting my Schedules will be provided under separate
18 cover.

19 **RATEMAKING ADJUSTMENTS**

20 **Q6. What general guidance do you use for adjustments in terms of the time periods they**
21 **encompass?**

22 A6. As noted by Company Witness Ziminsky, the Board's order in In re
23 Elizabethtown Water Company Rate Case, BPU Docket No. WR8504330 generally

1 provides guidance for the ratemaking adjustments that I propose. Some adjustments are
 2 based upon directives from other ACE proceedings, as cited later in my Direct
 3 Testimony.

4 **Q7. Please list the ratemaking adjustments detailed in your Direct Testimony.**

5 A7. My testimony contains details for each adjustment for which I am listed as the
 6 sponsoring witness.

Adj.	Sponsoring Witness	Adjustment Description
4	McEvoy	Reflect Wage and Federal Insurance Contribution Act (FICA) Expense Changes Within Nine Months After End of Test Period
5	McEvoy	Reflect Wage and FICA Expense Changes for Rate Effective Period
6	McEvoy	Reflect Benefits Expense Changes
7	McEvoy	Normalize Regulatory Commission Expense
13	McEvoy	Adjust January 2017 Nor'easter
14	McEvoy	Bow Echo Storm and Winter Storm Jonas Adjustment
15	McEvoy	Adjust June 2016 Storm
16	McEvoy	Normalize Injuries and Damage Expense
17	McEvoy	Adjust Mays Landing Complex Rent
18	McEvoy	Annualize Depreciation Expenses on Year-End December 31, 2016 Plant Using Depreciation Rates Approved in Docket No. ER12121071
19	McEvoy	Restate PHI Service Company Asset Depreciation Expenses
20	McEvoy	Annualize Exelon Business Service Company Depreciation Expense
24	McEvoy	Restate Interest on Customer Deposit (IOCD) Expense

7
 8 **Q8. Please describe Adjustment No. 4 – Reflect Wage and FICA Expense Changes**
 9 **Resulting from Increases Becoming Effective by Nine Months After the End of the**
 10 **Test Period (April 30, 2018) - Schedule (KMMc)-1.**

11 A8. Consistent with the treatment submitted by the Company in the last case and with
 12 prior Board decisions, ACE’s test period level of wage expense and associated FICA tax

1 was adjusted for any price changes that will become effective by April 30, 2018, nine
2 months after the end of the test period, which is consistent with the post-test year expense
3 related adjustments approved in the In re Elizabethtown Water Company Rate Case
4 decision in Docket No. WR8504330. This adjustment includes the effect of the
5 contractual wage increase of 3.00% for International Brotherhood of Electrical Workers
6 (IBEW Local 210), effective October 9, 2017. For non-union employees, I included an
7 increase of 2.37%, which occurred on March 1, 2017, and a forecasted increase on March
8 1, 2018 which will occur within the nine months after the test period. As shown on
9 Schedule (KMMc)-1, this adjustment results in a \$1,504,458 decrease to test period
10 operating income.

11 **Q9. Please describe Adjustment No. 5 – Reflect Rate-Effective Period Wage and FICA**
12 **Expense Changes - Schedule (KMMc)-2.**

13 A9. In order to properly present expenses for the rate-effective period, I have
14 incorporated one additional wage rate change. This wage rate change includes the
15 contractual wage increase of 3.00% for IBEW Local 210, which will occur in October
16 2018 for three months for the rate-effective period. As shown on Schedule (KMMc)-2,
17 this adjustment results in a \$124,121 decrease to test period operating income.

18 **Q10. Please describe Adjustment No. 6 – Reflect Benefit Changes - Schedule (KMMc)-3.**

19 A10. Consistent with the basis submitted in the last case, this adjustment recognizes the
20 increase in employee medical, vision, and dental expense expected in the rate-effective
21 period. The benefit expense increases are based on the historical increase percentages for
22 the previous three years, which include:

- 23 • Medical: 4.21%;

- 1 • Dental: 1.19%; and
- 2 • Vision: 8.34%.

3 These recent historical expense trends are indicative of how the expense should be
4 reflected in the rate-effective period. As shown on Schedule (KMMc)-3, this adjustment
5 results in a \$202,300 decrease to test period operating income.

6 **Q11. Please describe Adjustment No. 7 – Normalize Regulatory Expense - Schedule**
7 **(KMMc)-4.**

8 A11. Consistent with the treatment submitted in prior cases, this adjustment amortizes
9 the anticipated incremental costs of this proceeding over a three-year period. These costs
10 include those expenses associated with the cost of capital witness, outside counsel,
11 contractors, and other incremental items associated with this proceeding. Based on Board
12 precedent, I have not included the unamortized amount in rate base. I have also included
13 100% of these costs in the adjustment as a prudently incurred, normal and ordinary
14 business expense. This adjustment also reflects a three-year averaging of other
15 regulatory commission expenses, such as the external expenses related to the Company’s
16 last base rate case. As shown on Schedule (KMMc)-4, this adjustment results in a
17 \$72,074 increase to test period operating income.

18 **Q12. Please describe Adjustment No. 13 – January 2017 Nor’easter Adjustment -**
19 **Schedule (KMMc)-5.**

20 A12. Consistent with the treatment submitted in the Company’s last case and with prior
21 Board decisions, the Company proposes to remove the incremental expenses associated
22 with the January 2017 Nor’easter, which was categorized as Major Storms for Board

1 reporting purposes. Company Witness Sullivan provides additional details related to
2 these storm restoration activities in his Direct Testimony.

3 The Nor'easter costs included in this adjustment reflect known and measurable
4 capital and expenses related to the storm restoration activities. Consistent with the
5 Board's Order in the JCP&L Decision, the Company proposes that the unamortized
6 expense deferral balances be included in rate base and amortized over three years.

7 As shown in Schedule (KMMc)-5, the adjustment results in a \$327,959 decrease
8 in test period earnings and an \$819,898 increase in rate base.

9 **Q13. Please describe Adjustment No. 14 – Remove Major Storms Amortization Expenses**
10 **- Schedule (KMMc)-6.**

11 A13. As ordered in BPU Docket No. ER16030252, the Board approved the deferral and
12 recovery of incremental restoration costs associated with the Bow Echo Event and Storm
13 Jonas to be amortized over a period of three years. In order to properly present expenses
14 for the rate-effective period and match the approved amortization expense in
15 ER16030252, I am adjusting the test period level of amortization expenses related to
16 these major storms. As shown on Schedule (KMMc)-6, the adjustment to remove the
17 Bow Echo Event and Storm Jonas amortization expenses results in a \$225,658 decrease
18 to test period operating income.

19 **Q14. Please describe Adjustment No. 15 – Remove and Amortize June Storm Restoration**
20 **Expenses - Schedule (KMMc)-7.**

21 A14. Consistent with the treatment submitted in the Company's last case and with prior
22 Board decisions, the Company proposes to remove the incremental expenses associated
23 with the June 2016 Storm, which was categorized as Major Storms for Board reporting

1 purposes. Company Witness Sullivan provides additional details related to these storm
2 restoration activities in his Direct Testimony.

3 The June Storm costs included in this adjustment reflect known and measurable
4 capital and expenses related to the storm restoration activities. Consistent with the
5 Board's Order in the JCP&L Decision, the Company proposes that the unamortized
6 expense deferral balances be included in rate base. As shown on Schedule (KMMc)-7,
7 this adjustment results in a \$306,652 decrease to test period operating income and an
8 \$840,006 increase in rate base.

9 **Q15. Please describe Adjustment No. 16 – Normalize Injuries and Damage Expense –**
10 **Schedule (KMMc)-8.**

11 A15. This adjustment normalizes the injuries and damage expense in cost of service to
12 the average level using the three most recent years. Normalization is used in ratemaking
13 to provide a reasonable level of expense in cost of service, given the year-to-year
14 volatility that may occur in any particular year due to claims-related accounting. As
15 shown on Schedule (KMMc)-8, this adjustment results in a \$1,075,710 decrease to test
16 period operating income.

17 **Q16. Please describe Adjustment No. 17 – Adjust Mays Landing Complex Rent -**
18 **Schedule (KMMc)-9.**

19 A16. This adjustment relates to the rent that ACE pays to Atlantic Southern Properties,
20 an affiliated company, for the Company's occupancy of the Mays Landing Complex
21 (MLC). As part of the recommendations made in connection with ACE's Management
22 and Affiliate Relations Audits, BPU Docket No. EA07100794, the Company was to pay
23 the lower of cost versus market rates for its rental of both finished and unfinished space

1 within the MLC. The Company engaged Contract Environments Inc., a financial and
2 professional services firm specializing in commercial real estate, to perform a market
3 study for Mays Landing real estate rates. Based on the analysis prepared by Contract
4 Environments Inc., the market rate for finished space was higher than ACE's current rate
5 for finished space, so an adjustment is not needed for that space. The market rate for
6 unfinished space was lower than ACE's current rate; however, in total, the cost of market
7 finished space and unfinished space was higher than ACE's cost, so an adjustment is not
8 needed for the total cost. Schedule (KMMc)-9 provides the detail on costs for finished
9 and unfinished space at the Mays Landing site and as a result, this adjustment does not
10 impact test period operating income.

11 **Q17. Please describe Adjustment No. 18 – Annualize Depreciation Expense on Year-End**
12 **Plant - Schedule (KMMc)-10.**

13 A17. Consistent with the treatment submitted in the last case, the adjustment compares
14 the 12 months ending December 2016 test period amount of depreciation expense to an
15 annualized level of depreciation expense amount based on the year-end December 31,
16 2016 plant assets using the BPU Docket No. ER12121071 - approved depreciation rates.
17 In addition, an adjustment is included to the accumulated depreciation reserve to
18 recognize the difference in annualized depreciation expense to the test period level of
19 depreciation expense. My proposed adjustment to rate base and operating income is
20 shown on Schedule (KMMc)-10, and results in a \$725,043 decrease to test period
21 operating income and a \$725,043 decrease to net rate base.

1 **Q18. Please describe Adjustment No. 19 – Restate Depreciation Expense Related to PHI**
2 **Service Company Assets that are allocated to ACE - Schedule (KMMc)-11.**

3 A18. Consistent with the decision in BPU Docket No. ER03020110, the adjustment
4 restates the 5+7 test period ending July 2017 amount of depreciation expense to
5 recognize the approved depreciation rates for Service Company assets. As shown on
6 Schedule (KMMc)-11, this adjustment results in a \$244,889 increase to test period
7 operating income.

8 **Q19. Please describe Adjustment No. 20 – Annualize Exelon Business Service Company**
9 **Depreciation Expense – Schedule (KMMc)-12.**

10 A19. Consistent with the BPU Docket No. EM14060581 Stipulation of Settlement,
11 Page 27 Paragraph 81, which requires the depreciation expense charged to ACE by
12 Exelon Business Service Company (EBSC) to reflect the same standards the Board has
13 set for similar assets acquired directly by ACE; this adjustment restates the 5+7 test
14 period ending July 2017 amount of depreciation expense to recognize the approved
15 depreciation rates for EBSC assets. As shown on Schedule (KMMc)-12, this adjustment
16 results in a \$4,435 decrease to test period operating income.

17 **Q20. Please describe Adjustment No. 24 – Restate Interest on Customer Deposits (IOCD)**
18 **- Schedule (KMMc)-13.**

19 A20. Consistent with the treatment submitted in the last case and with prior Board
20 decisions, this adjustment adjusts the test period IOCD expense to the 2017 IOCD annual
21 rate of 0.40%. As shown on Schedule (KMMc)-13, this adjustment results in a \$55,730
22 decrease to test period operating income.

1 **Q21. Can you discuss the Company's requirement to be in compliance with the**
2 **Stipulation of Settlement in NJ BPU Docket No. EM14060581 Page 27, Paragraph**
3 **80?**

4 A21. Yes. Page 27, Paragraph 80 requires that the Company identify and adjust for any
5 differences in capitalization/expense policies for assets the EBSC acquires directly for
6 use by ACE compared to those standards previously approved by the Board.

7 **Q22. Have you identified any differences in the test period related to the merger**
8 **commitment for capitalization/expense policies?**

9 A22. No. There have not been capitalization/expense differences as described in the
10 merger commitment during the test period.

11 **Q23. Can you discuss the Company's requirement to be in compliance with the**
12 **Stipulation of Settlement in NJ BPU Docket No. EM14060581 Page 27, Paragraph**
13 **82?**

14 A23. Yes. Page 27, Paragraph 82 requires that the Company identify and adjust for any
15 differences related to financing assets the EBSC acquired for use by ACE, that the rate of
16 return be based on the Company's authorized rate of return in the test period unless the
17 EBSC is able to finance the asset at a lower cost than ACE.

18 **Q24. Have you identified any assets the EBSC financed for use by ACE in the test period?**

19 A24. No. There has not been any third party financing obtained as described in the
20 merger commitment during the test period.

21 **Q25. Does this conclude your Direct Testimony?**

22 A25. Yes, it does.

Schedule (KMMc)-1

Atlantic City Electric Company
5+7 Months Ending July 2017
Wage and FICA Adjustment
Proforma Wage Rate Changes effective within Nine Months of End of Test Year
(for changes effective by April 30, 2018)
Adjustment No. 4

(1) Line No	(2) <u>Item</u>	(3) <u>Total</u>
1	<u>Salary and Wage Adjustment</u>	
2	Change in Expense due to labor rate change	\$ 2,439,319
3		
4	State Income Tax	\$ (219,539)
5	Federal Income Tax	<u>\$ (776,923)</u>
6	Total Expense	\$ 1,442,857
7		
8	Earnings	<u>\$ (1,442,857)</u>
9		
10		
11	<u>FICA Adjustment</u>	
12	Change in FICA Expense due to labor rate change	\$ 104,143
13		
14	State Income Tax	\$ (9,373)
15	Federal Income Tax	<u>\$ (33,170)</u>
16	Total Expense	\$ 61,601
17		
18	Earnings	<u>\$ (61,601)</u>
19		
20	Total Earnings Adjustment	<u>\$ (1,504,458)</u>

Schedule (KMMc)-2

Atlantic City Electric Company
5+7 Months Ending July 2017
Proform Wage Rate Changes effective for Rate Effective Period
(for changes effective by October 1, 2018)
Adjustment No. 5

(1) Line No	(2) <u>Item</u>	(3) <u>Total</u>
1	<u>Salary and Wage Adjustment</u>	
2	Change in Expense due to labor rate change	\$ 201,249
3		
4	State Income Tax	\$ (18,112)
5	Federal Income Tax	<u>\$ (64,098)</u>
6	Total Expense	\$ 119,039
7		
8	Earnings	<u>\$ (119,039)</u>
9		
10		
11	<u>FICA Adjustment</u>	
12	Change in FICA Expense due to labor rate change	\$ 8,592
13		
14	State Income Tax	\$ (773)
15	Federal Income Tax	<u>\$ (2,737)</u>
16	Total Expense	\$ 5,082
17		
18	Earnings	<u>\$ (5,082)</u>
19		
20	Total Earnings Adjustment	<u>\$ (124,121)</u>

Schedule (KMMc)-3

Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Benefit Change Expense
Adjustment No. 6

(1) Line No.	(2) Item	(3) Medical \$	(4) Dental \$	(5) Vision \$	(6) Total \$
1	2016 Year Benefits - ACE	\$ 12,764,788	\$ 931,237	\$ 425,975	\$ 14,122,000
2					
3	Percent Increase - 3 Year Average	4.21%	1.19%	8.34%	
4					
5	Benefits Increase - Rate Effective Period	\$ 537,398	\$ 11,082	\$ 35,526	\$ 584,006
6					
7	Benefits Recorded to O & M	64.20%	64.20%	64.20%	
8					
9	Benefits Increase to ACE O & M	\$ 345,009	\$ 7,114	\$ 22,808	\$ 374,932
10					
11	Benefits Increase to Distribution Function	91.22%	91.22%	91.22%	
12					
13	O & M Expense	\$ 314,717	\$ 6,490	\$ 20,805	\$ 342,013
14					
15	State Income Tax	\$ (28,325)	\$ (584)	\$ (1,872)	\$ (30,781)
16					
17	Federal Income Tax	\$ (100,237)	\$ (2,067)	\$ (6,627)	\$ (108,931)
18					
19	Total Expense	\$ 186,155	\$ 3,839	\$ 12,306	\$ 202,300
20					
21	Earnings	\$ (186,155)	\$ (3,839)	\$ (12,306)	\$ (202,300)

Schedule (KMMc)-4

Atlantic City Electric Company
5+7 Months Ending July 2017
Regulatory Commission Expense Adjustment
Adjustment No. 7

(1) Line No.	(2) Item	(3) \$			
1	<u>Normalized Regulatory Expense</u>				
2	Adjustment to Test Period	\$ 250,239		(1)	
3	Company's cost of case	\$ 241,178		(2)	
4	Total Regulatory Expense	<u>\$ 491,417</u>			
5					
6	Test Year Regulatory Expenses	<u>\$ 613,266</u>			
7					
8	Adjustment to O & M Expense	\$ (121,849)			
9					
10	Distribution Allocation	<u>100%</u>			
11					
12	Distribution Allocation Amount	\$ (121,849)			
13					
14	State Income Tax	\$ 10,966			
15					
16	Federal Income Tax	<u>\$ 38,809</u>			
17					
18	Total Expense	\$ (72,074)			
19					
20	Earnings	<u><u>\$ 72,074</u></u>			
21					
22					
23	(1)				
24	Account 928:				
25	12 me July 2015	\$ 3,598,638	\$ 3,255,796	\$ 328,285	\$ 14,557
26	12 me July 2016	\$ 3,898,003	\$ 2,965,844	\$ 809,265	\$ 122,893
27	5+7 me July 2017	\$ 3,313,363	\$ 2,480,085	\$ 220,012	\$ 613,266
28	3 Year Average				<u>\$ 250,239</u>
29					
30	(2) Cost of outside counsel	\$ 580,000			
31	Return on Equity witness	\$ 90,035			
32	Public notices	\$ 15,000			
33	Court reporters	\$ 30,000			
34	Miscellaneous	\$ 8,500			
35	Total incremental costs	<u>\$ 723,535</u>			
36					
37	3 Yr. Amortization - Current Base Rate Case	\$ 241,178			

Schedule (KMMc)-5

Atlantic City Electric Company
5+7 Months Ending July 2017
January 2017 Nor'easter Storm Adjustment
Adjustment No. 13

(1) Line No.	(2) <u>Item</u>	(3) <u>Distribution</u>
1	<u>Earnings</u>	
2	Amortize January 2017 Nor'easter Storm Expenses	\$ 554,453 (1)
3	Total Operating Expense	<u>\$ 554,453</u>
4		
5	State Income Tax	\$ (49,901)
6	Federal Income Tax	<u>\$ (176,593)</u>
7	Total Expenses	<u>\$ 327,959</u>
8		
9	Earnings	<u><u>\$ (327,959)</u></u>
10		
11	<u>Rate Base</u>	
12	Average Amortizable Balance	\$ 1,386,133 (2)
13		
14		
15	Deferred State Income Tax	\$ (124,752)
16	Deferred Federal Income Tax	\$ (441,483)
17		
18	Total Rate Base	<u><u>\$ 819,898</u></u>
19		
20		
21	(1) Jan 2017 Nor'easter Storm O&M Deferral - Amortizable Base	\$ 1,663,359
22	Amortization Period (Years)	<u>3</u>
23	Amortization Expense	554,453
24		
25		
26	(2) Unamortized Balance - Beg. Of Period	\$ 1,663,359
27	Amortization Expense - 1st Year	<u>\$ 554,453</u>
28	Unamortized Balance - End Of Period	\$ 1,108,906
29	Average - Year 1	\$ 1,386,133

Schedule (KMMc)-6

Atlantic City Electric Company
5+7 Months Ending July 2017
Bow Echo Storm & Winter Storm Jonas Adjustment
Adjustment No. 14

(1) Line No.	(2) <u>Item</u>	(3) <u>Distribution</u>
1	<u>Earnings</u>	
2	Expense	
3	Annual Amount of Bow Echo Storm Amortization	\$ 4,441,298 (1)
4	Bow Echo Amortization in Cost of Service - (08/24/16-07/31/17)	\$ 4,157,548
5	Net Remaining Annual Amount of Bow Echo Amortization	<u>\$ 283,750</u>
6		
7	Annual Amount of Jonas Storm Amortization	\$ 1,530,016 (2)
8	Jonas Amortization in Cost of Service - (08/24/16-07/31/17)	<u>\$ 1,432,265</u>
9	Net Remaining Annual Amount of Jonas Amortization	\$ 97,751
10		
11	Adjust to Test Year -Annualize Bow Echo & Jonas approved treatment	\$ 381,501
12		
13	State Income Tax	\$ (34,335)
14	Federal Income Tax	<u>\$ (121,508)</u>
15	Total Expenses	\$ 225,658
16		
17	Earnings	<u><u>\$ (225,658)</u></u>
18		
19		
20	(1) Dkt No 16030252 Effective August 24, 2016	
21	Bow Echo Cost Per Dkt No 16030252	\$ 13,323,894
22	Amortization Period (Years)	<u>\$ 3</u>
23	Amortization Expense	\$ 4,441,298
24		
25	(2) Dkt No 16030252 Effective August 24, 2016	
26	Jonas Cost Per Dkt No 16030252	\$ 4,590,047
27	Amortization Period (Years)	<u>\$ 3</u>
28	Amortization Expense	\$ 1,530,016

Schedule (KMMc)-7

Atlantic City Electric Company
5+7 Months Ending July 2017
June 2016 Storm Adjustment
Adjustment No. 15

(1) Line No.	(2) <u>Item</u>	(3) \$
1	<u>Earnings</u>	
2		
3	Remove Test Year June 2016 Storm Expense	\$ (49,621)
4	Amortize June 2016 Storm Expenses	\$ 568,051 (1)
5	Total Operating Expense	<u>\$ 518,430</u>
6		
7		
8	State Income Tax	\$ (46,659)
9	Federal Income Tax	\$ (165,120)
10	Total Expenses	<u>\$ 306,652</u>
11		
12	Earnings	<u><u>\$ (306,652)</u></u>
13		
14		
15	<u>Rate Base</u>	
16	Average Amortizable Balance	\$ 1,420,128 (2)
17		
18	Deferred State Income Tax	\$ (127,812)
19	Deferred Federal Income Tax	\$ (452,311)
20		
21	Total Rate Base	<u><u>\$ 840,006</u></u>
22		
23		
24	(1) June 2016 Storm O&M Deferral - Amortizable Base	\$ 1,704,154
25	Amortization Period (Years)	<u>3</u>
26	Amortization Expense	568,051 (1)
27		
28	(2) Unamortized Balance - Beg. Of Period	\$ 1,704,154
29	Amortization Expense - 1st Year	\$ 568,051
30	Unamortized Balance - End Of Period	<u>\$ 1,136,103</u>
31	Average - Year 1	\$ 1,420,128 (2)

Schedule (KMMc)-8

Atlantic City Electric Company
5+7 Months Ending July 2017
Normalize Injury & Damage Expense
Adjustment No. 16

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>	
1	<u>Normalized Injury & Damage Expense</u>		
2	Three year average Injury & Damage Expense	\$ 1,340,998	(1)
3	Test Period Injury & Damage Expense	\$ (652,660)	
4	Adjustment to O & M Expense	<u>\$ 1,993,657</u>	
5			
6	Distribution Allocation	<u>91.22%</u>	
7			
8	Distribution Allocation Amount	\$ 1,818,614	
9			
10	State Income Tax	\$ (163,675)	
11			
12	Federal Income Tax	<u>\$ (579,229)</u>	
13			
14	Total Expense	\$ 1,075,710	
15			
16	Earnings	<u><u>\$ (1,075,710)</u></u>	
17			
18			
19			
20	(1) Injury & Damage Expense		
21	12 me July 2015	\$ 4,100,870	
22	12 me July 2016	\$ 574,783	
23	5+7 me July 2017	<u>\$ (652,660)</u>	
24	3 Year Average	<u>\$ 1,340,998</u>	

Schedule (KMMc)-9

Atlantic City Electric Company
5+7 Months Ending July 2017
Reflect Mays Landing Complex Rent - Lower of Cost vs. Market
Adjustment No. 17

(1) Line No.	(2) <u>Item</u>	(3) \$	(4) %	(5) \$
1	<u>Earnings</u>			
2	Expense	\$ -		
3				
4	State Income Tax	\$ -		
5	Federal Income Tax	\$ -		
6	Total Expenses	<u>\$ -</u>		
7				
8	Earnings	\$ -		
9				
10	<u>Lower of Cost vs. Market Analysis</u>			
11	<u>Finished Space</u>			
12	# of Square Feet - Mays Landing Complex	84,470		
13				
14	Market Cost/Square Foot	\$ 21.00	100%	\$1,773,866
15	ACE - Actual Cost/Square Foot	\$ 16.20	77%	\$1,368,515
16	Difference (no adjustment needed - cost < market)	<u>\$ 4.80</u>	23%	\$405,351
17				
18	<u>Unfinished Space</u>			
19	# of Square Feet - Mays Landing Complex	134,336		
20				
21	Market Cost Per Square Foot			
22	Triple Net Rate	\$ 5.00		
23	Common Area Maintenance Rate	\$ 4.21		
24	Total	<u>\$ 9.21</u>	100%	\$1,237,237
25	ACE - Actual Cost/Square Foot	\$ 10.50	114%	\$1,410,812
26	Difference	<u>\$ (1.29)</u>	-14%	(\$173,575)
27				
28				
29				
30	<u>Finished & Unfinished Space</u>			
31	Market Cost/Square Foot		100%	\$3,011,103
32	ACE - Actual Cost/Square Foot		92%	\$2,779,328
33	Total (no adjustment needed - cost < market)		<u>8%</u>	\$231,776

Schedule (KMMc)-10

Atlantic City Electric Company
5+7 Months Ending July 2017
Annualization of Depreciation on Year-End Plant
Adjustment No. 18

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	<u>Plant Category</u>	<u>Annualized Depreciation Exp</u>	<u>12 ME Dec 2016 Depreciation Exp</u>	<u>Adjustment</u>	<u>ACE Distribution Allocator</u>	<u>\$</u>
1	Distribution	\$ 50,774,195	\$ 49,662,730	\$ 1,111,466	100.00%	\$ 1,111,466
2						
3	General	\$ 6,366,189	\$ 6,240,883	\$ 125,306	91.22%	\$ 114,304
4						
5	Total	<u>\$ 57,140,384</u>	<u>\$ 55,903,612</u>	<u>\$ 1,236,772</u>		<u>\$ 1,225,770</u>
6						
7						
8						Deferred State Income Tax
9						\$ (110,319)
10						Deferred Federal Income Tax
11						\$ (390,408)
12						<u>Total Expense</u>
13						\$ 725,043
14						Earnings
						<u>\$ (725,043)</u>
						Rate Base
						<u>\$ (725,043)</u>

Schedule (KMMc)-11

Atlantic City Electric Company
5+7 Months Ending July 2017
Depreciation On Service Company Assets Using ACE Depreciation Rates
Adjustment No. 19

(1) Line No.	(2) Item	(3) ACE Total	(4) Distribution %	(5) \$
1	<u>Earnings</u>			
2	Depreciation	\$ (453,863)	91.22%	\$ (414,014)
3				
4	State Income Tax			\$ 37,261
5	Federal Income Tax			<u>\$ 131,863</u>
6	Total Expense			<u>\$ (244,889)</u>
7				
8	Earnings			<u><u>\$ 244,889</u></u>

Schedule (KMMc)-12

Atlantic City Electric Company

5+7 Months Ending July 2017

Depreciation on EBSC (Exelon Business Service Company) Using ACE Depreciation Rates
Adjustment No. 20

(1) Line No.	(2) <u>Item</u>	(3) <u>Detail</u>
1	<u>Impact to Operating Income:</u>	
2	Forecasted EBSC Depreciation expenses allocated to ACE	\$ (9,431)
3		
4	Depreciation on EBSC using ACE Depreciation Rates	<u>\$ (1,933)</u>
5		
6	Adjustment on EBSC Depreciation allocated to ACE	\$ 7,498
7	State Income Tax	\$ (675)
8	Federal Income Tax	<u>\$ (2,388)</u>
9	Total Expense	\$ 4,435
10	Earnings	<u><u>\$ (4,435)</u></u>

Schedule (KMMc)-13

Atlantic City Electric Company
5+7 Months Ending July 2017
Interest on Customer Deposits
Adjustment No. 24

(1) Line No.	(2) <u>Item</u>	(3) <u>\$</u>
1	Customer Deposit Balance at December 2016	\$ 33,133,624
2		
3	2017 Interest Rate	<u>0.40%</u>
4		
5	Annual Interest Expense	\$ 132,534
6		
7	12 ME December 2016 Interest Expense	<u>\$ 38,316</u>
8		
9	IOCD Expense	\$ 94,218
10		
11	Distribution Allocation	<u>100%</u>
12		
13	Distribution Allocation Amount	\$ 94,218
14		
15	State Income Tax	\$ (8,480)
16		
17	Federal Income Tax	<u>\$ (30,009)</u>
18		
19	Total Expense	\$ 55,730
20		
21	Earnings	<u><u>\$ (55,730)</u></u>

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF JOSHUA L. MASTERS
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Joshua L. Masters. I am a Senior Manager in the Controller's
3 Department of Exelon Business Service Company (EBSC or BSC). I am
4 testifying on behalf of Atlantic City Electric Company (ACE or the Company).

5 **Q2. What are your responsibilities in your role as Senior Manager?**

6 A2. Prior to the merger and during the integration of Pepco Holdings Inc.
7 (PHI) into Exelon Corporation (Exelon), I was managing the PHI Service
8 Company (PHISCO) Allocation Accounting team. I continue to have that
9 responsibility and am also responsible for Compensation, Accounts Payable, and
10 Cash Accounting for the Exelon companies.

11 **Q3. Please state your educational background and professional experience.**

12 A3. I received a Bachelor of Science Degree in Accounting from the
13 University of Delaware in 2002 and a Master in Business Administration with a
14 concentration in Accounting from the University of Delaware in 2008. I am a
15 Certified Public Accountant. I joined PHI in 2005 and have held various
16 positions within the Corporate Accounting team at PHISCO, including manager
17 of the PHISCO Allocation Accounting team since 2013. Prior to 2005, I worked
18 for three years within the Public Accounting industry preparing audits and tax
19 returns for private companies.

1 **Q4. What is the purpose of your Direct Testimony?**

2 A4. The purpose of my testimony is to support:

- 3 1. the accounting books and records of ACE;
- 4 2. the Company's costing and accounting procedures, which serve as the
- 5 basis for the actual amounts recorded in ACE's books and records for
- 6 the test period amounts used by Company Witness Ziminsky in
- 7 determining the Company's revenue requirements; and
- 8 3. certain accounting-related filing requirements contained in New Jersey
- 9 Board of Public Utilities (BPU) Docket No. EM14060581 (the
- 10 Stipulation of Settlement related to the merger of Exelon and PHI),
- 11 referred to in my testimony as the Merger Docket.

12 This testimony and accompanying schedules were prepared by me or

13 under my direct supervision and control. The sources for my testimony are

14 Company records, public documents, and my personal knowledge and expertise.

15 **The Accounting Books and Records of ACE**

16 **Q5. Does the Company maintain its books and records in accordance with the**

17 **Federal Energy Regulatory Commission (FERC) Uniform System of**

18 **Accounts and Generally Accepted Accounting Principles (GAAP)?**

19 A5. Yes.

20 **Q6. Are the Company's books and records audited by an independent accounting**

21 **firm?**

22 A6. Yes. PricewaterhouseCoopers LLP (PwC) audited the Company's

23 financial statements included in the 2016 Exelon 10-K and is in the process of

1 auditing the 2016 FERC Form No. 1. A copy of the audit report issued by PwC
2 related to the 10-K financial statements is attached as Schedule (JLM)-1. The
3 audit of the 2016 ACE FERC Form 1 will be completed in mid-April and a copy
4 will be provided as soon thereafter as possible. PwC concluded that the
5 Company's financial statements conform with GAAP for the 2016 10-K financial
6 statements. In the past, PwC has also concluded that the Company's FERC
7 financial statements are in accordance with the accounting requirements of the
8 FERC's Uniform System of Accounts in all material respects.

9 **PHI's Costing and Accounting Procedures**

10 **Q7. Briefly discuss the Company's organizational structure related to the**
11 **accounting associated with providing services that are shared between the**
12 **PHI affiliates.**

13 A7. On March 23, 2016, PHI completed its merger with Exelon. Effective
14 March 24, 2016, certain corporate services previously provided by PHISCO are
15 now being provided by EBSC, a shared service company that is also a subsidiary
16 of Exelon. These corporate services relate to functions that provide support for all
17 Exelon affiliates and include areas such as Legal, Human Resources, Finance,
18 Corporate Strategy, Information Technology, and Supply. PHISCO will continue
19 to provide certain shared operational support, which is specific to PHI's three
20 utilities (ACE, Potomac Electric Power Company, and Delmarva Power & Light
21 Company), such as customer service, billing, call centers, credit and collections,
22 regulatory, and other shared regulated electric and gas services. In addition,
23 certain subsets of other general and administrative support dedicated to PHI

1 would remain in PHISCO for areas such as Legal, Human Resources,
2 Communications, Government Affairs, Finance, and Supply. These sub areas
3 would focus specifically on accounting, legal, employee, purchasing or other
4 matters relating to PHI. Both PHISCO and EBSC will provide services pursuant
5 to a Service Agreement.

6 PHI is in the process of transferring corporate shared service functions to
7 EBSC while keeping the operational and other functions that directly support the
8 PHI utilities, such as customer service, within PHISCO. The Company has
9 advised the Board of the status on this integration process based on its
10 informational filing on February 27, 2017, associated with the Merger Docket.

11 **Q8. Briefly discuss the Company's cost accounting approach.**

12 A8. The underlying principle of both PHI and Exelon's costing approach is the
13 use of a fully distributed cost alignment methodology (full costing). The full
14 costing philosophy is based on the premise that both direct and indirect costs are
15 identified and charged for goods and services. The costs of goods and services
16 include direct costs such as labor and materials, and indirect costs such as benefits
17 and other related expenses. Full costing aids in ensuring that indirect costs follow
18 the same accounting path as direct costs when billed to affiliates.

19 **Accounting-Related Filing Requirements from the Merger Docket,**
20 **BPU Docket No. EM14060581**

21
22 **Q9. Please discuss the requirements you are addressing from the BPU Docket No.**
23 **EM14060581?**

24 A9. Yes. I will specifically address:

- 1 1. Paragraph 74 of the Stipulation of Settlement in the Merger Docket which
2 discusses the allocation of costs to ACE from Exelon in a manner that either
3 substantially complies with the current PHI General Services Agreement
4 (GSA) or results in a lower allocation of costs in the aggregate; and
5 2. Paragraph 76 of the Stipulation of Settlement in the Merger Docket, which
6 addresses: (a) the direct charging of EBSC costs whenever practical and
7 possible; (b) EBSC charges and the bases for such charges; and (c) any
8 changes in allocation procedures that have been adopted since the Company's
9 last base rate proceeding.

10 **Q.10. Please explain the analysis you have done to address Paragraph 74 of the**
11 **Stipulation of Settlement in the Merger Docket.**

12 A.10. Paragraph 74 states that PHI and its subsidiaries, including ACE, will
13 execute the Exelon BSC GSA and agree to allocate costs to ACE in a manner that
14 either substantially complies with the current PHI Service Agreement or results in
15 a lower allocation of costs in the aggregate.

16 The Company filed its most recent Cost Allocation Manual (PHI CAM)
17 with the BPU in April 2016. The PHI CAM provided an update to reflect PHI's
18 revised organizational structure resulting from the March 23, 2016 merger with
19 Exelon. In addition to the service agreement of PHISCO, the PHI CAM included
20 a copy of the GSA executed between Exelon and its affiliates, which includes
21 ACE.

22 As described under question 8 above, BSC and PHISCO follow a fully
23 distributed costing methodology. In addition, under the policies for both

1 companies, direct charging is prioritized whenever feasible. When direct
2 charging is not feasible, a cost-causative allocation methodology is used to
3 distribute the costs and is applied consistently to each affiliate. While the
4 underlying cost-allocation philosophy used by both companies is consistent,
5 differences do arise regarding the actual ratios used associated with services
6 offered by BSC, which were previously provided solely by PHISCO.

7 For each service offered by BSC to PHI affiliates, which were previously
8 provided by PHISCO (transferred services); the allocation ratio methodology was
9 compared to that previously used by PHISCO (attached as Schedule (JLM)-2).
10 This comparison illustrates the associated allocation ratio type used by BSC,
11 following BSC's Service Agreement, versus the allocation ratio previously used
12 by PHISCO for that same service, under PHISCO's Service Agreement. As noted
13 within the file, the allocation used for three of the 13 services was substantially
14 aligned and no further procedures were deemed necessary. However, 10 of the
15 services did use different allocation ratios and were thus not substantially aligned
16 with BSC's methodology. These 10 ratios were further analyzed to determine
17 whether this change in the allocation resulted in a lower allocation of costs in
18 aggregate to ACE.

19 This analysis demonstrated that costs to ACE are lower in the aggregate
20 under the EBSC allocation methodology. The analysis compared the ratio
21 percentages BSC charges Exelon affiliates, including PHI, for the identified
22 services, to the ratio previously used by PHISCO for that same service. For
23 example, corporate governance costs such as Finance, Executives and

1 Communications are allocated on the Modified Massachusetts formula (MMF) at
2 BSC to all Exelon affiliates. The MMF ratio is a three factor composite ratio,
3 calculated by taking the Labor, Revenue and Assets of each affiliate and dividing
4 by the total for all affiliates. Those same services would be allocated on the two
5 factor ratio (TFR) under PHISCO's Service Agreement. The TFR ratio is a two
6 factor composite ratio, calculated by taking the operating and maintenance
7 expense (O&M) and property plant and equipment (PP&E) balances of each
8 affiliate and dividing by the total for all affiliates. While both ratios are size-
9 based composite ratios and are similar in nature, the resulting percentages are
10 different due to the change in data used to calculate the allocation (i.e., O&M
11 expense and Plant Property & Equipment (TFR) compared to Labor, Assets and
12 Revenue (MMF). The analysis focuses on the resulting allocation percentage
13 change to ACE as a result of the ratio definition change. The results of this
14 analysis are illustrated in Schedule (JLM) – 3.

15 As the analysis illustrates, applying the Exelon BSC ratios results in either
16 no change or a lower allocation percentage to ACE for eight of the 10 services
17 The two areas that did not result in a lower percentage, corporate costs (taxes and
18 interest) and payroll processing fees, do not cause an increase in aggregate
19 charged to ACE due to the smaller population of services for which they apply
20 and the associated amounts. Therefore, the allocation methodologies followed by
21 EBSC result in lower charges to ACE in aggregate.

1 **Q11. Regarding the first part of Paragraph 76 of the Stipulation of Settlement in**
2 **the Merger Docket, that “EBSC costs shall be directly charged whenever**
3 **practicable and possible,” can you comment on this requirement?**

4 A11. Yes. EBSC, under cost principles contained in the GSA, prioritizes the
5 use of direct billings where practicable and possible. Upon completion of the
6 merger, EBSC system updates to add charge codes that would facilitate the
7 execution of direct charging to PHI were made and communicated to employees.
8 During 2016, ACE received \$2 million of direct charges from EBSC associated
9 with a variety of direct support from areas such as Finance, Human Resources,
10 Legal, and Supply.

11 **Q.12 Please discuss the section of Paragraph76 of the Stipulation of Settlement in**
12 **the Merger Docket that addresses the basis for any EBSC charges and any**
13 **changes in allocation procedures.**

14 A.12. The second part of Paragraph 76 requests that ACE file testimony
15 addressing EBSC charges and the bases for such charges, and also explain any
16 changes in allocation procedures that have been adopted since the Company’s last
17 base rate proceeding. The GSA and related exhibits contained in the 2016 PHI
18 CAM provide: (1) a general description of the services provided to Exelon
19 affiliates, including ACE, and (2) the cost-assignment methods applied when
20 EBSC bills these services. There have not been any changes to the GSA,
21 including the EBSC allocation procedures, since the PHI CAM was filed with the
22 BPU in 2016.

1 **Q.13 Does this conclude your testimony?**

2 A.13 Yes, it does.

Schedule (JLM)-1



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of Atlantic City Electric Company

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Atlantic City Electric Company and its subsidiary at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for its regulatory recovery mechanism for purchased power costs associated with Basic Generation Service in 2016.

PricewaterhouseCoopers LLP

February 13, 2017

Schedule (JLM)-2

BSC vs. PHISCO Cost Allocation Comparison Summary

Ref.	Area	Sub Area	Exelon BSC GSA Allocation *	PHISCO Legacy Service Agreement Allocation **	Comparison Reference	Differences / Gaps
1	Corporate Governance	Executive, Finance, Communications, External Affairs, Strategy & Development	BSC uses the Modified Massachusetts Formula (MMF) - 3 factor composite methodology using Revenues, Assets, and Labor for all corporate governance costs.	PHISCO uses the Two Factor ratio (TFR) - Average of O&M and Gross Property, Plant and Equipment for all client companies for general corporate governance costs.	TFR vs MMF	Both ratios are size based composite ratios, but the allocation based is different.
2	Corporate Governance	Other Corporate (Income Taxes, Interest expense.) Costs	BSC uses the Modified Massachusetts Formula (MMF) - 3 factor composite methodology using Revenues, Assets, and Labor for all corporate governance costs.	PHISCO uses the Service Co. Billing ratio for general corporate type expenses. The ratio is based on total historical billings from PHISCO.	MMF vs BSC Billings	Allocation base is not aligned.
3	Corporate Governance	G&A Insurance	BSC uses the Modified Massachusetts Formula (MMF) - 3 factor composite methodology using Revenues, Assets, and Labor for all corporate governance costs.	PHISCO uses the Labor cost ratio for General Liability Insurance. The ratio is based on historical labor costs.	Labor vs MMF	Allocation base is not aligned.
4	Corporate Governance	Property Insurance	BSC uses the Modified Massachusetts Formula (MMF) - 3 factor composite methodology using Revenues, Assets, and Labor for all corporate governance costs.	PHISCO historically allocated on gross PP&E.	PP&E vs MMF	Allocation base is not aligned.
5	Corporate Governance	Legal	BSC uses the Modified Massachusetts Formula (MMF) - 3 factor composite methodology using Revenues, Assets, and Labor for all corporate governance costs.	PHISCO uses historical direct time charges for general council and litigation support allocations. The allocation ratio is based on the amount of costs directly charged to each utility through time charges from PHISCO.	Legal billing vs MMF	Allocation base is not aligned.
6	Supply	Procurement and other general supply services	BSC uses expenditure based allocations primarily for Supply services (purchasing spend based on category groupings of materials and / or services).	PHISCO uses the Two Factor ratio (TFR) - Average of O&M and Gross Property, Plant and Equipment for all client companies for general corporate governance costs.	TFR vs Supply Spend	Both ratios are expenditure based ratios, but the allocation base is different.
7	Supply	A/P	Number of transactions processed.	Number of transactions processed.	N/A - same	BSC method substantially complies with the PHI GSA.
8	HR	Payroll	BSC uses # of paychecks processed for payroll processing services.	PHISCO uses headcount based allocation methodologies for payroll services.	Headcount vs # paychecks	Allocation base is not aligned.
9	HR	Other HR	BSC uses headcount based allocation methodologies.	PHISCO uses headcount based allocation methodologies.	N/A - same	BSC method substantially complies with the PHI GSA.
10	IT	Security	BSC uses MMF or IT billing ratios for security services.	PHISCO uses the labor cost ratio for Security Services	Labor vs MMF & IT TSB vs Labor	Allocation base is not aligned.
11	IT	IT Systems and platforms	BSC allocates IT system costs based on the number of users, customers and other cost causative usage methodologies.	PHISCO allocates IT system costs based on the number of users, customers and usage.	N/A - same	BSC method substantially complies with the PHI GSA.
12	IT	IT Governance	BSC IT governance is allocated on the IT billings ratio.	Similar services are allocated on the two factor ratio at PHISCO.	TFR vs IT TSB	Allocation base is not aligned.
13	Exelon Utilities	N/A	BSC uses the Utility MMF for general support; load and # of customers where appropriate.	PHISCO uses TFR for general utility support, customers and load based allocations where appropriate.	EU TFR vs MMF	Both ratios are size based composite ratios, but the allocation base is different.

* - Allocation used by BSC under the existing General Service Agreement.

** - Allocation BSC would use, if following the ratios outlined in PHISCO's service agreement, for the given area/service.

Schedule (JLM)-3

**BSC vs. PHISCO Cost Allocation Comparison
Results**

Ref.	Comparison Reference	ACE	Conclusion
1	TFR vs MMF	-2%	The ratios were compared, the percentage is lower under the MMF ratio. Additionally, both ratios are size based composite ratios.
2	Labor vs MMF	-1%	The ratios were compared, the percentage is lower under the MMF ratio.
3	PP&E vs MMF	-1%	The ratios were compared, the percentage is lower under the MMF ratio.
4	Legal billing vs MMF	0%	The ratios were compared, the percentage was not substantially different under the MMF ratio.
5	TFR vs Supply Spend	-1%	The ratios were compared, the percentage is lower under the Supply Spend ratio.
6	TFR vs IT TSB	-4%	The ratios were compared, the percentage is lower under the IT Billing ratio.
7	EU TFR vs MMF	-2%	The ratios were compared, the percentage is lower under the MMF ratio. Additionally, both ratios are size based composite ratios.
8	IT TSB vs Labor	-4%	The ratios were compared, the percentage is lower under the IT billings ratio.
9	MMF vs BSC Billings	2%	The ratios were compared and the percentage was slightly higher under the MMF ratio. However, the amount of costs allocated under this area are not significant and would not result in an increase when considered in aggregate with the other allocation reductions noted above.
10	Headcount vs # paychecks	1%	The ratios were compared and the percentage was slightly higher under the # of paychecks ratio. However, the amount of costs allocated under this area are not significant and would not result in an increase when considered in aggregate with the other allocation reductions noted above.

ATLANTIC CITY ELECTRIC COMPANY
BEFORE THE NEW JERSEY
BOARD OF PUBLIC UTILITIES
DIRECT TESTIMONY OF ELLIOTT P. TANOS
BPU DOCKET NO. _____

1 **Q1. Please state your name and position.**

2 A1. My name is Elliott P. Tanos. I am the Manager, Rate Administration for
3 Pepco Holdings, LLC (PHI). I am testifying on behalf of Atlantic City Electric
4 Company (ACE or the Company).

5 **Q2. What are your responsibilities in your role as Manager, Rate**
6 **Administration?**

7 A2. In this capacity, I am responsible for managing the development of the
8 Class Cost of Service Studies and rate design proposals for ACE and Delmarva
9 Power & Light Company.

10 **Q3. Please state your educational background and professional experience.**

11 A3. I graduated from Villanova University with a Bachelors of Science degree
12 in Economics. I received a Masters of Arts degree in Economics from Temple
13 University.

14 In 1980, I was employed by the Philadelphia Gas Works (PGW) in the
15 Corporate Planning area. From 1982 to 1996, I held various positions at PGW in
16 the Office of Vice President, Rates and Regulatory Affairs. A key responsibility
17 over this period was to support the preparation of the cost of service studies,
18 including compiling all data needed for the cost studies and assessing the
19 reasonableness of the cost allocation methods. I also testified in selected cases

1 before the local regulatory body in support of, and in defense of, PGW's rates and
2 services.

3 From 1997 to 2005, I was engaged in international consulting work,
4 starting as an Independent Consultant (1997 - 2001), and then as a Principal
5 Consultant with PA Consulting Group, Inc. (2001 - 2005). In this capacity, I
6 provided technical assistance to the emerging national energy regulatory bodies
7 and ministries in the developing and transitional economies. This work focused
8 on tariff methodologies, cost of service, privatization, and social safety net
9 measures.

10 In 2005, I joined Washington Gas Light Company as Specialist Senior
11 Federal Regulatory Affairs. In this position, my responsibilities included
12 monitoring Federal regulatory matters and participating in a base rate case
13 proceeding before the Federal Energy Regulatory Commission (FERC).

14 In 2007, I joined PHI as Regulatory Affairs Lead, having responsibility for
15 developing PHI's cost of service studies for Delmarva and ACE. In 2008, I was
16 promoted to the position of Manager, Cost Allocation for Delmarva and ACE.
17 In 2010, I was promoted to the position of Manager, Cost Allocation, for PHI,
18 and in 2016 became the Manager Rate Administration for PHI.

19 In addition to the experience described above, I have taken utility
20 industry-sponsored courses on cost of service and rate design, including the
21 Edison Electric Institute Advanced Rate Design School, the American Gas
22 Association (AGA) Advanced Rate course, and the AGA Rate Fundamentals
23 course.

1 **Q4. What is the purpose of your Direct Testimony?**

2 A4. The purpose of my Direct Testimony is to:

3 1. Support proposed changes to the electric tariffs to recover the revenue
4 requirement as presented in this filing. Specifically, I provide the rate
5 design supporting the Company's proposed increase in distribution
6 revenue in the amount of \$70.2 million (\$74.8 million with Sales and Use
7 Tax), as recommended in the Direct Testimony of Company Witness
8 Ziminsky.

9 2. Present the Electric Class Cost of Service Study used for developing the
10 proposed new rates.

11 3. Detail the proposed allocation of the revenue requirement by customer
12 class.

13 4. Detail the rate design proposals by class, including the justification for a
14 proposed increase of \$2.00 to the residential Customer Charge.

15 5. Provide details regarding the Company's proposed System Renewal
16 Recovery Charge (also referred to in my Direct Testimony as Rider SRR),
17 including the method proposed to develop the revenue requirement and
18 rate design for the new Rider, and the accompanying tariff rider.

19 6. Provide an update on the Economic Development Riders- pilot program.

20 This testimony was prepared by me or under my direct supervision and
21 control. The source documents for my testimony are Company records
22 and public documents. I also rely upon my personal knowledge and
23 experience.

1 **Q5. Please outline the organization of your testimony.**

2 A5. My testimony is organized into four major sections. In the first section, I
3 summarize the schedules presented in my testimony and discuss the principles
4 that guided my rate proposals in this proceeding.

5 Next, I present the ACE Class Cost of Service Study (COSS) and describe
6 the methods I have used to calculate costs by customer class, including a
7 description of the more significant allocation factors.

8 In the third section of my testimony, I discuss the development of the
9 proposed allocation of the distribution revenue requirement and the individual
10 customer class proposed rates. I conclude this section addressing the New Jersey
11 Board of Public Utilities (Board or BPU) Staff's proposed rate design based on
12 the cost allocation approach proposed by Staff.

13 In the final section of my testimony, I discuss the Company's proposed
14 Rider SRR and provide an update on the Economic Development Riders pilot
15 program.

16 **SECTION I. SCHEDULES AND GUIDING RATE DESIGN PRINCIPLES**

17 **Q6. Please summarize the schedules presented in your testimony.**

18 A6. I am sponsoring the following Schedules:

19 Schedule (EPT)-1 contains the ACE Customer Class Cost of Service Study that
20 assigns the Distribution function costs to the various customer classes under the
21 Company's allocation methods.

22 Schedule (EPT)-2 provides a summary of the demand- and customer-related cost
23 components for each customer class for the Company's COSS.

1 Schedule (EPT)-3 presents the results for the Company's Class Cost of Service
2 Study expressed as Class Rates of Return and Relative Rates of Return.

3 Schedule (EPT)-4 presents a description of the external allocators used in the
4 COSS.

5 Schedule (EPT)-5 contains the Customer Class Cost of Service Study reflecting
6 the peak and average cost allocation method that has been submitted in
7 accordance with Board Order, as discussed in my testimony.

8 Schedule (EPT)-6 provides a summary of the demand- and customer-related cost
9 components for each customer class for the COSS based on the peak and average
10 allocation method.

11 Schedule (EPT)-7 contains the detail on (1) the development of the rate class
12 allocation of the distribution revenues requirements and (2) rate design
13 worksheets. This schedule includes the class-specific distribution revenue, net
14 operating income, rate base, rate of return and the Uniform Rate of Return results
15 from the COSS.

16 Schedule (EPT)-8 provides the detail rate design for LED lights that has been
17 updated to reflect current costs.

18 Schedule (EPT)-9 provides the impact of the proposed increase on the residential
19 and other customer classes across a range of monthly consumption levels.

20 Schedule (EPT)-10 shows the impact of the proposed residential customer charge
21 for the general population and low income customers, providing the frequency
22 distribution of residential customers by usage level and by bill impact.

23 Schedule (EPT)-11 provides the clean version of the ACE proposed tariff.

1 Schedule (EPT)-12 provides the red-line version of the proposed tariff.

2 Schedule (EPT)-13 provides the rate design based on the cost allocation method
3 proposed by BPU Staff.

4 Schedule (EPT)-14 shows the proposed method to develop the annual revenue
5 requirements and rate design under the proposed new Rider SRR.

6 Schedule (EPT)-15 provides the estimated residential bill impact under the
7 proposed Rider SRR.

8 **Q7. Can you describe the principles that guided your rate proposals in this**
9 **proceeding?**

10 A7. I have considered the following principles in developing my revenue
11 allocation and rate design proposals. These general principles are well-
12 recognized in the industry.

- 13 • Rates should be cost-based following the principle of cost causation. The
14 results of the class cost of service study should be used as a guide in order
15 to align, as close as practical, the rates with the customers' underlying
16 costs.
- 17 • Rates are designed to mitigate cross-subsidies on both an inter-class and
18 intra-class basis.
- 19 • Rates are designed to provide more equitable and informed price signals to
20 customers for making consumption and investment decisions.
- 21 • Rates are designed to reflect gradualism and customer impacts to improve
22 acceptability and to avoid rate shock.

1 With the proposals in this proceeding, the Company continues to promote the
2 movement toward appropriate distribution pricing strategies that reflect the proper
3 and equitable recovery of distribution fixed costs of service from all customers.

4 **Q8. Has the Board increased fixed cost recovery through the Customer Charge**
5 **levels approved in recent base rate cases?**

6 A8. Yes. In BPU Docket No. ER14030245, the Board approved a change in
7 the monthly Customer Charge for Rate Schedule RS (residential service) from
8 \$3.00 to \$4.00. In BPU Docket No. ER16030252, the Board approved an
9 additional increase in the Residential monthly Customer Charge to \$4.44.

10 The Board has also implemented effective pricing structures for the larger
11 commercial and industrial customers that consist of fixed monthly Customer
12 Charges and Demand Charges (\$/kW). These rate structures appropriately
13 recognize that distribution costs are largely fixed in nature and reflect costs that
14 are related to the number of customers served and their respective demands.

15 In BPU Docket No. 8310-883, however, a case that was decided over 30
16 years ago, the Board authorized a Residential monthly Customer Charge of \$3.98.
17 This would imply protracted periods when there have been no increases in the
18 monthly Customer Charge or even decreases. Of course, conditions have changed
19 over this period. Distribution costs have continued to increase, costing methods
20 have become more sophisticated, and the energy sector landscape has changed
21 with rapid growth and adoption of new technologies.

1 Moreover, in recent years, New Jersey has become a leader in the national
2 effort to encourage the development of renewable energy technologies.¹ The
3 State has developed and is implementing strategic initiatives for the use,
4 management, and development of energy in New Jersey for the next decade.²

5 The EMP recognizes, however, that accomplishing the State's energy
6 policy goals has potential rate and cost shifting implications for electricity
7 ratepayers. For example, regarding energy efficiency (EE) and demand reduction
8 (DR) programs, the EMP states that the primary benefit of the EE and DR
9 programs is the participants' avoided cost of electricity (wholesale/supply side).
10 The EMP carefully explains, however, that, to the extent participants reduce their
11 peak demand, they are able to avoid a portion of transmission and distribution
12 costs and other fixed charges, and that these costs are shifted, at least in the near
13 term, to non-participants.³

14 These shifted costs are non-transparent incentives (cross-subsidies) that
15 the remaining customers are absorbing in increasing amounts. Under the current
16 rate structures, this cost shifting occurs because distribution costs are largely
17 fixed, but the distribution rates recover the predominance of these costs in
18 variable (kWh) rates for smaller customers.

19 In fact, for the residential class, only about 11% of the costs are recovered
20 through the fixed monthly Customer Charge. When customers reduce their kWh
21 consumption, the fixed customer costs remain and must be recovered from other
22 customers. Failure to recover fixed costs through fixed charges is perpetuating the

¹ 2011 New Jersey Energy Master Plan (EMP), page 86.

² 2015 EMP Update, at page 1.

³ 2011 EMP, at page 55.

1 cost shift and the cross subsidies that have detrimental implications for the
2 customers.

3 **Q9. You mentioned detrimental impacts of reduced sales under the existing rate**
4 **structures. Do you have an estimate of the revenue impact resulting from the**
5 **reduced sales?**

6 A9. Yes. The Company has modeled the revenue impact of reduced sales
7 from programs such as the EE and demand side management (DSM) programs,
8 together with the impact associated with photovoltaic (PV) solar installations.
9 The results of this analysis are provided below and clearly show a trend of
10 significantly declining revenues, on a weather normalized basis.

11 **Table 1: Distribution Revenue Impact**

	Distribution Revenue Impact (\$1,000)				
	2014-2015	2015-2016	2016-2017	2017-2018	Total
Energy Efficiency/DSM	(1,438)	(1,476)	(1,751)	(2,499)	(7,164)
Distributed Generation	(1,247)	(2,663)	(3,808)	(2,766)	(10,484)
Total	(2,685)	(4,139)	(5,559)	(5,265)	(17,648)

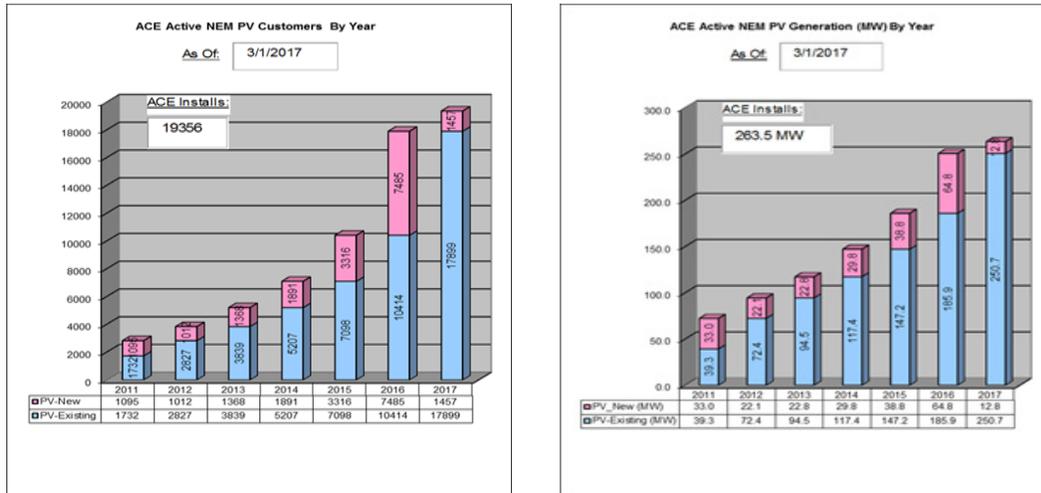
12
13 Specifically, from December 2014 to December 2016, the Company experienced
14 decline in revenues associated with EE/DSM and Distributed Generation of
15 approximately \$6.8 million. Over the projected period (2017 - 2018), there is an
16 additional expected decline in revenues of \$10.8 million or a total revenue
17 decline of \$17.6 million over this period.

18 Moreover, technological progress, reduction in solar costs, and positive
19 operating performance portend to continued solar penetration in New Jersey.⁴ In

⁴ 2011 EMP, pg. 105.

1 fact, ACE is experiencing accelerated growth in the number of new PV solar
 2 customers and the installed capacity, as depicted below.

3 **Chart 1: ACE Growth in NEM Solar**



4
 5 For the reasons discussed above, it is imperative that distribution pricing
 6 strategies emphasize the equitable recovery of the fixed cost of service from all
 7 customers to mitigate cost shifting and cross subsidies that are built-in the current
 8 rates for smaller customers.

9 **Q10. Have Public Utility Commissions in other jurisdictions recognized the**
 10 **importance of fixed cost recovery?**

11 A10. Yes. The Public Service Commission of the District of Columbia, in
 12 Formal Case No. 1103, Order No. 17424, explicitly addressed the recovery of
 13 fixed customer-related costs in its decision, which stated the following:

14 We will collect the entire increase in revenues for the Residential subclasses
 15 through an increase in the Customer Charges. This decision continues the
 16 Commission’s policy of moving the design of residential distribution rates
 17 away from volumetric (kWh) rates, and towards rates that are based more on
 18 customer and demand charges. Placing the increase on Customer Charges is
 19 appropriate because, after deregulation, Pepco is primarily a “wires only”

1 distribution company, whose major costs are fixed costs that should be
 2 recovered through fixed charges.⁵

3 In Potomac Electric Power Company’s Washington, D.C. service territory, the
 4 Residential monthly Customer Charge is now \$13.00.

5 **Q11. Do you have information on the level of Residential Customer Charges for**
 6 **other electric utilities?**

7 A11. Yes, the table below provides additional information regarding the
 8 Residential Customer Charges maintained by PHI companies and other
 9 neighboring utilities.

10 **Table 2: Residential Customer Charges of PHI and Other Utilities**

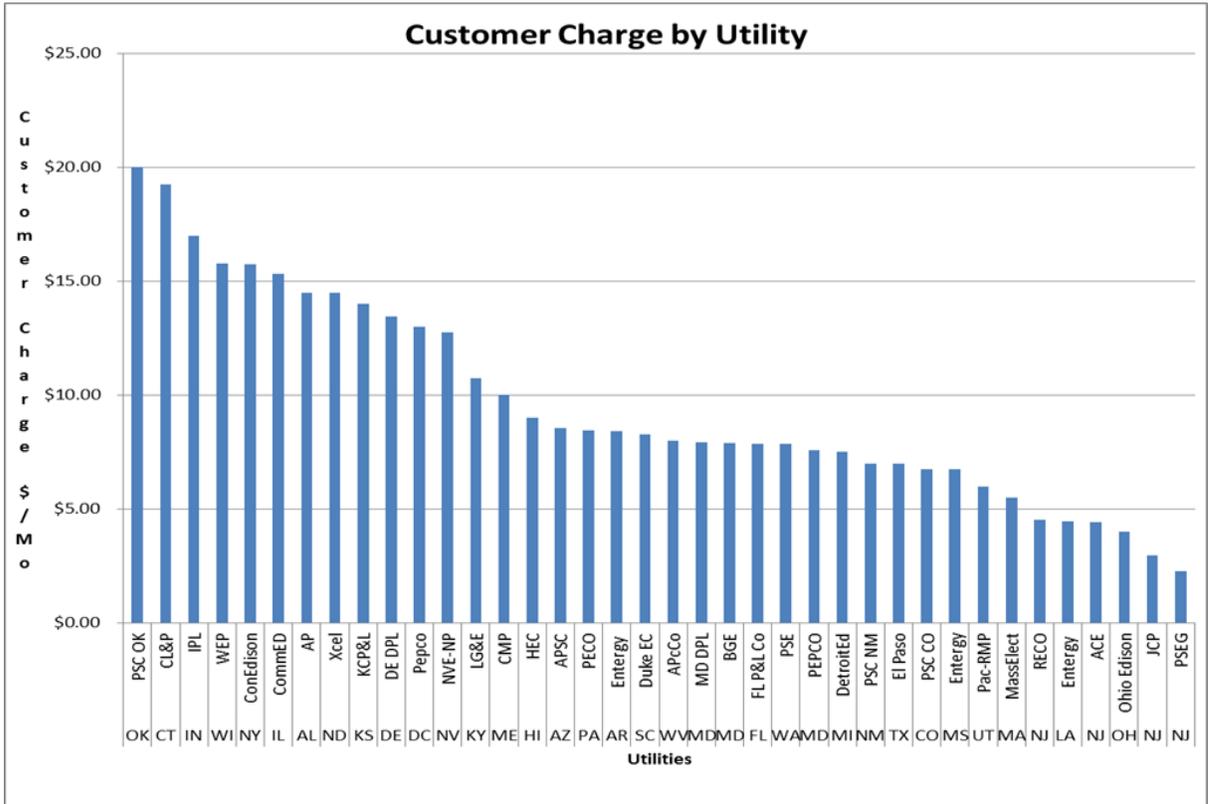
	Electric Distribution Company	Residential Customer Charge (\$)
1	Delmarva Delaware	13.46
2	Pepco DC	13.00
3	PECO Energy	8.45
4	Delmarva Maryland	7.94
5	Baltimore Gas & Electric	7.90
6	Pepco Maryland	7.60
7	Rockland Electric	4.54
8	Atlantic City Electric	4.44
9	Jersey Central Power	2.98
10	Public Service Electric & Gas	2.27

11
 12 Additionally, information on the residential Customer Charges maintained
 13 by utilities throughout the nation is provided below.

14

⁵ D.C. Formal Case No. 1103, Order No. 17424, p. 178.

1 **Chart 2: Residential Customer Charges Maintained Throughout the Nation**



2
3

4 **Q12. Do you have information regarding the customer charges in other utility**
5 **sectors, such as the water industry?**

6 **A12.** Yes. The table below highlights the residential service charges for water
7 utilities in New Jersey.

8 **Table 3: Residential Service Charges for NJ Water Utilities**

	Water Company	Residential Service Charge (\$)
1	AQUA New Jersey	14.33
2	Middlesex Water	15.10
3	New Jersey-American Water	13.60
4	Suez Water New Jersey	11.50

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1 **Q13. What are your conclusions?**

2 A13. The important process the Board has commenced to increase the fixed cost
3 recovery through the monthly Customer Charge should be continued and
4 accelerated, subject to the principle of gradualism, as an essential first step to
5 develop more equitable and efficient rates.

6 The Company has invested \$1.7 billion in net distribution plant (as of
7 December 2016), with substantial ongoing annual investment to maintain and
8 modernize the distribution system, as detailed in the current proceeding.

9 Failure to systematically recover distribution fixed costs in an equitable
10 manner from all customers will place increasing burdens on the Company's
11 customer population due to cost-shifting and the cross-subsidies inherent in the
12 existing rate structures for the smaller customers.

13 Moreover, as explained earlier, for customers participating in programs
14 such as EE and DR, there is an immediate savings through reduced kWh
15 consumption and avoidance of supply-related costs that comprise a large portion,
16 approximately 60%, of the customer's total bill. Distribution charges, however,
17 must be set to fairly and equitably recover the fixed cost of service to mitigate
18 cost shifting and cross-subsidies. The goal is to develop pricing strategies that
19 encourage customer behavior that reduce the cost of service for all customers,
20 instead of shifting costs to the other customers.

21 Accordingly, it is suggested that distribution pricing objectives that are
22 designed to accomplish this goal should also be an important part of the ongoing
23 regulatory and policy review discussed in the EMP.

1 **SECTION II. ACE CLASS COST OF SERVICE STUDY**

2 **Q14. Please describe the objective of performing cost of service analyses.**

3 A14. The class cost-of-service study is a detailed analysis that assigns the
4 Company's revenue requirement to the customer groups on the basis of cost
5 causation. Cost of service studies are among the basic tools in the rate design
6 process. The fundamental principle underlying the cost of service study is that
7 costs should be attributed to the particular customer group(s) that cause the utility
8 to incur such costs. Appropriately allocated costs then provide a basis to derive
9 class rate of return results and class revenue targets, and they serve as an
10 important guide in designing the rates charged to each customer class.

11 **Q15. Please describe the underlying basis for the COSS submitted in this case.**

12 A15. The COSS presented in this case uses the same basic cost of service model
13 that has been submitted since BPU Docket No. ER09080664.

14 The starting point for the cost of service analysis is the Total Distribution
15 Rate Base, Revenues, and Expenses of the Company for the 12 months ended
16 December 31 2016, with the supporting Total Company cost details for these
17 results provided in the Direct Testimony of Company Witness Ziminsky.

18 **Q16. Please describe the organization of the COSS section of your testimony.**

19 A16. First, I briefly describe the traditional steps followed in the process of
20 preparing the COSS.

21 This is followed by a review of the major line-item allocations contained
22 in the cost of service study. I conclude this section of my testimony with a

1 summary of the cost of service results in the form of Rates of Return for the
2 various customer classes.

3 Finally, I discuss the alternative COSS based on the peak and average
4 method that has been submitted in accordance with the final Order in BPU Docket
5 No. ER03020110, dated May 26, 2005.

6 **Q17. Please briefly describe the key processes involved in cost allocation.**

7 A17. The cost allocation process traditionally follows three steps: cost
8 functionalization, classification, and allocation.

9 The first step in the process is to separate the Company's revenue
10 requirement into cost categories as related to electric operations of the Company.
11 This is called "cost functionalization." For example, the distribution functional
12 categories of Company plant investment include, but are not limited to:
13 distribution substations, overhead and underground conductors, line transformers,
14 service lines (drop) and meters, street light and traffic signal systems, and general
15 plant.

16 The FERC Uniform System of Accounts provides a starting point to
17 functionalize the plant investment. Plant investment can then be divided into sub
18 functions to facilitate the allocation of costs. For example, the COSS recognizes
19 different voltage levels and separates plant investment into primary and secondary
20 systems.

21 The functional categories are presented in detail in the first column of the
22 Company's COSS. (*See* Schedule (EPT)-1.)

1 **Q18. What is the next step in the process?**

2 A18. The next step in the process is to classify the functionalized costs based
3 upon cost causation. The electric distribution system costs are fixed in nature and
4 related to demand and the number of customers served.

5 Demand-related costs are primarily fixed costs that are dependent on
6 kilowatt (kW) requirements and associated with the demands on the Company's
7 distribution facilities.

8 An example of demand-related costs is the Company's investments in
9 distribution substations. Distribution substations contain power transformers that
10 reduce higher voltage levels to distribution level and provide a source for the
11 distribution circuits extending to the customer's premises. Distribution
12 substations are designed and built to meet the localized area peak load or demand
13 of the customers served by the facility; therefore, this investment is classified as
14 demand-related.

15 Schedule (EPT)-2 contains a summary of the unbundled revenue
16 requirement for the demand- and customer-related cost components by customer
17 class.

18 **Q19. Please describe the customer-related costs.**

19 A19. Customer-related costs are generally fixed costs associated with the
20 number of customers served. Examples of customer-related costs include
21 customer accounting and billing, collection activity, meter reading costs, and the
22 investment and operations and maintenance (O&M) expenses associated with
23 customer service lines and customer meters.

1 **Q20. Please describe the process used to develop the customer-related costs in the**
2 **COSS.**

3 A20. The process to develop the customer-related costs starts with the
4 Company's total distribution system costs, shown on column 1 of Schedule
5 (EPT)-1. Distribution system costs are primarily fixed in nature and are related to
6 the number of customers served and the customers' demands. Within the cost
7 study, the Company's total revenue requirement is classified into customer-related
8 and demand-related cost components. The unbundled customer and demand-
9 related cost components are provided in Schedule (EPT)-2, and the customer-
10 related cost components are repeated below:

- 11 • Customer Meters Component
- 12 • Customer Services Component
- 13 • Account 902- Meter Reading Component
- 14 • Account 903- Customer Records and Collections Component
- 15 • Customer Services Expense Component
- 16 • Customer Other Component (primarily street-lighting)

17 For each functionalized cost component shown above, the cost of service
18 model separately computes the total revenue requirements for the individual cost
19 component. This includes an assignment of the general and common plant and
20 administration and general expenses that support each of these functional
21 categories. The customer-related costs comprise approximately 34% of the total
22 distribution revenue requirement.

23 Including only a portion of the customer-related costs in developing
24 Customer Charges would fail to recover relevant costs, such as the supporting
25 facility and services requirements for the customer cost function; and would

1 instead shift these costs to the volumetric (kWh) delivery charges and/or the
2 applicable demand (kW) charges. This would serve to distort the pricing signals,
3 as explained below.

4 **Q21. Why is it particularly important at this time to align the rate design with the**
5 **cost to serve?**

6 A21. As explained above, distribution system costs are primarily fixed and
7 reflect fixed demand and customer-related costs. For example, customer-related
8 costs vary by the number of customers, not with customer usage.

9 The Company’s distribution plant investment is driven by the number and
10 location of customers and their respective demands. The distribution system is
11 not designed or built based on the kWh usage (or the variable consumption) of the
12 customer. Thus, energy usage has no relation to the underlying cost causation of
13 the design and construction criteria for the distribution system – which drives the
14 entire class cost of service analysis.

15 ACE’s existing and proposed pricing levels are designed, however, to
16 recover a considerable amount of the fixed costs through the variable (kWh)
17 distribution charges for the residential and small commercial customer classes
18 while more appropriately reflecting costs for large customer classes through
19 customer and demand charges.

20 To the extent practicable, fixed customer costs should be recovered
21 through the fixed monthly customer charge, instead of the variable (kWh)
22 distribution charge. This would help to develop more appropriate pricing signals
23 to customers regarding the impact of the individual consumption decisions on the

1 cost of the electric distribution system. That is, if customers reduce their kWh
2 consumption, the customer-related costs remain essentially unchanged, and the
3 remaining customers must absorb the continuing fixed cost requirement through
4 ever increasing kWh delivery charges. This produces adverse consequences for
5 both the customers and the Company.

6 Redressing this considerable imbalance between the customer costs and
7 customer charges is an essential first step to better align cost causation and fixed
8 cost incurrence with rate design.

9 **Q22. Please describe how the customer-related costs have been allocated.**

10 A22. Following the functionalization and classification of costs, the next step is
11 to allocate the costs to the particular customer groups. A complete list of the
12 customer-related allocation factors is provided on page 19, Schedule (EPT)-1.
13 These allocation factors have been developed through separate studies to assign
14 the specific customer-related costs to each customer class. The separate studies
15 are discussed in the Cost of Service Allocation Method section of my testimony.

16 **Q23. What are the results of your analysis of the customer-related costs for the**
17 **residential class?**

18 A23. Schedule (EPT)-2 shows the customer-related costs by customer class that
19 are presented at the existing rate of return and also at the requested rate of return
20 (ROR). The results are expressed in total dollar amounts, on a unitized basis
21 (\$/kWh), and on a fixed amount per customer (\$/month/customer). As shown on
22 Schedule (EPT)-2, page 4-3, line 14, the customer-related cost for the residential
23 class is \$17.18 per month/customer, calculated at the requested ROR.

1 **Q24. How do the ACE customer-related costs compare to the existing ACE**
2 **customer charges?**

3 A24. The existing rate structure includes a \$4.44 monthly customer charge for
4 the residential class that represents only 25.8% of the customer-related costs
5 developed in the COSS.

6 **Q25. Please briefly describe the Company's cost of service model.**

7 A25. The ACE cost of service model enables the Company to directly assign or
8 allocate each element of Rate Base, Revenues, and Operating Expenses to the
9 respective customer classes.

10 The model is a cost matrix with the Total Distribution component shown
11 in the initial column and the customer classes listed on the horizontal or initial
12 row.

13 The cost model starts with the Rate Base detail, including each plant
14 account, and continues with the remaining items of Rate Base, Revenues,
15 Operating Expenses, Taxes, and the development of the Labor allocator.

16 The cost of service model also contains an important column labeled
17 "ALLOC." This column contains the acronym identifying the method used to
18 apportion the particular Total Distribution cost to the customer groups. Each
19 method used to assign costs is identified in the Allocation Factor table located at
20 the end of the cost studies. (See Schedule (EPT)-1, starting at page 18-1.)

COST OF SERVICE ALLOCATION METHOD

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Q26. Has the Company applied the cost of service methodology used in the prior base rate case?

A26. Yes. In this case, the COSS incorporates the basic cost of service methodology consistent with the prior cases. A description of the cost allocation methods for Rate Base, Revenues, and O&M expense is provided below.

RATE BASE ALLOCATION

Q27. Please describe the cost allocation methods used for the major components of rate base.

A27. Each functionalized Rate Base component, and the associated line-item allocation factors, is detailed on Schedule (EPT)-1, pages 2 through 6. A description of the cost allocation method for each major Rate Base component is provided below, starting with Electric Plant in Service.

Q28. Please describe how distribution pole and line costs (FERC Accounts 364-367) have been allocated to the retail customer classes.

A28. The Company first used its Geospatial Information System (infrastructure mapping system) in the process of separating the primary and secondary plant for Account 365 (overhead conductors) and Account 367 (underground conductors). The results from these analyses were then applied to Accounts 364, 365, 366, and 367. The separation of plant investment into primary and secondary system assets facilitates the cost allocation process. Specifically, the customers served by the primary distribution system should not be allocated costs associated with the lower voltage secondary delivery system.

1 Consistent with historical COSS filings, the Company has applied the
2 Class Maximum Diversified Demands (Class MDD) in this case to assign the
3 costs of distribution poles and lines and continues to evaluate the application of
4 this demand measure generally to assign secondary plant costs to each customer
5 class.

6 **Q29. Please describe how the demand measure used in the Company's COSS is**
7 **calculated.**

8 A29. Consistent with the method applied in the prior case, the Company has
9 used the PHI Load Profiling and Settlement System (LPSS) to calculate the
10 demand measure used in ACE's COSS. The LPSS produces the peak load
11 contributions and hourly load obligations for retail customers receiving Basic
12 Generation Service and customers receiving wholesale or retail service from third
13 party suppliers.

14 The LPSS has been used to determine the Class MDD through a query of
15 the hourly class load data contained in the system. That is, each hour of the year
16 is evaluated to determine the class maximum demand that form the basis for the
17 demand factor.

18 **Q30. Please explain how Line Transformer asset costs (Account 368) have been**
19 **allocated.**

20 A30. The Company's approach is consistent with the method used from BPU
21 Docket Nos. ER09080664 to the present case to allocate line transformer costs
22 using the DEMTRANSF allocator that is based on the Class MDD.

1 **Q31. How have distribution service line costs (Account 369) and Meter costs**
2 **(Account 370) been allocated?**

3 A31. In this case, the Company has continued to allocate service line costs
4 based on Class MDD. ACE's investment in customer meters has been allocated
5 based on a detailed analysis of the customer meter and related equipment costs.
6 The results of this analysis were then used to allocate the embedded costs
7 contained in Account 370 - Meters.

8 **Q32. Please describe the allocation methods used for the remaining items of plant**
9 **in service.**

10 A32. In addition to Distribution plant, the remaining items of plant in service
11 consist of General, Intangible, and Service Company assets. These asset costs
12 continue to be allocated using the Labor allocator that is detailed in Schedule
13 (EPT)-1, starting on page 14.

14 **Q33. How were the remaining elements of Rate Base allocated?**

15 A33. The remaining elements of Rate Base consist of the following: the
16 Depreciation Reserve, Plant Held for Future Use, Materials and Supplies, Cash
17 Working Capital, Customer Advances, Customer Deposits, and Deferred State
18 and Federal Taxes. These Rate Base items are detailed in Schedule (EPT)-1.
19 Each functionalized Rate Base item has been allocated primarily on the
20 corresponding Plant or Labor allocators. For example, the Depreciation Reserve
21 was allocated on the corresponding plant accounts. Also, a Lead/Lag analysis
22 was conducted to determine Cash Working Capital (CWC), as provided by
23 Company Witness Ziminsky. The individual components of CWC are detailed in

1 the current cost study and assigned using appropriate allocators. The Company
2 has also reviewed the Deferred Federal and State Income taxes and separated the
3 deferred taxes into the Plant and Labor components.

4 **REVENUES**

5 **Q34. How were Revenues addressed in your cost study?**

6 A34. The Company's retail sales revenues have been directly assigned to the
7 respective customer classes.

8 **OPERATIONS AND MAINTENANCE EXPENSE**

9 **Q35. How were the O&M expense allocations developed?**

10 A35. Consistent with the prior case, the Distribution O&M expenses are
11 allocated to the customer classes using the corresponding plant allocations. For
12 example, Account 593, Maintenance of Overhead Lines, is assigned based on a
13 plant allocator reflecting the Company's investment in distribution overhead lines.
14 Meter reading expenses (Account 902) were allocated to the respective customer
15 classes based on a separate analysis of meter reading expenses. A separate
16 analysis was also conducted to allocate Customer Records and Collection
17 Expenses (FERC Account 903).

18 **Q36. Please describe the allocation of Administrative and General costs.**

19 A36. The Administrative and General costs were assigned to each customer
20 class consistent with the allocation methods used since BPU Docket Nos.
21 ER09080664 based upon the applicable Labor, Plant or Revenue allocator. For
22 example, Property Insurance was allocated on Plant and Employee Pensions and

1 Benefits follow the allocation of Labor. Regulatory Commission expense was
2 apportioned to the customer classes based on a Revenue allocator.

3 **Q37. Please describe the allocation of the remaining operating expenses.**

4 A37. The remaining operating expenses consist of Depreciation and
5 Amortization expenses, Taxes Other Than Income Taxes, Net Investment Tax
6 Credit (ITC) adjustment, Interest on Customer Deposits, and Federal and State
7 Income Taxes. As shown in Schedule (EPT)-1, the Company has detailed each
8 component of Other Taxes, and has allocated the various components using an
9 appropriate Labor, Plant, Revenue or Expense allocator. Similarly, these
10 schedules show the assignment of Interest on Customer Deposits, and the Net ITC
11 adjustment. Finally, ACE has detailed the applicable Federal and State income
12 taxes, as shown in Schedule (EPT)-1.

13 **SUMMARY OF COSS RESULTS**

14 **Q38. Have you prepared a summary of the results of your ACE Distribution**
15 **COSS?**

16 A38. Yes. The summary results for the ACE Distribution customer class cost of
17 service study expressed as Rates of Return, and Relative Rates of Return, are
18 provided in Schedule (EPT)-3.

19 **COSS BASED ON PEAK AND AVERAGE METHOD**

20 **Q39. Please describe the Board's directive to submit a COSS based on the Peak**
21 **and Average cost allocation method.**

22 A39. The Board's Order in BPU Docket No. ER03020110 requires ACE to
23 submit a COSS based on a Peak and Average method (P&A method) that

1 allocates distribution plant and related costs on a combination of coincident peak
2 demand and energy based allocators. Additionally, the Order states that the
3 Company will have the right to file, and support, any COSS method it considers
4 more appropriate.

5 **Q40. Have you prepared a cost of service study based on the P&A method?**

6 A40. Yes. Schedule (EPT)-5 provides the COSS based on the P&A method.
7 Additionally, Schedule (EPT)-6 provides the summary of the demand- and
8 customer-related cost components for each customer class based on the P&A
9 method.

10 **Q41. Do you agree with the use of the P&A method for allocating distribution**
11 **plant costs?**

12 A41. No, I do not. As I have explained in Direct and Rebuttal testimony in
13 prior rate case proceedings⁶, the P&A method does not reflect cost causation and
14 is an incorrect and inappropriate allocation method for distribution facilities such
15 as substations, poles, conductors, and transformers.

16 **Q42. Why is the P&A method inappropriate for these distribution costs?**

17 A42. The P&A method applies an energy weighting method using coincident
18 peak (CP) for the demand component to classify and allocate the Company's
19 distribution plant. This method does not reflect the way ACE actually designs,
20 constructs, and operates its distribution system.

⁶ See Tanos Direct Testimony in BPU Docket Nos. ER12121071 and ER14030245, and Tanos Rebuttal Testimony in BPU Docket No. ER11080469.

1 **Q43. How does ACE design and construct these distribution facilities?**

2 A43. The Company designs and constructs these distribution facilities based
3 upon localized peak demand and the load diversity of the customer mix served by
4 the facilities, not based upon the energy weighting approach embodied in the
5 P&A method.

6 **Q44. Do you know of any Company distribution facilities in Accounts 362 through**
7 **368 that are based on energy requirements?**

8 A44. No, I do not. For the electric distribution “wires only” business, localized
9 loads or demands form the basis for plant investments along with a consideration
10 for some amount of diversity. The Company applies non-coincident demands to
11 allocate distribution plant costs to the respective customer classes.

12 The Company does not design its distribution facilities based on either the
13 coincident peak or energy (average demand) components that comprise the P&A
14 method. The P&A method is not consistent with the fundamental principle of
15 cost causation that drives the entire cost allocation process and should be rejected.

16 **SECTION III. ALLOCATION OF DISTRIBUTION REVENUE**
17 **REQUIREMENT AND RATE DESIGN**

18
19 In this section of my testimony, I describe my proposals to apportion the
20 proposed revenue increase among the customer classes. I also describe the
21 changes proposed to the rate elements for each rate schedule.

22 **Q45. Please describe how you determined the proposed revenue requirement for**
23 **the respective customer classes.**

24 A45. As detailed above, I have reviewed all aspects of the class cost of service
25 study provided in Schedule (EPT)-1 and used the results of the COSS as my

1 starting point for developing the proposed revenue allocation. The COSS
2 develops the rate class-specific distribution revenue, net operating income, rate
3 base, rate-of-return, and the Unitized Rate of Return (UROR) for each customer
4 class. These COSS results are summarized in Table 1 on page 1 of Schedule
5 (EPT)-7 and the UROR results from the COSS are highlighted below.

6 **Q46. Please explain the significance of the UROR in the development of your**
7 **revenue allocation.**

8 A46. The UROR is the ratio of the rate of return for a customer class to the
9 overall system average rate of return. The UROR has historically been used in
10 the rate proceedings to test whether a proposed revenue allocation moves each
11 customer class closer to the system average rate of return. A UROR of 1.00
12 would indicate that class rate of return equals the system average and that the
13 class revenues equal the class cost of service. If the UROR departs from 1.00,
14 this would indicate that the class rates of return are higher or lower than the
15 system average rate of return and that the classes are providing revenues higher or
16 lower than their indicated cost of service. I have used the UROR results from the
17 COSS as a benchmark to determine appropriate shifts in UROR in the
18 development of my final rate design.

19 **Q47. How did you establish your proposed class revenue allocation?**

20 A47. In this case, I have followed the same allocation process that was used in
21 prior proceedings as a reasonable method for determining which classes are
22 under, or over-earning, based on the UROR to determine the revenue allocation

1 for each customer class. My proposals recognize the need for gradualism in rate
2 design and are detailed below.

3 As shown on Table 1 on page 1 of Schedule (EPT)-7, Rate Schedules TGS
4 Subtransmission , TGS Transmission, and Direct Distribution Connections (DDC)
5 have URORs of 4.52, 8.38, and 6.88, respectively. Therefore, I propose no
6 increase for these rate schedules.

7 For the remaining customer classes, Residential (RS), Monthly General
8 Service (MGS) Secondary, MGS Primary, Annual General Service (AGS)
9 Secondary, AGS Primary, Street and Private Lighting (SPL), and Contributed
10 Street Lighting (CSL), I have applied the following allocation rules that are
11 designed to move the classes closer to the target UROR of 1:

- 12 1. limit the maximum percentage increase to any of these rate schedules to
13 1.5 times the overall average percentage increase;
- 14 2. ensure that the final proposed UROR for a rate class with an existing
15 UROR above 1.0 does not increase nor move to a level below 1.0; and
- 16 3. ensure that the final proposed UROR for a rate class with an existing
17 UROR below 1.0 neither decreases nor moves to a level above 1.0.

18 The results of this revenue allocation process are provided in Tables 2 and 3 on
19 page 1 of Schedule (EPT)-7.

ACE RATE DESIGN

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Q48. What changes are you proposing to the rate elements for the residential rate (Rate Schedule RS)?

A48. I am proposing a residential Customer Charge of \$6.44, an increase of \$2.00 over the existing \$4.44 per month charge. At the proposed level, the Company’s Customer Charge will continue the process of gradually increasing towards the residential customer-related costs of \$17.18, as developed in the COSS.

The proposed \$2.00 increase will also allow the charge to gain some ground, compared to losing ground, against the customer-related costs for the residential class that have increased by \$1.19 per month, since the last case.

Finally, the Company’s Customer Charge proposal will help to move the charge closer in alignment to the charges maintained by other electric distribution companies, and other utility sectors, as shown earlier in my Direct Testimony in the response to Question 11.

It is also proposed to increase each volumetric rate component of the residential distribution rates by an equal percentage basis to recover the remaining revenue requirement.

The detailed development of the proposed distribution rate design for each rate schedule is provided on pages 2 through 10 of Schedule (EPT)-7.

1 **Q49. What is the impact of the proposed revenue increase on residential**
2 **customer's bills?**

3 A49. The impact of the proposed change to all residential customers is provided
4 in Schedule (EPT)-9. Based on the average residential consumption of 716 kWhs
5 per month, the proposed bill increase is \$9.00 per month, or 6.57%.

6 **Q50. Has the Company evaluated the impact of the proposed customer charge**
7 **increase on residential customers?**

8 A50. Yes. The Company has evaluated the impact of the proposed customer
9 charge on the total population of residential customers as well as low income
10 residential customers, with the results presented in Schedule (EPT)-10. The
11 analysis provides a frequency distribution of the rate impact on low income
12 customers. The results show that the increase in the Customer Charge impacts the
13 low income customers in essentially the same manner as the overall residential
14 customers. This is clearly depicted in the graph presented on page 9 of Schedule
15 (EPT)-10.

16 Additional insight on the impact of increasing the fixed customer charge
17 on low income customers can be found by comparing the frequency distribution
18 of usage for low income customers with that of the overall residential class. This
19 comparison is shown on page 11 of Schedule (ETP)-10. In general, this analysis
20 shows that low income customer consumption per customer is actually higher
21 than that for the overall residential class.

1 **Q51. What changes do you propose for Rate Schedules MGS Secondary and MGS**
 2 **Primary?**

3 A51. I propose to increase the Customer Charges for Rate Schedules MGS
 4 Secondary and MGS Primary to better align these distribution rates with the cost
 5 of service. As shown in the table below, the pricing levels for these two rate
 6 schedules are not aligned whatsoever with the cost of service.

7 **Table 4: Rate Schedules MGS Secondary and MGS Primary Demand**
 8 **Charges vs. Demand-Related Costs**

		MGS-Secondary	MGS-Primary
1	Demand Charge (\$/kW)	5.64 (W) - 7.05 (S)	5.32 (W) - 6.64 (S)
2	COSS Demand-Related Costs (\$/kW)	34.34	403.88

9
 10 Accordingly, I am proposing an increase of \$3.00 for the Customer
 11 Charge of Rate Schedule MGS secondary, from \$5.64 to \$8.64; and an increase of
 12 \$10.00 in the Customer Charge for Rate Schedule MGS-Primary, from \$5.32 to
 13 \$15.32.

14 Consistent with the Company’s proposal in the last base rate case, I also
 15 propose to increase the demand charges for each rate schedule by 1.5 times the
 16 respective overall class distribution revenue percentage increase. The demand
 17 charges for MSG-Secondary and MGS-Primary are \$1.56kW (winter)/1.90/kW
 18 (summer) and \$1.19/1.53/kW, respectively. This compares to the demand-related
 19 costs for these two classes of \$6.15 and \$4.63/kW. Finally, I propose to increase
 20 the volumetric charge for these rate schedules to recover the remaining balance of
 21 the proposed class distribution revenue increase.

1 **Q52. How does the Company propose to adjust the distribution rates associated**
2 **with Rate Schedules AGS Secondary, AGS Primary, TGS Sub Transmission,**
3 **TGS Transmission, and DDC?**

4 A52. For Rate Schedules AGS Secondary and AGS Primary, I am proposing to
5 increase the Customer and Demand components to the lower of either a fully cost
6 based rate or a rate derived by multiplying the existing rate by the overall class
7 percentage increase. The balance of the revenue increase would be recovered
8 through the demand charges for these classes. No rate change is proposed for
9 TGS Subtransmission, TGS Transmission, and DDC.

10 **Q53. What changes to street lighting rates, Rate Schedules SPL and CSL, do you**
11 **propose?**

12 A53. The Company proposes to adjust the existing rates for the conventional
13 offerings delineated in Rate Schedules CSL and SPL on an equal percentage basis
14 by multiplying the existing rates by the overall class percentage increase.

15 Also, the rates for the Light Emitting Diode (LED) offerings has been
16 updated to reflect current costs. Schedule (EPT)-8 details the rate calculation for
17 the LED service.

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BPU STAFF PROPOSED RATE DESIGN

Q54. Have you addressed the requirement included in the Board’s May 26, 2005 Order in BPU Docket No. ER03020110 to provide a distribution rate design based on the cost allocation method proposed by BPU Staff?

A54. Yes. The rate design is provided as Schedule (EPT)-13 to my Direct Testimony. The Company is not proposing, nor does it endorse, the cost allocation and rate design as proposed by Staff.

SECTION IV. ACE TARIFF RIDERS

SYSTEM RENEWAL RECOVERY CHARGE – RIDER SRR

Q55. Please describe the purpose of the proposed Rider SRR.

A55. The Company proposes the System Renewal Recovery Charge as a capital investment tracker mechanism to recover contemporaneously the capital costs associated with reliability-related expenditures and emergency spend. Company Witnesses McGowen and Sullivan describe more fully the rationale and terms and the scope and estimated cost for capital investment projects chosen for recovery under the Rider. The new tariff rider identifying the applicability and the proposed terms for the System Renewal Recovery Rider is provided in Schedules (EPT)-11 and (EPT)-12. Rider SRR would be in effect for approximately five years beginning in April 2018.

The proposed methodology for calculating the revenue requirement and resulting charges under Rider SRR are detailed below.

1 **Q56. Please describe how the System Renewal Recovery Charge revenue**
2 **requirement would be calculated.**

3 A56. The proposed method for developing the annual revenue requirements and
4 rate design associated with Rider SRR is demonstrated in Schedule (EPT)-14 for
5 the period 2018 through 2021. The revenue requirement and resulting charges to
6 be included in Rider SRR would be calculated using projected cost data including
7 but not limited to: the costs of engineering, design, and construction; the cost of
8 labor, materials, and capitalized Allowance for Funds Using During Construction
9 (AFUDC). The Company will track the capital investments individually for each
10 project through a separate work order in a Construction Work in Progress (CWIP)
11 account and record a monthly accrual of AFUDC, which will be included in the
12 CWIP balance.

13 The revenue requirement will include a return on investment and return of
14 investment through depreciation based on the capital costs.

15 **Q57. How does the Company propose to track any differences between actual**
16 **expenditures and the forecasted expenditures used to develop the System**
17 **Renewal Recovery Charge revenue requirements?**

18 A57. The Company proposes that the System Renewal Recovery Charge will be
19 subject to deferred accounting. A monthly over/under recovery calculation will
20 be performed based on actual revenues received under the Rider SRR and the
21 actual revenue requirement in each month, and the over/under recovery will be
22 tracked as a deferred balance. Interest on this balance will be calculated monthly
23 using the Company's short term debt rate. The interest rate will be reset each

1 month. The deferred balance would be reconciled upon termination of the System
2 Renewal Recovery Charge.

3 The Company proposes to file an annual report showing the status of each
4 project, tasks completed, percentage of projects completed, and actual
5 expenditures to date, together with information detailing the plant that is
6 forecasted to be placed in service for the upcoming annual period. The report will
7 be filed by January 31 for each year that Rider SRR is in effect. The first report
8 would be filed in January 2019.

9 **Q58. How would specific System Renewal Recovery Charge rates be developed for**
10 **each of the Company's Tariff Rate Schedules?**

11 A58. The total revenue requirement will be allocated to each rate class on the
12 basis of the rate class specific levels of non-customer-related distribution revenue.
13 Once these revenue targets are established, the System Renewal Recovery Charge
14 will be designed for each rate class based on the class's distribution rate design.
15 The allocation based on revenues derived from distribution demand and/or
16 volumetric rate components most closely aligns the System Renewal Recovery
17 Charge with the underlying approved distribution rates for each rate class. As
18 such, it is reflective of the rate class specific distribution system cost recovery
19 approved by the Board. For the residential Rate Schedules RS, the charge will be
20 designed as a volumetric charge. For Rate Schedules MGS-Secondary and MGS-
21 Primary, the class revenue requirement will be apportioned based on the revenues
22 derived from the volumetric and demand rate elements for each schedule. For
23 AGS-Secondary, AGS-Primary, TGS-Subtransmission, and TGS-Transmission,

1 the charge will be designed as a demand charge applicable to the maximum
2 monthly demand. The detailed rate design is demonstrated in Schedule (EPT)-14.

3 **Q59. How long will Rider SRR be in effect?**

4 A59. The Company anticipates that the projects included for recovery through
5 the Rider SRR will be completed in four years beginning in April 2018. The
6 System Renewal Recovery Charge is currently expected to remain in effect for
7 approximately five years beginning in April 2018. Specifically, Rider SRR would
8 remain in effect until the completion of the first rate case filed after all of the
9 approved capital investment projects are placed into service. The filing would
10 include a rate base reflecting all of the plant closings associated with the System
11 Renewal Recovery Charge. In addition, it would include appropriate ratemaking
12 adjustments to accurately reflect the rate base reflected in the System Renewal
13 Recovery Charge through the beginning of the associated rate effective period.

14 The base distribution filing would also include an adjustment to reconcile
15 the final deferred balance for Rider SRR. The change to the System Renewal
16 Recovery Charge required to reconcile the deferred balance would become
17 effective with the effective date of the associated base distribution rates. The
18 duration of the final System Renewal Recovery Charge will be proposed at the
19 time of the filing and will be dependent on the size of the balance.

20 **Q60. Have you prepared residential bill comparisons using the approximated**
21 **System Renewal Recovery Charge rates?**

22 A60. Yes. The bill comparison for the residential class is attached as Schedule
23 (EPT)-15. Based on the analysis described above, the System Renewal Recovery

1 Charge for 2018 is estimated to result in an increase for a typical residential
2 customer using 716 kWhs per month of \$0.67 or 0.49%, with the following
3 estimated annual increases in the period 2019 through 2021: \$1.28 or 0.93%,
4 \$1.28 or 0.94%, and \$1.06 or 0.77%, respectively. Schedule (EPT)-15 provides
5 the cumulative bill impacts.

6 **ECONOMIC DEVELOPMENT RIDER**

7 **Q61. Please provide an update regarding the Economic Development Rider pilot**
8 **program.**

9 A61. As part of the Stipulation of Settlement in BPU Docket No. ER16030252,
10 the Board authorized the implementation of the Company's two proposed
11 economic development riders, Rider SCD (Small Commercial Development) and
12 Rider RP (Redevelopment Program Service) on a pilot program basis. The Order
13 also specified that ACE will submit periodic reports regarding the economic
14 development riders and that the Board would review the continuation of the
15 economic development riders' pilot program in the current base rate case.

16 **Q62. Please describe the terms that the Board authorized for Riders SCD and RP.**

17 A62. The Board authorized the following eligibility and economic incentives
18 for Rider SCD and Rider RP:

19 Rider SCD

- 20 • Rider SCD is applicable to customers taking service under Rate Schedules
21 MGS Secondary or MGS Primary, and will require that the customer
22 purchase at least 2,500 square feet of additional business space and employ
23 at least one additional full time employee.

- 1 • Eligible customers will receive a 20% discount on the distribution portion of
2 their ACE bill, including customer charges, demand charges, and volumetric
3 charges. The discount will remain in effect for a period of five years from
4 the time the Rider is first implemented, as long as the customer continues to
5 meet all eligibility requirements.

6 Rider RP

- 7 • Rider RP will be applicable to larger commercial customers taking service
8 under Rate Schedules AGS Secondary, AGS Primary or TGS, and will
9 require that the customer lease or purchase at 8,000 square feet of
10 additional business space and employ at least two additional full time
11 employees. Customers meeting the criteria for Rider RP will also need to
12 qualify for and receive a comprehensive package of economic
13 development incentives from either the State of New Jersey or local
14 municipal authorities, including substantial financial assistance or tax
15 incentives intended to address regional employment levels.
- 16 • Eligible customers will receive a 20% discount on the distribution portion
17 of their ACE bill, including customer charges, demand charges, and
18 volumetric charges. The discount will remain in effect for a period of five
19 years from the time the Rider is first implemented, as long as the customer
20 continues to meet all eligibility requirements.

21 **Q63. Has the Company proposed modifications to the SCD and RP Riders?**

- 22 A63. Yes. On December 19, 2016, the Company submitted modifications to
23 Rider SCD and Rider RP to make the Programs more attractive to, and expand the

1 eligibility criteria for, the commercial and industrial customers they were
2 designed to reach. ACE's filing was assigned BPU Docket No. ER17010007.
3 Specifically, the Company added definitions for new and existing customers, and
4 removed the requirement for existing customers to separately meter the newly
5 constructed, leased or purchased space. This proposed change is intended to
6 remove an economic obstacle for customers to participate in the Rider pilots,
7 particularly for smaller customers.

8 The Company's proposal also modified the economic incentives offered
9 under Rider SCD and Rider RP. For new customers, the Company proposed that
10 the credit would apply to the customer charge and the distribution demand charge
11 associated with all kilowatts, as billed by the Company. For existing customers,
12 the credit will apply only to those kilowatts that are in excess of comparable
13 demands for an established base period. The credit will not be applicable to the
14 customer charge for an existing customer.

15 Finally, the Company's proposal would modify the building vacancy
16 requirement, eliminating the three month vacancy period for buildings to be
17 eligible for the Rider program.

18 In this filing, the Company is proposing the continuation of the pilot
19 program under the modified terms. The Company's proposal is currently being
20 evaluated by the Board and the Division of Rate Counsel.

21 Although the Rider pilot program is available under the current terms,
22 there are no customers currently taking service under Rider SCD or Rider RP.

1 **Q64. Does this conclude your testimony?**

2 A64. Yes, it does.

Schedule (EPT)-1

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
SUMMARY OF RESULTS-1								
RATE BASE								
1		2,296,530,016	1,378,059,502	327,660,633	434,634,384	11,953,874	142,797,394	1,424,231
2		555,979,227	334,680,199	80,394,178	103,792,149	3,534,155	33,234,322	344,224
3		1,740,550,789	1,043,379,303	247,266,455	330,842,234	8,419,719	109,563,071	1,080,007
ADD:								
4		84,750,725	53,753,252	13,516,033	12,559,962	2,204,541	2,635,477	81,460
5		6,584,025	4,010,507	999,672	1,165,386	70,372	334,037	4,051
6		20,713,780	12,381,933	2,907,277	3,984,592	79,021	1,348,086	12,872
DEDUCT:								
7		493,900	295,235	69,321	95,009	1,884	32,144	307
8		33,133,824	21,875,802	4,749,017	6,508,804	0	0	0
9		445,192,929	287,094,183	63,469,028	84,322,124	2,287,674	27,743,800	276,120
10		114,291,481	68,568,083	16,292,711	21,649,182	586,533	7,124,085	70,887
11		1,259,487,385	755,691,691	180,109,360	235,977,055	7,897,562	78,980,642	831,075
DEVELOPMENT OF RETURN								
12		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
13		0	0	0	0	0	0	0
14		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
15		9,194,395	5,874,576	1,344,327	1,788,796	11,761	166,926	8,008
16		348,632,796	202,264,252	66,059,865	58,454,614	6,002,082	15,271,298	580,686
LESS:								
17		234,446,269	159,086,050	34,817,353	31,593,256	2,760,078	6,011,826	177,706
18		55,765,291	33,480,238	7,974,196	10,530,142	300,931	3,445,210	34,574
19		4,996,078	3,125,246	767,105	828,770	61,246	210,497	3,214
20		(152,570)	(91,160)	(21,373)	(29,404)	(557)	(9,981)	(95)
21		38,316	25,298	5,492	7,527	0	0	0
22		6,097,098	(7,548,936)	7,422,726	3,517,839	1,180,206	1,375,379	149,884
23		301,190,482	188,076,736	50,965,500	46,448,129	4,301,903	11,032,931	365,283
24		47,442,314	14,187,516	15,094,365	12,006,485	1,700,178	4,238,366	215,403
25		3.77%	1.88%	8.38%	5.09%	21.53%	5.37%	25.92%
26		1.00	0.50	2.22	1.35	5.72	1.42	6.88

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
SUMMARY OF RESULTS-1								
RATE BASE								
1	Total System Electric Distribution	1,378,059,502	321,803,899	5,856,734	379,700,101	54,934,283	142,797,394	8,126,283
2	Less: Depreciation Reserve	334,680,199	78,899,490	1,494,688	90,267,606	13,524,543	33,234,322	2,314,000
3	Total Net Plant	1,043,379,303	242,904,409	4,362,046	289,432,494	41,409,740	109,563,071	5,812,282
ADD:								
4	Working Capital	53,753,252	13,251,426	264,607	10,592,720	1,967,242	2,635,477	1,493,874
5	Plant Held for Future Use	4,010,507	978,550	21,122	995,192	170,194	334,037	42,847
6	Materials & Supplies	12,381,933	2,857,906	49,371	3,499,237	485,354	1,348,086	57,701
DEDUCT:								
7	Customer Advances	295,235	68,144	1,177	83,436	11,573	32,144	1,376
8	Customer Deposits	21,875,802	4,668,371	80,647	5,715,981	792,823	0	0
9	Deferred FIT	267,094,183	62,337,228	1,131,799	73,683,286	10,638,837	27,743,800	1,559,267
10	Deferred SIT	68,568,083	16,002,243	290,467	18,918,212	2,730,970	7,124,085	399,886
11	TOTAL RATE BASE	755,691,691	176,916,305	3,193,055	206,118,728	29,858,327	78,980,642	5,446,176
DEVELOPMENT OF RETURN								
12	Revenue - Retail Sales	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
13	Settlement Net Base Revenue Increase	0	0	0	0	0	0	0
14	Total Revenue - Retail Sales ACE	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
15	Other Operating Revenue	5,874,576	1,315,527	28,800	1,490,060	298,736	166,926	10,845
16	Total Electric Operating Revenue	202,264,252	64,674,255	1,385,610	49,215,785	9,238,829	15,271,298	3,416,416
LESS:								
17	Operating & Maintenance Expense	159,086,050	34,064,373	752,980	25,985,029	5,608,227	6,011,826	1,629,480
18	Depreciation & Amortization Expense	33,480,238	7,830,701	143,495	9,192,454	1,337,688	3,445,210	203,099
19	Other Taxes	3,125,246	750,167	16,938	698,138	130,631	210,497	36,601
20	Net ITC Adjustment	(91,160)	(21,012)	(361)	(25,838)	(3,566)	(9,981)	(412)
21	Interest on Customer Deposits	25,298	5,399	93	6,610	917	0	0
22	Income Taxes	(7,548,936)	7,258,915	163,812	2,981,588	536,251	1,375,379	621,184
23	Total Operating Expenses	188,076,736	49,888,543	1,076,957	38,837,981	7,610,148	11,032,931	2,489,953
24	OPERATING INCOME	14,187,516	14,785,711	308,654	10,377,804	1,628,681	4,238,366	926,463
25	RATE OF RETURN	1.88%	8.36%	9.67%	5.03%	5.45%	5.37%	17.01%
26	RELATIVE RATE OF RETURN	0.50	2.22	2.57	1.34	1.45	1.42	4.52

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ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
SUMMARY OF RESULTS-1			
RATE BASE			
1		3,827,591	1,424,231
2		1,220,155	344,224
3		2,607,437	1,080,007
ADD:			
4		710,667	81,460
5		27,525	4,051
6		21,320	12,872
DEDUCT:			
7		508	307
8		0	0
9		728,407	276,120
10		186,648	70,887
11		2,451,386	831,075
TOTAL RATE BASE			
DEVELOPMENT OF RETURN			
12		2,584,750	572,677
13		0	0
14		2,584,750	572,677
15		916	8,008
16		2,585,666	580,686
LESS:			
17		1,130,598	177,706
18		97,832	34,574
19		24,645	3,214
20		(146)	(95)
21		0	0
22		559,022	149,884
23		1,811,950	365,283
24		773,716	215,403
OPERATING INCOME			
25		31.56%	25.92%
26		8.38	6.88
RELATIVE RATE OF RETURN			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOPMENT OF RATE BASE-2								
ELECTRIC PLANT IN SERVICE								
DISTRIBUTION PLANT								
Distribution - ACE								
3601 Land and Land Rights								
1	Substations 23/34.5 KV	PLT362 110,146	68,477	15,674	24,399	591	928	78
2	Substations Remainder	DPRITGSS 8,861,247	5,538,715	1,267,738	1,973,455	0	75,061	6,278
3	Lines 23/34.5 KV	PLT3647 1,151,934	723,448	164,857	249,825	3,180	9,804	820
4	Lines Remainder	DPRITGSS 25,817,503	16,137,207	3,693,592	5,749,720	0	218,693	18,291
5	Total Acct 3601	35,940,830	22,467,847	5,141,861	7,997,399	3,771	304,486	25,466
3610 Structures and Improvements								
6	23/34.5 KV	DEMPRI 2,570,661	1,551,000	355,003	552,624	89,256	21,019	1,758
7	Remainder	DPRITGSS 28,256,132	17,661,470	4,042,476	6,292,818	0	239,349	20,019
8	Total Acct 3610	30,826,793	19,212,470	4,397,479	6,845,443	89,256	260,369	21,777
3620 Station Equipment								
9	23/34.5 KV	DEMPRI 47,997,543	28,959,160	6,628,367	10,318,208	1,666,527	392,457	32,824
10	Remainder	DPRITGSS 262,710,670	164,207,070	37,584,815	58,507,317	0	2,225,346	186,122
11	Total Acct 3620	310,708,213	193,166,230	44,213,182	68,825,525	1,666,527	2,617,802	218,946
3640 Poles, Towers and Fixtures								
12	Demand Primary 23/34.5 KV	DEMPRI 9,456,806	5,705,733	1,305,966	2,032,964	328,351	77,324	6,467
13	Demand Primary Remainder	DPRITGSS 229,874,775	143,683,024	32,887,134	51,194,557	0	1,947,202	162,859
14	Secondary	DEMSEC 32,773,763	21,495,988	4,783,915	6,178,180	0	291,315	24,365
15	Total Acct 3640	272,105,344	170,884,744	38,977,015	59,405,701	328,351	2,315,842	193,691
3650 Overhead Conductors and Devices								
16	Demand Primary 23/34.5 KV	DEMPRI 9,322,383	5,624,629	1,287,403	2,004,067	323,683	76,225	6,375
17	Demand Primary Remainder	DPRITGSS 343,746,912	214,858,701	49,178,300	76,554,597	0	2,911,780	243,534
18	Secondary	DEMSEC 48,348,861	31,711,541	7,057,379	9,114,241	0	429,757	35,944
19	Total Acct 3650	401,418,156	252,194,871	57,523,081	87,672,905	323,683	3,417,763	285,853
3660 Underground Conduit								
20	Demand Primary 23/34.5 KV	DEMPRI 7,957,740	4,801,276	1,098,948	1,710,705	276,301	65,067	5,442
21	Demand Primary Remainder	DPRITGSS 19,064,040	11,915,961	2,727,405	4,245,681	0	161,486	13,506
22	Secondary	DEMSEC 9,756,412	6,399,134	1,424,122	1,839,181	0	86,722	7,253
23	Total Acct 3660	36,778,191	23,116,371	5,250,476	7,795,567	276,301	313,275	26,201
3670 Underground Conductors and Devices								
24	Demand Primary 23/34.5 KV	DEMPRI 42,070,284	25,382,968	5,809,824	9,044,004	1,460,726	343,992	28,771
25	Demand Primary Remainder	DPRITGSS 71,893,571	44,937,012	10,285,485	16,011,150	0	608,990	50,934
26	Secondary	DEMSEC 41,147,485	26,988,229	6,006,209	7,756,710	0	365,746	30,590
27	Total Acct 3670	155,111,339	97,308,209	22,101,518	32,811,863	1,460,726	1,318,728	110,295
28	3680 Line Transformers	DEMTRNSF 453,145,455	297,213,631	66,144,661	85,422,423	0	4,027,860	336,880
29	3691 Services	CUST369 201,265,155	133,241,698	29,652,836	38,295,110	0	0	75,512
30	3700 Meters	CUST370 64,944,537	36,584,294	19,018,569	5,671,449	3,670,224	0	0
31	3711 Installations on Customer Premises	CUST371P 576,123	344,385	80,862	110,826	2,198	37,495	358
32	3712 Installations on Customer Premises	CUST373 30,209,074	0	0	0	0	30,209,074	0
33	372 Leased Property on Customer Premises	CUST372 141,649	0	0	13,606	128,042	0	0
34	3730 Street Lighting and Signal Systems	CUST373 90,857,352	0	0	0	0	90,857,352	0
35	3740 Asset retirement costs for dist plant.	_PLT362 850,400	528,691	121,010	188,374	4,561	7,165	599
36	Total Distribution - ACE	2,084,878,611	1,246,263,441	292,622,549	401,056,191	7,953,642	135,687,209	1,295,579

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	STREET AND PRIVATE LIGHTING	GENERAL SERVICE SUBTRANSMN	
ALLOC		(8)-2	(9)	(10)	(11)	(12)	(13)	(14)	
DEVELOPMENT OF RATE BASE-2									
ELECTRIC PLANT IN SERVICE									
DISTRIBUTION PLANT									
Distribution - ACE									
3601 Land and Land Rights									
1	Substations 23/34.5 KV	PLT362	68,477	15,240	434	19,681	4,717	928	591
2	Substations Remainder	DPRITGSS	5,538,715	1,232,637	35,102	1,591,887	381,569	75,061	0
3	Lines 23/34.5 KV	PLT3647	723,448	161,003	3,854	207,927	41,898	9,804	3,180
4	Lines Remainder	DPRITGSS	16,137,207	3,591,323	102,269	4,638,008	1,111,712	218,693	0
5	Total Acct 3601		22,467,847	5,000,202	141,659	6,457,503	1,539,896	304,486	3,771
3610 Structures and Improvements									
7	23/34.5 KV	DEMPRI	1,551,000	345,174	9,829	445,774	106,850	21,019	89,256
8	Remainder	DPRITGSS	17,661,470	3,930,546	111,929	5,076,098	1,216,720	239,349	0
9	Total Acct 3610		19,212,470	4,275,720	121,759	5,521,872	1,323,570	260,369	89,256
3620 Station Equipment									
11	23/34.5 KV	DEMPRI	28,959,160	6,444,838	183,528	8,323,177	1,995,032	392,457	1,666,527
12	Remainder	DPRITGSS	164,207,070	36,544,155	1,040,660	47,194,894	11,312,423	2,225,346	0
13	Total Acct 3620		193,166,230	42,988,994	1,224,188	55,518,071	13,307,455	2,617,802	1,666,527
3640 Poles, Towers and Fixtures									
15	Demand Primary 23/34.5 KV	DEMPRI	5,705,733	1,269,806	36,160	1,639,889	393,075	77,324	328,351
16	Demand Primary Remainder	DPRITGSS	143,683,024	31,976,545	910,589	41,296,060	9,898,497	1,947,202	0
17	Secondary	DEMSEC	21,495,988	4,783,915	0	6,178,180	0	291,315	0
18	Total Acct 3640		170,884,744	38,030,266	946,749	49,114,130	10,291,572	2,315,842	328,351
3650 Overhead Conductors and Devices									
20	Demand Primary 23/34.5 KV	DEMPRI	5,624,629	1,251,757	35,646	1,616,579	387,487	76,225	323,683
21	Demand Primary Remainder	DPRITGSS	214,858,701	47,816,636	1,361,664	61,752,722	14,801,875	2,911,780	0
22	Secondary	DEMSEC	31,711,541	7,057,379	0	9,114,241	0	429,757	0
23	Total Acct 3650		252,194,871	56,125,771	1,397,310	72,483,542	15,189,363	3,417,763	323,683
3660 Underground Conduit									
25	Demand Primary 23/34.5 KV	DEMPRI	4,801,276	1,068,520	30,428	1,379,939	330,766	65,067	276,301
26	Demand Primary Remainder	DPRITGSS	11,915,961	2,651,888	75,517	3,424,776	820,905	161,486	0
27	Secondary	DEMSEC	6,399,134	1,424,122	0	1,839,181	0	86,722	0
28	Total Acct 3660		23,116,371	5,144,530	105,945	6,643,896	1,151,671	313,275	276,301
3670 Underground Conductors and Devices									
31	Demand Primary 23/34.5 KV	DEMPRI	25,382,968	5,648,960	160,864	7,295,340	1,748,663	343,992	1,460,726
32	Demand Primary Remainder	DPRITGSS	44,937,012	10,000,697	284,788	12,915,385	3,095,765	608,990	0
33	Secondary	DEMSEC	26,988,229	6,006,209	0	7,756,710	0	365,746	0
34	Total Acct 3670		97,308,209	21,655,866	445,652	27,967,435	4,844,428	1,318,728	1,460,726
35	3680 Line Transformers	DEMTRNSF	297,213,631	66,144,661	0	85,422,423	0	4,027,860	0
36	3691 Services	CUST369	133,241,698	29,652,836	0	38,295,110	0	0	0
37	3700 Meters	CUST370	36,584,294	18,437,313	581,256	4,531,153	1,140,296	0	1,646,065
38	3711 Installations on Customer Premises	CUST3711P	344,385	79,488	1,373	97,326	13,499	37,495	1,605
39	3712 Installations on Customer Premises	CUST373	0	0	0	0	0	30,209,074	0
40	372 Leased Property on Customer Premises	CUST372	0	0	0	0	13,606	0	6,903
41	3730 Street Lighting and Signal Systems	CUST373	0	0	0	0	0	90,857,352	0
42	3740 Asset retirement costs for dist plant.	_PLT362	528,691	117,660	3,351	151,951	36,422	7,165	4,561
Total Distribution - ACE			1,246,263,441	287,653,307	4,969,242	352,204,412	48,851,779	135,687,209	5,807,750

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEVELOPMENT OF RATE BASE-2		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
ELECTRIC PLANT IN SERVICE				
DISTRIBUTION PLANT				
Distribution - ACE				
3601 Land and Land Rights				
1	Substations 23/34.5 KV	_PLT362	0	78
2	Substations Remainder	DPRITGSS	0	6,278
3	Lines 23/34.5 KV	_PLT3647	0	820
4	Lines Remainder	DPRITGSS	0	18,291
5	Total Acct 3601		0	25,466
3610 Structures and Improvements				
7	23/34.5 KV	DEMPRI	0	1,758
8	Remainder	DPRITGSS	0	20,019
9	Total Acct 3610		0	21,777
3620 Station Equipment				
11	23/34.5 KV	DEMPRI	0	32,824
12	Remainder	DPRITGSS	0	186,122
13	Total Acct 3620		0	218,946
3640 Poles, Towers and Fixtures				
15	Demand Primary 23/34.5 KV	DEMPRI	0	6,467
16	Demand Primary Remainder	DPRITGSS	0	162,859
17	Secondary	DEMSEC	0	24,365
18	Total Acct 3640		0	193,691
3650 Overhead Conductors and Devices				
20	Demand Primary 23/34.5 KV	DEMPRI	0	6,375
21	Demand Primary Remainder	DPRITGSS	0	243,534
22	Secondary	DEMSEC	0	35,944
23	Total Acct 3650		0	285,853
3660 Underground Conduit				
25	Demand Primary 23/34.5 KV	DEMPRI	0	5,442
26	Demand Primary Remainder	DPRITGSS	0	13,506
27	Secondary	DEMSEC	0	7,253
28	Total Acct 3660		0	26,201
3670 Underground Conductors and Devices				
31	Demand Primary 23/34.5 KV	DEMPRI	0	28,771
32	Demand Primary Remainder	DPRITGSS	0	50,934
33	Secondary	DEMSEC	0	30,590
34	Total Acct 3670		0	110,295
3680 Line Transformers				
35	3681 Services	DEMTRNSF	0	336,880
36	3700 Meters	CUST369	0	75,512
37	3711 Installations on Customer Premises	CUST370	2,024,159	0
38	3712 Installations on Customer Premises	CUST371P	593	358
39	372 Leased Property on Customer Premises	CUST373	0	0
40	3730 Street Lighting and Signal Systems	CUST372	121,139	0
41	3740 Asset retirement costs for dist plant.	CUST373	0	0
42		_PLT362	0	599
Total Distribution - ACE			2,145,891	1,295,579

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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ALLOC		TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CONT-3								
ELECTRIC PLANT IN SERVICE								
General Plant								
1	3891 Land and Land Rights	LABOR 312,407	194,537	51,718	49,563	5,905	10,495	190
2	3903 Structures and Improvements	LABOR 20,086,173	12,507,729	3,325,189	3,186,643	379,631	674,772	12,209
3	3911 Office Furniture and Equipment	LABOR 2,034,357	1,266,801	336,780	322,748	38,450	68,342	1,237
4	3912 Office Furniture and Equipment	LABOR 0	0	0	0	0	0	0
5	3913 Office Furniture and Equipment	LABOR 672,970	419,061	111,408	106,766	12,719	22,608	409
6	3915 Office Furniture and Equipment	LABOR 0	0	0	0	0	0	0
7	3920 Transportation Equipment	LABOR 210,684	131,194	34,878	33,425	3,982	7,078	128
8	3931 Stores Equipment	LABOR 526,264	327,706	87,121	83,491	9,946	17,679	320
9	3932 Stores Equipment	LABOR 0	0	0	0	0	0	0
10	3941 Tools, Shop and Garage Equipment	LABOR 9,579,259	5,965,038	1,585,810	1,519,736	181,049	321,804	5,823
11	3942 Tools, Shop and Garage Equipment	LABOR 0	0	0	0	0	0	0
12	3951 Laboratory Equipment	LABOR 2,434,809	1,516,164	403,073	386,279	46,018	81,795	1,480
13	3952 Laboratory Equipment	LABOR 0	0	0	0	0	0	0
14	3960 Power Operated Equipment	LABOR 0	0	0	0	0	0	0
15	3970 Communication Equipment	LABOR 68,798,597	42,841,124	11,389,345	10,914,799	1,300,300	2,311,209	41,819
16	3982 Miscellaneous Equipment	LABOR 1,261,221	785,367	208,790	200,091	23,837	42,369	767
17	399 Other Tangible Property	LABOR 0	0	0	0	0	0	0
18	3991 Other Tangible Property	LABOR 88,077	54,846	14,581	13,973	1,665	2,959	54
19	Total General Plant	106,004,819	66,009,566	17,548,694	16,817,513	2,003,501	3,561,109	64,435
Intangible Plant								
20	3020 000 Franchises and Consents	LABOR 0	0	0	0	0	0	0
21	3030 000 Miscellaneous Intangible Plant	LABOR 14,295,973	8,902,152	2,366,644	2,268,036	270,195	480,257	8,690
22	Total Intangible Plant	14,295,973	8,902,152	2,366,644	2,268,036	270,195	480,257	8,690

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
DEVELOP OF RATE BASE CONT-3								
ELECTRIC PLANT IN SERVICE								
General Plant								
1	LABOR	194,537	50,408	1,310	40,585	8,978	10,495	3,422
2	LABOR	12,507,729	3,240,965	84,225	2,609,400	577,243	674,772	220,034
3	LABOR	1,266,801	328,250	8,530	264,284	58,464	68,342	22,285
4	LABOR	0	0	0	0	0	0	0
5	LABOR	419,061	108,586	2,822	87,426	19,340	22,608	7,372
6	LABOR	0	0	0	0	0	0	0
7	LABOR	131,194	33,995	883	27,370	6,055	7,078	2,308
8	LABOR	327,706	84,914	2,207	68,367	15,124	17,679	5,765
9	LABOR	0	0	0	0	0	0	0
10	LABOR	5,965,038	1,545,642	40,168	1,244,444	275,292	321,804	104,936
11	LABOR	0	0	0	0	0	0	0
12	LABOR	1,516,164	392,864	10,210	316,307	69,972	81,795	26,672
13	LABOR	0	0	0	0	0	0	0
14	LABOR	0	0	0	0	0	0	0
15	LABOR	42,841,124	11,100,861	288,485	8,937,644	1,977,156	2,311,209	753,653
16	LABOR	785,367	203,502	5,289	163,846	36,245	42,369	13,816
17	LABOR	0	0	0	0	0	0	0
18	LABOR	54,846	14,212	369	11,442	2,531	2,959	965
19	LABOR	66,009,566	17,104,197	444,497	13,771,113	3,046,400	3,561,109	1,161,228
Total General Plant								
Intangible Plant								
20	LABOR	0	0	0	0	0	0	0
21	LABOR	8,902,152	2,306,698	59,946	1,857,194	410,842	480,257	156,605
22	LABOR	8,902,152	2,306,698	59,946	1,857,194	410,842	480,257	156,605
Total Intangible Plant								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-3				
ELECTRIC PLANT IN SERVICE				
General Plant				
1	3891 Land and Land Rights	LABOR	2,482	190
2	3903 Structures and Improvements	LABOR	159,597	12,209
3	3911 Office Furniture and Equipment	LABOR	16,164	1,237
4	3912 Office Furniture and Equipment	LABOR	0	0
5	3913 Office Furniture and Equipment	LABOR	5,347	409
6	3915 Office Furniture and Equipment	LABOR	0	0
7	3920 Transportation Equipment	LABOR	1,874	128
8	3931 Stores Equipment	LABOR	4,181	320
9	3932 Stores Equipment	LABOR	0	0
10	3941 Tools, Shop and Garage Equipment	LABOR	76,113	5,823
11	3942 Tools, Shop and Garage Equipment	LABOR	0	0
12	3951 Laboratory Equipment	LABOR	19,346	1,480
13	3952 Laboratory Equipment	LABOR	0	0
14	3960 Power Operated Equipment	LABOR	0	0
15	3970 Communication Equipment	LABOR	546,647	41,819
16	3982 Miscellaneous Equipment	LABOR	10,021	767
17	399 Other Tangible Property	LABOR	0	0
18	3991 Other Tangible Property	LABOR	700	54
19	Total General Plant		842,273	64,435
Intangible Plant				
20	3020 000 Franchises and Consents	LABOR	0	0
21	3030 000 Miscellaneous Intangible Plant	LABOR	113,590	8,690
22	Total Intangible Plant		113,590	8,690

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CONT-4								
ELECTRIC PLANT IN SERVICE								
1 Total pre-Service Co Electric Plant In Service		2,205,179,403	1,321,175,160	312,537,887	420,141,739	10,227,338	139,728,575	1,368,703
2 Service Company Assets	SERVCO	91,350,613	56,884,342	15,122,746	14,492,644	1,726,535	3,068,818	55,527
3 Total System Electric Distribution		2,296,530,016	1,378,059,502	327,660,633	434,634,384	11,953,874	142,797,394	1,424,231

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEVELOP OF RATE BASE CONT-4		RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
ELECTRIC PLANT IN SERVICE								
1	Total pre-Service Co Electric Plant In Service	1,321,175,160	307,064,203	5,473,684	367,832,719	52,309,021	139,728,575	7,125,584
2	Service Company Assets	56,884,342	14,739,696	383,049	11,867,382	2,625,262	3,068,818	1,000,699
3	Total System Electric Distribution	1,378,059,502	321,803,899	5,856,734	379,700,101	54,934,283	142,797,394	8,126,283

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-4			
ELECTRIC PLANT IN SERVICE			
1 Total pre-Service Co Electric Plant In Service		3,101,755	1,368,703
2 Service Company Assets	SERVCO	725,836	55,527
3 Total System Electric Distribution		3,827,591	1,424,231

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CONT-5								
DEPRECIATION RESERVE								
1	Distribution	462,301,881	276,346,992	64,886,250	88,930,372	1,763,644	30,087,340	287,282
2	General	34,178,288	21,282,938	5,658,085	5,422,337	645,973	1,148,180	20,775
3	Intangible	13,792,400	8,588,575	2,283,279	2,188,145	260,678	463,340	8,384
4	Other	0	0	0	0	0	0	0
5	Service Company Assets Reserve	45,706,658	28,461,894	7,566,563	7,251,296	863,860	1,535,462	27,783
6	Total Depreciation Reserve	555,979,227	334,680,199	80,394,178	103,792,149	3,534,155	33,234,322	344,224
7	Total Net Plant	1,740,550,789	1,043,379,303	247,266,455	330,842,234	8,419,719	109,563,071	1,080,007
PLANT HELD FOR FUTURE USE								
8	Distribution - ACE	3,584,070	2,142,425	503,041	689,447	13,673	233,257	2,227
9	General	2,999,955	1,868,082	496,631	475,939	56,699	100,780	1,824
10	Total Plant Held for Future Use	6,584,025	4,010,507	999,672	1,165,386	70,372	334,037	4,051
MATERIALS & SUPPLIES								
11	Distribution	20,713,780	12,381,933	2,907,277	3,984,592	79,021	1,348,086	12,872
12	Labor Stock	0	0	0	0	0	0	0
13	Total Materials & Supplies	20,713,780	12,381,933	2,907,277	3,984,592	79,021	1,348,086	12,872
Cash Working Capital								
13	O&M - Distribution	15,762,497	10,895,813	2,340,871	2,124,105	185,568	404,192	11,948
14	Depreciation	8,393,822	5,017,517	1,178,113	1,614,672	32,022	546,283	5,216
15	Deferred Tax Distribution	0	0	0	0	0	0	0
16	Other Taxes	873,698	546,533	134,149	144,933	10,710	36,811	562
17	Tax on Sales Revenue	20,877,886	13,356,087	3,087,878	3,313,230	203,615	901,507	15,570
18	Net ITC Adjustment	1,718	1,031	245	325	9	107	1
19	FIT & SIT	0	0	0	0	0	0	0
20	Cost of Electric Supply	31,732,610	22,022,249	4,507,431	3,561,869	1,516,705	108,615	15,741
21	Invested Capital Distribution	7,141,043	2,135,513	2,272,012	1,807,223	255,912	637,961	32,423
22	IOCD	(32,549)	(21,490)	(4,665)	(6,394)	0	0	0
	Total Cash Working Capital	84,750,725	53,753,252	13,516,033	12,559,962	2,204,541	2,635,477	81,460

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
DEVELOP OF RATE BASE CONT-5									
DEPRECIATION RESERVE									
1	Distribution	DISTPLT	276,346,992	63,784,368	1,101,882	78,097,958	10,832,414	30,087,340	1,287,813
2	General	GENPLT	21,282,938	5,514,770	143,316	4,440,110	982,226	1,148,180	374,406
3	Intangible	INTPLT	8,588,575	2,225,445	57,834	1,791,774	396,370	463,340	151,089
4	Other	PLANT	0	0	0	0	0	0	0
5	Service Company Assets Reserve	SERVCO	28,461,694	7,374,907	191,656	5,937,764	1,313,532	1,535,462	500,693
6	Total Depreciation Reserve		334,680,199	78,899,490	1,494,688	90,267,606	13,524,543	33,234,322	2,314,000
7	Total Net Plant		1,043,379,303	242,904,409	4,362,046	289,432,494	41,409,740	109,563,071	5,812,282
PLANT HELD FOR FUTURE USE									
8	Distribution - ACE	DISTPLT	2,142,425	494,499	8,543	605,467	83,980	233,257	9,984
9	General	GENPLT	1,868,082	484,052	12,579	389,725	86,214	100,780	32,863
10	Total Plant Held for Future Use		4,010,507	978,550	21,122	995,192	170,194	334,037	42,847
MATERIALS & SUPPLIES									
11	Distribution	DISTPLT	12,381,933	2,857,906	49,371	3,499,237	485,354	1,348,086	57,701
12	Labor Stock	LABOR	0	0	0	0	0	0	0
13	Total Materials & Supplies		12,381,933	2,857,906	49,371	3,499,237	485,354	1,348,086	57,701
Cash Working Capital									
13	O&M - Distribution	DISTOMEXP	10,695,813	2,290,246	50,625	1,747,048	377,057	404,192	109,555
14	Depreciation	DISTPLT	5,017,517	1,158,106	20,006	1,417,992	196,680	546,283	23,382
15	Deferred Tax Distribution	PLANT	0	0	0	0	0	0	0
16	Other Taxes	OTHTAX	546,533	131,187	2,962	122,088	22,844	36,811	6,401
17	Tax on Sales Revenue	CLAIMREV	13,356,087	3,026,281	61,597	2,816,383	496,846	901,507	125,306
18	Net ITC Adjustment	PLANT	1,031	241	4	284	41	107	6
19	FIT & SIT	CLAIMREV	0	0	0	0	0	0	0
20	Cost of Electric Supply	BGSNUGRV	22,022,249	4,424,398	83,032	2,932,467	629,402	108,615	1,089,772
21	Invested Capital Distribution	NETINC	2,135,513	2,225,553	46,459	1,562,073	245,150	637,961	139,452
22	IOCD	CUSTDEP	(21,490)	(4,586)	(79)	(5,615)	(779)	0	0
	Total Cash Working Capital		53,753,252	13,251,426	264,607	10,592,720	1,967,242	2,635,477	1,493,874

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-5			
DEPRECIATION RESERVE			
1	Distribution	475,831	287,282
2	General	271,567	20,775
3	Intangible	109,589	8,384
4	Other	0	0
5	Service Company Assets Reserve	363,167	27,783
6	Total Depreciation Reserve	1,220,155	344,224
7	Total Net Plant	2,607,437	1,080,007
PLANT HELD FOR FUTURE USE			
8	Distribution - ACE	3,689	2,227
9	General	23,836	1,824
10	Total Plant Held for Future Use	27,525	4,051
MATERIALS & SUPPLIES			
11	Distribution	21,320	12,872
12	Labor Stock	0	0
13	Total Materials & Supplies	21,320	12,872
Cash Working Capital			
13	O&M - Distribution	76,013	11,948
14	Depreciation	8,639	5,216
15	Deferred Tax Distribution	0	0
16	Other Taxes	4,310	562
17	Tax on Sales Revenue	78,308	15,570
18	Net ITC Adjustment	3	1
19	FIT & SIT	0	0
20	Cost of Electric Supply	426,933	15,741
21	Invested Capital Distribution	116,460	32,423
22	IOCD	0	0
	Total Cash Working Capital	710,667	81,460

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CONT-6								
CUSTOMER ADVANCES								
1	ACE	493,900	295,235	69,321	95,009	1,884	32,144	307
2	Total Customer Advances	493,900	295,235	69,321	95,009	1,884	32,144	307
CUSTOMER DEPOSITS								
3	ACE	33,133,624	21,875,802	4,749,017	6,508,804	0	0	0
4	Total Customer Deposits	33,133,624	21,875,802	4,749,017	6,508,804	0	0	0
DEFERRED FIT								
5	Labor	(2,164,269)	(1,347,698)	(358,286)	(343,358)	(40,905)	(72,706)	(1,316)
6	Plant	447,357,198	268,441,881	63,827,314	84,665,482	2,328,579	27,816,506	277,436
7	Total Deferred FIT	445,192,929	267,094,183	63,469,028	84,322,124	2,287,674	27,743,800	276,120
DEFERRED SIT								
8	Labor	(611,567)	(380,825)	(101,243)	(97,024)	(11,559)	(20,545)	(372)
9	Plant	114,903,049	68,948,909	16,393,953	21,746,206	598,092	7,144,629	71,259
10	Total Deferred SIT	114,291,481	68,568,083	16,292,711	21,649,182	586,533	7,124,085	70,887
11	Total Rate Base	1,259,487,385	755,691,691	180,109,360	235,977,055	7,897,562	78,980,642	831,075

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	STREET AND PRIVATE LIGHTING	GENERAL SERVICE SUBTRANSMN	
		(8)-2	(9)	(10)	(11)	(12)	(13)	(14)	
DEVELOP OF RATE BASE CONT-6		ALLOC							
CUSTOMER ADVANCES									
1	ACE	DISTPLT	295,235	68,144	1,177	83,436	11,573	32,144	1,376
2	Total Customer Advances		295,235	68,144	1,177	83,436	11,573	32,144	1,376
CUSTOMER DEPOSITS									
3	ACE	CUSPDEP	21,875,802	4,668,371	80,647	5,715,981	792,823	0	0
4	Total Customer Deposits		21,875,802	4,668,371	80,647	5,715,981	792,823	0	0
DEFERRED FIT									
5	Labor	LABOR	(1,347,698)	(349,211)	(9,075)	(281,161)	(62,197)	(72,706)	(23,708)
6	Plant	PLANT	268,441,881	62,686,440	1,140,874	73,964,447	10,701,035	27,816,506	1,582,976
7	Total Deferred FIT		267,094,183	62,337,228	1,131,799	73,683,286	10,638,837	27,743,800	1,559,267
DEFERRED SIT									
8	Labor	LABOR	(380,825)	(98,678)	(2,564)	(79,449)	(17,575)	(20,545)	(6,699)
9	Plant	PLANT	68,948,909	16,100,921	293,032	18,997,661	2,748,545	7,144,629	406,585
10	Total Deferred SIT		68,568,083	16,002,243	290,467	18,918,212	2,730,970	7,124,085	399,886
11	Total Rate Base		755,691,691	176,916,305	3,193,055	206,118,728	29,858,327	78,980,642	5,446,176

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CON'T-6				
CUSTOMER ADVANCES				
1	ACE	DISTPLT	508	307
2	Total Customer Advances		508	307
CUSTOMER DEPOSITS				
3	ACE	CUSPDEP	0	0
4	Total Customer Deposits		0	0
DEFERRED FIT				
5	Labor	LABOR	(17,196)	(1,316)
6	Plant	PLANT	745,603	277,436
7	Total Deferred FIT		728,407	276,120
DEFERRED SIT				
8	Labor	LABOR	(4,859)	(372)
9	Plant	PLANT	191,507	71,259
10	Total Deferred SIT		186,648	70,887
11	Total Rate Base		2,451,386	831,075

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OPERATING REVENUES-7								
ELECTRIC SALES REVENUES								
1		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
2		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
REVENUE - OTHER								
3	CUST	0	0	0	0	0	0	0
4	Other Revenues			117,638	103,006	0	27,456	1,041
5	Late Payment Revenue ACE	249,141	0	113,658	7,844	132	24,774	1,501
6	Miscellaneous Service Revenue ACE	1,157,739	1,009,830	992,904	1,513,306	8,364	58,994	4,934
7	Rent from Electric Property ACE Poll Attach _PLT364	6,931,636	4,353,133	120,127	164,640	3,265	55,702	532
8	Rent from Electric Property ACE Other DISTPLT	855,879	511,613	1,344,327	1,788,796	11,761	166,926	8,008
8	Total Other Revenue	9,194,395	5,874,576					
9	Total Revenue	348,632,796	202,264,252	66,059,865	58,454,614	6,002,082	15,271,298	580,686

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
OPERATING REVENUES-7								
ELECTRIC SALES REVENUES								
1		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
2		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
REVENUE - OTHER								
3	CUST	0	0	0	0	0	0	0
4	LPAY	0	115,172	2,466	86,755	16,251	27,456	0
5	CUST	1,009,830	113,483	176	7,581	262	24,774	96
6	_PLT364	4,353,133	968,786	24,118	1,251,138	262,168	58,994	8,364
7	DISTPLT	511,613	118,087	2,040	144,586	20,054	55,702	2,384
8		5,874,576	1,315,527	28,800	1,490,060	298,736	166,926	10,845
9		202,264,252	64,674,255	1,385,610	49,215,785	9,238,829	15,271,298	3,416,416

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATING REVENUES-7			
ELECTRIC SALES REVENUES			
1		2,584,750	572,677
2		2,584,750	572,677
REVENUE - OTHER			
3	CUST	0	0
4	LPAY	0	1,041
5	CUST	36	1,501
6	_PLT364	0	4,934
7	DISTPLT	881	532
8		916	8,008
9		2,585,666	580,686

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
OPERATION & MAINTENANCE EXP-8									
Distribution Expenses - ACE									
Operation									
1	958000 Operation Supervision & Engineering	TLABDO	4,301,917	2,591,977	838,955	739,123	106,586	23,313	1,963
2	958100 Load dispatching	SALESWOT	2,050,911	1,237,411	283,227	440,892	71,210	16,769	1,403
3	958200 Station expenses	_PLT362	0	0	0	0	0	0	0
4	958300 Overhead line expenses	PLTDOHNL	6,822,640	4,285,701	977,524	1,489,873	6,605	58,080	4,858
5	958400 Underground line expenses	PLTDUGLNL	0	0	0	0	0	0	0
6	958500 Street lighting	_PLT373	0	0	0	0	0	0	0
7	958600 Meter expenses	_PLT370	4,624,376	2,604,985	1,354,217	403,836	261,338	0	0
8	958700 Customer installations expenses	_PLT369	311,992	206,545	45,967	59,363	0	0	117
9	958800 Miscellaneous distribution expenses	_EXPDISTO	15,457,815	9,329,188	2,978,456	2,679,628	379,623	83,781	7,138
10	958900 Rents	_EXPDISTO	3,479,893	2,100,205	670,516	603,243	85,462	18,861	1,607
11	Total Operation		37,049,545	22,356,012	7,148,861	6,415,958	910,824	200,805	17,085
Maintenance									
12	959000 Maintenance Supervision & Engineering	TLABDM	543,084	306,444	74,754	103,566	3,601	54,391	329
13	959200 Maintain equipment	_PLT362	5,116,311	3,180,793	728,041	1,133,323	27,442	43,106	3,605
14	959300 Maintain overhead lines	PLTDOHNL	43,757,026	27,486,355	6,269,364	9,555,305	42,361	372,497	31,155
15	959400 Maintain underground line	PLTDUGLNL	2,389,319	1,499,471	340,574	505,625	21,629	20,321	1,700
16	959500 Maintain line transformers	_PLT368	4,075	2,672	595	768	0	36	3
17	959600 Maintain street lighting & signal systems	_PLT373	1,463,322	0	0	0	1,463,322	0	0
18	959700 Maintain meters	_PLT370	692,902	390,323	202,912	60,509	39,158	0	0
19	959800 Maintain distribution plant	_EXPDISTM	2,385,155	1,453,677	336,702	502,522	5,830	84,797	1,628
20	Total Maintenance		56,351,195	34,319,735	7,952,932	11,861,618	140,021	2,038,470	38,419
21	Total Distribution Expenses - ACE		93,400,740	56,675,747	15,101,793	18,277,577	1,050,845	2,239,274	55,505

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OPERATION & MAINTENANCE EXP-8									
Distribution Expenses - ACE									
Operation									
1	958000 Operation Supervision & Engineering	TLABDO	2,591,977	815,673	23,282	606,158	132,965	23,313	59,630
2	958100 Load dispatching	SALESWOT	1,237,411	275,385	7,842	355,645	85,247	16,769	71,210
3	958200 Station expenses	_PLT362	0	0	0	0	0	0	0
4	958300 Overhead line expenses	PLTDOHLN	4,285,701	953,779	23,745	1,231,757	258,116	58,080	6,605
5	958400 Underground line expenses	PLTDUGLN	0	0	0	0	0	0	0
6	958500 Street lighting	_PLT373	0	0	0	0	0	0	0
7	958600 Meter expenses	_PLT370	2,604,985	1,312,829	41,388	322,641	81,195	0	117,208
8	958700 Customer installations expenses	_PLT369	206,545	45,967	0	59,363	0	0	0
9	958800 Miscellaneous distribution expenses	_EXPDISTO	9,329,188	2,896,773	81,683	2,204,409	475,219	83,781	218,294
10	958900 Rents	_EXPDISTO	2,100,205	652,127	18,389	496,261	106,982	18,861	49,143
11	Total Operation		22,356,012	6,952,532	196,329	5,276,235	1,139,723	200,805	522,091
Maintenance									
12	959000 Maintenance Supervision & Engineering	TLABDM	306,444	72,864	1,890	85,364	18,202	54,391	2,684
13	959200 Maintain equipment	_PLT362	3,180,793	707,883	20,158	914,194	219,129	43,106	27,442
14	959300 Maintain overhead lines	PLTDOHLN	27,486,355	6,117,067	152,287	7,899,877	1,655,428	372,497	42,361
15	959400 Maintain underground line	PLTDUGLN	1,499,471	333,706	6,868	430,964	74,661	20,321	21,629
16	959500 Maintain line transformers	_PLT368	2,672	595	0	768	0	36	0
17	959600 Maintain street lighting & signal systems	_PLT373	0	0	0	0	1,463,322	0	0
18	959700 Maintain meters	_PLT370	390,323	196,710	6,201	48,343	12,166	0	17,562
19	959800 Maintain distribution plant	_EXPDISTM	1,453,677	328,419	8,283	414,952	87,569	84,797	4,866
20	Total Maintenance		34,319,735	7,757,243	195,688	9,794,463	2,067,155	2,038,470	116,544
21	Total Distribution Expenses - ACE		56,675,747	14,709,776	392,017	15,070,698	3,206,878	2,239,274	638,634

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATION & MAINTENANCE EXP-8			
Distribution Expenses - ACE			
Operation			
1	958000 Operation Supervision & Engineering	TLABDO 46,955	1,963
2	958100 Load dispatching	SALESWOT 0	1,403
3	958200 Station expenses	_PLT362 0	0
4	958300 Overhead line expenses	PLTDOHLN 0	4,858
5	958400 Underground line expenses	PLTDUGLN 0	0
6	958500 Street lighting	_PLT373 0	0
7	958600 Meter expenses	_PLT370 144,130	0
8	958700 Customer installations expenses	_PLT369 0	117
9	958800 Miscellaneous distribution expenses	_EXPDISTO 161,329	7,138
10	958900 Rents	_EXPDISTO 36,319	1,607
11	Total Operation	388,733	17,085
Maintenance			
12	959000 Maintenance Supervision & Engineering	TLABDM 917	329
13	959200 Maintain equipment	_PLT362 0	3,605
14	959300 Maintain overhead lines	PLTDOHLN 0	31,155
15	959400 Maintain underground line	PLTDUGLN 0	1,700
16	959500 Maintain line transformers	_PLT368 0	3
17	959600 Maintain street lighting & signal systems	_PLT373 0	0
18	959700 Maintain meters	_PLT370 21,596	0
19	959800 Maintain distribution plant	_EXPDISTM 964	1,628
20	Total Maintenance	23,477	38,419
21	Total Distribution Expenses - ACE	412,211	55,505

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OPERATION & MAINT EXP CONT-9								
Customer Accounts Expenses								
1	990200 Meter reading expenses	CUST902	5,488,160	4,643,636	677,385	135,207	31,932	0
2	990300 Cust records and collection exp	CUST903	54,973,816	47,300,179	5,984,691	470,987	14,946	1,134,269
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0	0	0	0	0
4	Total Customer Accounts Expenses		60,461,976	51,943,815	6,662,075	606,194	46,879	1,134,269
Customer Service Expenses								
5	990700 Supervision	CSERV	(0)	(0)	(0)	(0)	(0)	(0)
6	990800 Customer assistance expenses	CSERV	4,816,425	3,233,419	577,388	686,821	240,503	71,560
7	990900 Informational & instructional adv	CSERV	461,294	309,681	55,299	65,780	23,034	6,854
8	991000 Miscellaneous customer service & informa	CSERV	(2,800)	(1,880)	(336)	(399)	(140)	(42)
9	Total Customer Service Expenses		5,274,919	3,541,221	632,352	752,202	263,398	78,372
Sales Expense								
10	991200 Demonstrating & selling expenses	CSALES	0	0	0	0	0	0
11	991300 Advertising expense	CSALES	0	0	0	0	0	0
12	Total Sales Expense		0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OPERATION & MAINT EXP CONT-9									
Customer Accounts Expenses									
1	990200 Meter reading expenses	CUST902	4,643,636	656,767	20,618	87,516	47,691	0	19,275
2	990300 Cust records and collection exp	CUST903	47,300,179	5,965,623	19,068	435,495	35,492	1,134,269	10,308
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0	0	0	0	0	0
4	Total Customer Accounts Expenses		51,943,815	6,622,389	39,686	523,011	83,183	1,134,269	29,582
Customer Service Expenses									
5	990700 Supervision	CSERV	(0)	(0)	(0)	(0)	(0)	(0)	(0)
6	990800 Customer assistance expenses	CSERV	3,233,419	569,409	7,979	534,989	151,833	71,560	136,504
7	990900 Informational & instructional adv	CSERV	309,681	54,535	764	51,239	14,542	6,854	13,074
8	991000 Miscellaneous customer service & informa	CSERV	(1,880)	(331)	(5)	(311)	(88)	(42)	(79)
9	Total Customer Service Expenses		3,541,221	623,613	8,739	585,916	166,286	78,372	149,498
Sales Expense									
10	991200 Demonstrating & selling expenses	CSALES	0	0	0	0	0	0	0
11	991300 Advertising expense	CSALES	0	0	0	0	0	0	0
12	Total Sales Expense		0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
OPERATION & MAINT EXP CONT-9				
Customer Accounts Expenses				
1	990200 Meter reading expenses	CUST902	12,658	0
2	990300 Cust records and collection exp	CUST903	4,638	68,744
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0
4	Total Customer Accounts Expenses		17,296	68,744
Customer Service Expenses				
5	990700 Supervision	CSERV	(0)	(0)
6	990800 Customer assistance expenses	CSERV	104,000	6,733
7	990900 Informational & instructional adv	CSERV	9,961	645
8	991000 Miscellaneous customer service & informa	CSERV	(60)	(4)
9	Total Customer Service Expenses		113,900	7,374
Sales Expense				
10	991200 Demonstrating & selling expenses	CSALES	0	0
11	991300 Advertising expense	CSALES	0	0
12	Total Sales Expense		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OPERATION & MAINT EXP CONT-10								
Administrative & General Expense								
Operation								
		1,891,897	1,178,091	313,196	300,147	35,757	63,556	1,150
1	992000 Administrative & General salaries	LABOR	189,532	50,387	48,288	5,753	10,225	185
2	992100 Office supplies & expenses	LABOR	37,509,393	9,971,901	9,556,413	1,138,473	2,023,571	36,615
3	992300 Outside services employed	LABOR	187,655	44,619	59,186	1,628	19,445	194
4	992400 Property insurance	PLANT	(256,422)	(42,450)	(40,681)	(4,846)	(8,614)	(156)
5	992500 Injuries & damages	LABOR	11,010,729	6,856,419	1,822,784	208,104	369,893	6,693
6	992600 Employee pensions & benefits	LABOR						
	992800 Regulatory commission expenses		1,405,755	325,005	348,724	21,431	94,885	1,639
7	Regulatory commission exp - NJ Retail	CLAIMREV	2,197,439	325,005	348,724	21,431	94,885	1,639
8	Total Acct 992800 Regulatory comm Exp		(3,923,198)	(649,470)	(622,410)	(74,149)	(131,795)	(2,385)
9	992900 Duplicate charges-Credit	LABOR	226,620	60,247	57,737	6,878	12,226	221
10	993010 General ad expenses	LABOR	477,285	126,866	121,600	14,486	25,749	466
11	993020 Miscellaneous general expenses	LABOR	34	9	9	1	2	0
12	993100 Rents	LABOR	55					
13	Total Operation		45,428,120	12,023,115	11,575,849	1,353,516	2,479,142	44,622
Maintenance								
14	993500 Maintenance of general plant	GENPLT	1,497,147	398,018	381,434	45,441	80,769	1,461
15	Total Maintenance		1,497,147	398,018	381,434	45,441	80,769	1,461
16	Total Administrative & General Exp		46,925,267	12,421,133	11,957,283	1,398,957	2,559,911	46,083
17	Total Operation & Maintenance Expense		234,446,269	159,086,050	34,817,353	31,593,256	2,760,078	6,011,826

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OPERATION & MAINT EXP CONT-10									
Administrative & General Expense									
Operation									
1	992000 Administrative & General salaries	LABOR	1,178,091	305,263	7,933	245,777	54,370	63,556	20,725
2	992100 Office supplies & expenses	LABOR	189,532	49,111	1,276	39,541	8,747	10,225	3,334
3	992300 Outside services employed	LABOR	37,509,393	9,719,319	252,582	7,825,322	1,731,092	2,023,571	659,858
4	992400 Property insurance	PLANT	187,655	43,821	798	51,705	7,481	19,445	1,107
5	992500 Injuries & damages	LABOR	(159,675)	(41,374)	(1,075)	(33,312)	(7,369)	(8,614)	(2,809)
6	992600 Employee pensions & benefits	LABOR	6,856,419	1,776,614	46,170	1,430,407	316,430	369,893	120,617
992800 Regulatory commission expenses									
7	Regulatory commission exp - NJ Retail	CLAIMREV	1,405,755	318,522	6,483	296,430	52,294	94,885	13,189
8	Total Acct 992800 Regulatory comm Exp		1,405,755	318,522	6,483	296,430	52,294	94,885	13,189
9	992900 Duplicate charges-Credit	LABOR	(2,442,989)	(633,020)	(16,451)	(509,664)	(112,746)	(131,795)	(42,977)
10	993010 General ad expenses	LABOR	226,620	58,721	1,526	47,278	10,459	12,226	3,987
11	993020 Miscellaneous general expenses	LABOR	477,285	123,673	3,214	99,573	22,027	25,749	8,396
12	993100 Rents	LABOR	34	9	0	7	2	2	1
13	Total Operation		45,428,120	11,720,659	302,456	9,493,064	2,082,785	2,479,142	785,428
Maintenance									
14	993500 Maintenance of general plant	GENPLT	1,497,147	387,936	10,082	312,339	69,095	80,769	26,338
15	Total Maintenance		1,497,147	387,936	10,082	312,339	69,095	80,769	26,338
16	Total Administrative & General Exp		46,925,267	12,108,595	312,538	9,805,403	2,151,880	2,559,911	811,765
17	Total Operation & Maintenance Expense		159,086,050	34,064,373	752,980	25,985,029	5,608,227	6,011,826	1,629,480

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATION & MAINT EXP CON'T-10				
Administrative & General Expense				
Operation				
1	992000 Administrative & General salaries	LABOR	15,032	1,150
2	992100 Office supplies & expenses	LABOR	2,418	185
3	992300 Outside services employed	LABOR	478,615	36,615
4	992400 Property insurance	PLANT	521	194
5	992500 Injuries & damages	LABOR	(2,037)	(156)
6	992600 Employee pensions & benefits	LABOR	87,487	6,693
	992800 Regulatory commission expenses			
7	Regulatory commission exp - NJ Retail	CLAIMREV	8,242	1,639
8	Total Acct 992800 Regulatory comm Exp		8,242	1,639
9	992900 Duplicate charges-Credit	LABOR	(31,172)	(2,385)
10	993010 General ad expenses	LABOR	2,892	221
11	993020 Miscellaneous general expenses	LABOR	6,090	466
12	993100 Rents	LABOR	0	0
13	Total Operation		568,088	44,622
Maintenance				
14	993500 Maintenance of general plant	GENPLT	19,103	1,461
15	Total Maintenance		19,103	1,461
16	Total Administrative & General Exp		587,192	46,083
17	Total Operation & Maintenance Expense		1,130,598	177,706

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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DEPRECIATION & AMORT EXP-11		ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
Depreciation & Amortization									
Acct 403 Depreciation									
Distribution									
1	ACE	DISTPLT	49,662,730	29,686,546	6,970,398	9,553,336	189,459	3,232,129	30,861
2	General	GENPLT	5,692,933	3,545,009	942,443	903,176	107,597	191,248	3,460
3	A/C 403 Total		55,355,663	33,231,555	7,912,842	10,456,511	297,056	3,423,377	34,322
Acct 404 Amortization									
4	Amort of Limited Term Plant	LABOR	0	0	0	0	0	0	0
5	Amort of Software - Elec	LABOR	127,237	79,231	21,064	20,186	2,405	4,274	77
	A/C 404 Total		127,237	79,231	21,064	20,186	2,405	4,274	77
Acct 405 Amortization of Intangible									
Electric									
6	Intangible - Software	LABOR	0	0	0	0	0	0	0
7	Misc. Amortization	PLANT	0	0	0	0	0	0	0
8	General	PLANT	0	0	0	0	0	0	0
9	A/C 405 Total		0	0	0	0	0	0	0
Acct 407 Amortization - Other									
10	Misc. Amortization	PLANT	282,392	169,452	40,291	53,445	1,470	17,559	175
11	A/C 407 Total		282,392	169,452	40,291	53,445	1,470	17,559	175
12	Total Depreciation and Amortization		55,765,291	33,480,238	7,974,196	10,530,142	300,931	3,445,210	34,574

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEPRECIATION & AMORT EXP-11		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
Depreciation & Amortization									
Acct 403 Depreciation									
Distribution									
1	ACE	DISTPLT	29,686,546	6,852,029	118,370	8,389,665	1,163,671	3,232,129	138,343
2	General	GENPLT	3,545,009	918,572	23,871	739,570	163,605	191,248	62,363
3	A/C 403 Total		33,231,555	7,770,601	142,241	9,129,235	1,327,276	3,423,377	200,706
Acct 404 Amortization									
4	Amort of Limited Term Plant	LABOR	0	0	0	0	0	0	0
5	Amort of Software - Elec	LABOR	79,231	20,530	534	16,529	3,657	4,274	1,394
	A/C 404 Total		79,231	20,530	534	16,529	3,657	4,274	1,394
Acct 405 Amortization of Intangible Electric									
6	Intangible - Software	LABOR	0	0	0	0	0	0	0
7	Misc. Amortization	PLANT	0	0	0	0	0	0	0
8	General	PLANT	0	0	0	0	0	0	0
9	A/C 405 Total		0	0	0	0	0	0	0
Acct 407 Amortization - Other									
10	Misc. Amortization	PLANT	169,452	39,570	720	46,690	6,755	17,559	999
11	A/C 407 Total		169,452	39,570	720	46,690	6,755	17,559	999
12	Total Depreciation and Amortization		33,480,238	7,830,701	143,495	9,192,454	1,337,688	3,445,210	203,099

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEPRECIATION & AMORT EXP-11				
Depreciation & Amortization				
Acct 403 Depreciation				
Distribution				
1	ACE	DISTPLT	51,116	30,861
2	General	GENPLT	45,234	3,460
3	A/C 403 Total		96,350	34,322
Acct 404 Amortization				
4	Amort of Limited Term Plant	LABOR	0	0
5	Amort of Software - Elec	LABOR	1,011	77
	A/C 404 Total		1,011	77
Acct 405 Amortization of Intangible Electric				
6	Intangible - Software	LABOR	0	0
7	Misc. Amortization	PLANT	0	0
8	General	PLANT	0	0
9	A/C 405 Total		0	0
Acct 407 Amortization - Other				
10	Misc. Amortization	PLANT	471	175
11	A/C 407 Total		471	175
12	Total Depreciation and Amortization		97,832	34,574

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OTHER TAXES & EXPENSES-12								
Other Taxes								
1	Payroll Taxes - FICA	LABOR 1,826,672	1,137,475	302,399	289,799	34,524	61,365	1,110
2	Payroll Taxes - FUTA/SUTA	LABOR 293,549	182,794	48,596	46,571	5,548	9,861	178
3	Property Taxes - New Jersey	1,813,742	1,088,357	258,778	343,263	9,441	112,778	1,125
4	Franchise Tax	PLANT 10,236	6,142	1,460	1,937	53	636	6
5	Misc. Amortization	PLTDOHLN 65,192	40,951	9,341	14,236	63	555	46
6	Sales & Use Taxes	DISTOMEXP 986,687	669,527	146,532	132,963	11,616	25,301	748
7	Total Other Taxes	4,996,078	3,125,246	767,105	828,770	61,246	210,497	3,214
Net ITC Adjustment								
8	Distribution - ACE	DISTPLT (154,211)	(92,182)	(21,644)	(29,665)	(588)	(10,036)	(96)
9	General	GENPLT 1,641	1,022	272	260	31	55	1
10	Total Net ITC Adjustment	(152,570)	(91,160)	(21,373)	(29,404)	(557)	(9,981)	(95)
IOCD								
11	ACE	CUSTDEP 38,316	25,298	5,492	7,527	0	0	0
12	Total Interest on Customer Deposits	38,316	25,298	5,492	7,527	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OTHER TAXES & EXPENSES-12									
Other Taxes									
1	Payroll Taxes - FICA	LABOR	1,137,475	294,739	7,660	237,303	52,496	61,365	20,010
2	Payroll Taxes - FUTA/SUTA	LABOR	182,794	47,365	1,231	38,135	8,436	9,861	3,216
3	Property Taxes - New Jersey	PLANT	1,088,357	254,153	4,626	299,878	43,386	112,778	6,418
4	Franchise Tax	PLANT	8,142	1,434	26	1,692	245	636	36
5	Misc. Amortization	PLTDOHLN	40,951	9,114	227	11,770	2,466	555	63
6	Sales & Use Taxes	DISTOMEXP	669,527	143,363	3,169	109,360	23,603	25,301	6,858
7	Total Other Taxes		3,125,246	750,167	16,938	698,138	130,631	210,497	36,601
Net ITC Adjustment									
8	Distribution - ACE	DISTPLT	(92,182)	(21,277)	(368)	(26,051)	(3,613)	(10,036)	(430)
9	General	GENPLT	1,022	265	7	213	47	55	18
10	Total Net ITC Adjustment		(91,160)	(21,012)	(361)	(25,838)	(3,566)	(9,981)	(412)
IOCD									
11	ACE	CUSTDEP	25,298	5,399	93	6,610	917	0	0
12	Total Interest on Customer Deposits		25,298	5,399	93	6,610	917	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OTHER TAXES & EXPENSES-12			
Other Taxes			
1	Payroll Taxes - FICA	LABOR 14,514	1,110
2	Payroll Taxes - FUTA/SUTA	LABOR 2,332	178
3	Property Taxes - New Jersey	PLANT 3,023	1,125
4	Franchise Tax	PLANT 17	6
5	Misc. Amortization	PLTDOHLN 0	46
6	Sales & Use Taxes	DISTOMEXP 4,758	748
7	Total Other Taxes	24,645	3,214
Net ITC Adjustment			
8	Distribution - ACE	DISTPLT (159)	(96)
9	General	GENPLT 13	1
10	Total Net ITC Adjustment	(146)	(95)
IOCD			
11	ACE	CUSTDEP 0	0
12	Total Interest on Customer Deposits	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOPMENT OF INCOME TAXES-13								
FEDERAL & STATE TAX CALCULATION								
1		348,632,796	202,264,252	66,059,865	58,454,614	6,002,082	15,271,298	580,686
OPERATING REVENUES								
OPERATING EXPENSES								
2		234,446,269	159,086,050	34,817,353	31,593,256	2,760,078	6,011,826	177,706
3		55,765,291	33,480,238	7,974,196	10,530,142	300,931	3,445,210	34,574
4		4,996,078	3,125,246	767,105	828,770	61,246	210,497	3,214
5		53,425,158	6,572,718	22,501,211	15,502,446	2,879,827	5,603,764	365,192
6	PLANT	34,689,946	20,816,105	4,949,437	6,565,315	180,568	2,157,008	21,514
Schedule M								
7	LABOR	591,093	368,076	97,853	93,776	11,172	19,857	359
8	PLANT	(4,400,728)	(2,640,708)	(627,880)	(832,869)	(22,907)	(273,636)	(2,729)
9	LABOR	329,809	205,373	54,599	52,324	6,233	11,080	200
10	PLANT	(115,964,964)	(69,586,123)	(16,545,463)	(21,947,181)	(603,620)	(7,210,659)	(71,918)
11		(119,444,790)	(71,653,382)	(17,020,892)	(22,633,950)	(609,121)	(7,453,358)	(74,087)
12		(100,709,579)	(85,896,769)	530,882	(13,696,819)	2,090,138	(4,006,602)	269,591
TAXABLE INCOME								
State Income Taxes								
		(9,063,862)	(7,730,709)	47,779	(1,232,714)	188,112	(360,594)	24,263
	PLANT	1,708,227	1,025,041	243,724	323,294	8,892	106,217	1,059
	PLANT	(2,983,776)	(1,790,449)	(425,714)	(564,700)	(15,531)	(185,530)	(1,850)
13		(10,339,411)	(8,496,117)	(134,211)	(1,474,120)	181,473	(439,907)	23,472
14		10,339,411	8,496,117	134,211	1,474,120	(181,473)	439,907	(23,472)
15		0	0	0	0	0	0	0
16		(35,248,353)	(30,063,869)	185,809	(4,793,887)	731,548	(1,402,311)	94,357
17		35,248,353	30,063,869	(185,809)	4,793,887	(731,548)	1,402,311	(94,357)
18		0	0	0	0	0	0	0
Deferred State Income Taxes								
19		(10,339,411)	(8,496,117)	(134,211)	(1,474,120)	181,473	(439,907)	23,472
20	LABOR	(29,683)	(18,484)	(4,914)	(4,709)	(561)	(997)	(18)
21	PLANT	10,436,847	6,262,751	1,489,092	1,975,246	54,326	648,959	6,473
22	PLANT	1,275,549	765,408	181,991	241,407	6,639	79,313	791
23		1,343,302	(1,486,442)	1,531,957	737,823	241,877	287,368	30,718
24	PLANT	0	0	0	0	0	0	0
25		1,343,302	(1,486,442)	1,531,957	737,823	241,877	287,368	30,718
Deferred Federal Income Taxes								
26		(35,248,353)	(30,063,869)	185,809	(4,793,887)	731,548	(1,402,311)	94,357
27	LABOR	(105,044)	(65,411)	(17,390)	(16,665)	(1,985)	(3,529)	(64)
28	PLANT	36,934,841	22,163,180	5,269,730	6,990,177	192,253	2,296,595	22,906
29	PLANT	(446,442)	(267,893)	(63,697)	(84,492)	(2,324)	(27,760)	(277)
30	PLANT	3,618,794	2,171,499	516,316	684,882	18,837	225,015	2,244
31		4,753,796	(6,062,494)	5,890,769	2,780,015	938,328	1,088,011	119,166
32	PLANT	0	0	0	0	0	0	0
33		4,753,796	(6,062,494)	5,890,769	2,780,015	938,328	1,088,011	119,166
34		8,097,098	(7,548,936)	7,422,726	3,517,839	1,180,206	1,375,379	149,884
35		301,190,482	188,076,736	50,965,500	46,448,129	4,301,903	11,032,931	365,283
36		47,442,314	14,187,516	15,094,365	12,006,485	1,700,178	4,238,366	215,403

ATLANTIC CITY ELECTRIC

EFFECTIVE STATE TAX RATE	9.00%
FEDERAL TAX RATE - CURRENT	35.00%
1 - INCREMENTAL TAX RATE	0.5915
INCREMENTAL TAX RATE	1.4516
EFFECTIVE INCREMENTAL FEDERAL RATE	0.3185
FACTOR FOR TAXABLE BASIS	1.6947

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
DEVELOPMENT OF INCOME TAXES-13								
FEDERAL & STATE TAX CALCULATION								
1		202,264,252	64,674,255	1,385,610	49,215,785	9,238,829	15,271,298	3,416,416
OPERATING REVENUES								
OPERATING EXPENSES								
2		159,086,050	34,064,373	752,980	25,985,029	5,608,227	6,011,826	1,629,480
3		33,480,238	7,830,701	143,495	9,192,454	1,337,688	3,445,210	203,099
4		3,125,246	750,167	16,938	698,138	130,631	210,497	36,601
5		6,572,718	22,029,012	472,198	13,340,164	2,162,283	5,603,764	1,547,235
6	PLANT	20,816,105	4,860,968	88,468	5,735,512	829,803	2,157,008	122,751
Schedule M								
7	LABOR	368,076	95,375	2,479	76,789	16,987	19,857	6,475
8	PLANT	(2,640,708)	(616,657)	(11,223)	(727,601)	(105,268)	(273,636)	(15,572)
9	LABOR	205,373	53,216	1,383	42,846	9,478	11,080	3,613
10	PLANT	(69,586,123)	(16,249,723)	(295,740)	(19,173,235)	(2,773,947)	(7,210,659)	(410,343)
11		(71,653,382)	(16,717,790)	(303,102)	(19,781,201)	(2,852,750)	(7,453,358)	(415,827)
12		(85,896,769)	450,254	80,629	(12,176,549)	(1,520,270)	(4,006,602)	1,008,658
TAXABLE INCOME								
		(7,730,709)	40,523	7,257	(1,095,889)	(136,824)	(360,594)	90,779
		1,025,041	239,367	4,356	282,432	40,862	106,217	6,045
	PLANT	(1,790,449)	(418,105)	(7,609)	(493,327)	(71,374)	(185,530)	(10,558)
	PLANT	(8,496,117)	(138,215)	4,004	(1,306,784)	(167,336)	(439,907)	86,266
13		8,496,117	138,215	(4,004)	1,306,784	167,336	439,907	(86,266)
14		0	0	0	0	0	0	0
15		(30,063,869)	157,589	28,220	(4,261,792)	(532,094)	(1,402,311)	353,030
16		30,063,869	(157,589)	(28,220)	4,261,792	532,094	1,402,311	(353,030)
17		0	0	0	0	0	0	0
18		0	0	0	0	0	0	0
Deferred State Income Taxes								
19		(8,496,117)	(138,215)	4,004	(1,306,784)	(167,336)	(439,907)	86,266
20	LABOR	(18,484)	(4,789)	(124)	(3,856)	(853)	(997)	(325)
21	PLANT	6,262,751	1,462,475	26,617	1,725,591	249,655	648,959	36,931
22	PLANT	765,408	178,738	3,253	210,895	30,512	79,313	4,514
23		(1,486,442)	1,498,209	33,749	625,846	111,978	287,368	127,385
24	PLANT	0	0	0	0	0	0	0
25		(1,486,442)	1,498,209	33,749	625,846	111,978	287,368	127,385
Deferred Federal Income Taxes								
26		(30,063,869)	157,589	28,220	(4,261,792)	(532,094)	(1,402,311)	353,030
27	LABOR	(65,411)	(16,949)	(440)	(13,646)	(3,019)	(3,529)	(1,151)
28	PLANT	22,163,180	5,175,537	94,193	6,106,675	883,502	2,296,595	130,694
29	PLANT	(267,893)	(62,558)	(1,139)	(73,813)	(10,679)	(27,760)	(1,580)
30	PLANT	2,171,499	507,088	9,229	598,319	86,564	225,015	12,805
31		(6,062,494)	5,760,706	130,063	2,355,742	424,273	1,088,011	493,799
32	PLANT	0	0	0	0	0	0	0
33		(6,062,494)	5,760,706	130,063	2,355,742	424,273	1,088,011	493,799
34		(7,548,936)	7,258,915	163,812	2,981,588	536,251	1,375,379	621,184
35		188,076,736	49,888,543	1,076,957	38,837,981	7,610,148	11,032,931	2,489,953
36		14,187,516	14,785,711	308,654	10,377,804	1,628,681	4,238,366	926,463

ATLANTIC CITY ELECTRIC
EFFECTIVE STATE TAX RATE
FEDERAL TAX RATE - CURRENT
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOPMENT OF INCOME TAXES-13			
FEDERAL & STATE TAX CALCULATION			
1		2,585,666	580,686
OPERATING REVENUES			
OPERATING EXPENSES			
2		1,130,598	177,706
3		97,832	34,574
4		24,645	3,214
5		1,332,591	365,192
6	PLANT	57,817	21,514
Schedule M			
7	LABOR	4,697	359
8	PLANT	(7,335)	(2,729)
9	LABOR	2,621	200
10	PLANT	(193,277)	(71,918)
11		(193,295)	(74,087)
12		1,081,480	269,591
TAXABLE INCOME			
		97,333	24,263
	PLANT	2,847	1,059
	PLANT	(4,973)	(1,850)
13		95,207	23,472
14		(95,207)	(23,472)
15		0	0
16		378,518	94,357
17		(378,518)	(94,357)
18		0	0
Deferred State Income Taxes			
19		95,207	23,472
20	LABOR	(236)	(18)
21	PLANT	17,395	6,473
22	PLANT	2,126	791
23		114,492	30,718
24	PLANT	0	0
25		114,492	30,718
Deferred Federal Income Taxes			
26		378,518	94,357
27	LABOR	(835)	(64)
28	PLANT	61,559	22,906
29	PLANT	(744)	(277)
30	PLANT	6,031	2,244
31		444,529	119,166
32	PLANT	0	0
33		444,529	119,166
34		559,022	149,884
35		1,811,950	365,283
36		773,716	215,403

ATLANTIC CITY ELECTRIC
EFFECTIVE STATE TAX RATE
FEDERAL TAX RATE - CURRENT
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC		TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
DEVELOPMENT OF LABOR ALLOCATOR-14									
Distribution Labor - ACE									
Operation Labor									
1	958000 Operation Supervision & Engineering	LABDO	2,849,738	1,717,015	555,752	489,621	70,606	15,443	1,300
2	958100 Load dispatching	_EXP581	1,151,711	694,881	159,049	247,588	39,989	9,417	788
3	958200 Station expenses	_EXP582	0	0	0	0	0	0	0
4	958300 Overhead line expenses	_EXP583	5,013,344	3,149,176	718,294	1,094,774	4,853	42,678	3,569
5	958400 Underground line expenses	_EXP584	0	0	0	0	0	0	0
6	958500 Street lighting	_EXP585	0	0	0	0	0	0	0
7	958600 Meter expenses	_EXP586	3,439,670	1,937,621	1,007,284	300,378	194,387	0	0
8	958700 Customer installations expenses	_EXP587	9,078	6,010	1,337	1,727	0	0	3
9	958800 Miscellaneous distribution expenses	_EXP588	4,734,737	2,857,536	912,303	820,772	116,279	25,662	2,186
10	958900 Rents	_EXP589	13,867	8,381	2,676	2,407	341	75	6
11	Total Operation Labor		17,212,165	10,370,619	3,356,696	2,957,266	426,455	93,276	7,854
Maintenance Labor									
12	959000 Maintenance Supervision & Engineering	LABDM	0	0	0	0	0	0	0
13	959200 Maintain equipment	_EXP592	2,590,823	1,610,706	368,669	573,898	13,896	21,828	1,826
14	959300 Maintain overhead lines	_EXP593	3,284,241	2,063,024	470,555	717,186	3,179	27,958	2,338
15	959400 Maintain underground line	_EXP594	1,554,441	975,524	221,570	328,949	14,071	13,220	1,106
16	959500 Maintain line transformers	_EXP595	3,085	2,024	450	582	0	27	2
17	959600 Maintain street lighting & signal systems	_EXP596	811,371	0	0	0	0	811,371	0
18	959700 Maintain meters	_EXP597	473,207	266,565	138,575	41,324	26,742	0	0
19	959800 Maintain distribution plant	_EXP598	21,194	12,917	2,992	4,465	52	753	14
20	Total Maintenance Labor		8,738,361	4,930,759	1,202,812	1,666,403	57,941	875,159	5,287
21	Total Distribution Labor - ACE		25,950,526	15,301,378	4,559,508	4,623,669	484,396	968,435	13,140

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC		RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)	
DEVELOPMENT OF LABOR ALLOCATOR-14									
Distribution Labor - ACE									
Operation Labor									
1	958000 Operation Supervision & Engineering	LABDO	1,717,015	540,330	15,423	401,540	88,080	15,443	39,501
2	958100 Load dispatching	_EXP581	694,881	154,645	4,404	199,716	47,871	9,417	39,989
3	958200 Station expenses	_EXP582	0	0	0	0	0	0	0
4	958300 Overhead line expenses	_EXP583	3,149,176	700,847	17,448	905,107	189,666	42,678	4,853
5	958400 Underground line expenses	_EXP584	0	0	0	0	0	0	0
6	958500 Street lighting	_EXP585	0	0	0	0	0	0	0
7	958600 Meter expenses	_EXP586	1,937,621	976,499	30,785	239,984	60,394	0	87,181
8	958700 Customer installations expenses	_EXP587	6,010	1,337	0	1,727	0	0	0
9	958800 Miscellaneous distribution expenses	_EXP588	2,857,536	887,283	25,020	675,212	145,660	25,662	66,864
10	958900 Rents	_EXP589	8,381	2,602	73	1,980	427	75	196
11	Total Operation Labor		10,370,619	3,263,543	93,153	2,425,268	531,998	93,276	238,584
Maintenance Labor									
12	959000 Maintenance Supervision & Engineering	LABDM	0	0	0	0	0	0	0
13	959200 Maintain equipment	_EXP592	1,610,706	358,461	10,208	462,934	110,963	21,828	13,896
14	959300 Maintain overhead lines	_EXP593	2,063,024	459,124	11,430	592,936	124,250	27,958	3,179
15	959400 Maintain underground line	_EXP594	975,524	217,102	4,468	280,376	48,573	13,220	14,071
16	959500 Maintain line transformers	_EXP595	2,024	450	0	582	0	27	0
17	959600 Maintain street lighting & signal systems	_EXP596	0	0	0	0	0	811,371	0
18	959700 Maintain meters	_EXP597	266,565	134,340	4,235	33,015	8,309	0	11,994
19	959800 Maintain distribution plant	_EXP598	12,917	2,918	74	3,687	778	753	43
20	Total Maintenance Labor		4,930,759	1,172,397	30,415	1,373,530	292,873	875,159	43,184
21	Total Distribution Labor - ACE		15,301,378	4,435,940	123,568	3,798,798	824,871	968,435	281,768

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOPMENT OF LABOR ALLOCATOR-14				
Distribution Labor - ACE				
Operation Labor				
1	958000 Operation Supervision & Engineering	LABDO	31,105	1,300
2	958100 Load dispatching	_EXP581	0	788
3	958200 Station expenses	_EXP582	0	0
4	958300 Overhead line expenses	_EXP583	0	3,569
5	958400 Underground line expenses	_EXP584	0	0
6	958500 Street lighting	_EXP585	0	0
7	958600 Meter expenses	_EXP586	107,206	0
8	958700 Customer installations expenses	_EXP587	0	3
9	958800 Miscellaneous distribution expenses	_EXP588	49,415	2,186
10	958900 Rents	_EXP589	145	6
11	Total Operation Labor		187,871	7,854
Maintenance Labor				
12	959000 Maintenance Supervision & Engineering	LABDM	0	0
13	959200 Maintain equipment	_EXP592	0	1,826
14	959300 Maintain overhead lines	_EXP593	0	2,338
15	959400 Maintain underground line	_EXP594	0	1,106
16	959500 Maintain line transformers	_EXP595	0	2
17	959600 Maintain street lighting & signal systems	_EXP596	0	0
18	959700 Maintain meters	_EXP597	14,749	0
19	959800 Maintain distribution plant	_EXP598	9	14
20	Total Maintenance Labor		14,757	5,287
21	Total Distribution Labor - ACE		202,628	13,140

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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DEVEL OF LABOR ALLOC CONT-15		TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
Customer Accounts Labor								
1	990200 Meter reading expenses _EXP902	827,325	700,015	102,114	20,382	4,814	0	0
2	990300 Customer records and collection expenses _EXP903	2,423,369	2,085,098	263,819	20,762	659	50,001	3,030
3	990500 Miscellaneous customer accounts expenst _EXP905	0	0	0	0	0	0	0
4	Total Customer Accounts Labor	3,250,694	2,785,113	365,932	41,144	5,473	50,001	3,030
Customer Service Labor								
5	990700 Supervision _EXP907	0	0	0	0	0	0	0
6	990800 Customer assistance expenses _EXP908	1,999,018	1,342,004	239,640	285,060	99,819	29,700	2,795
7	991000 Miscellaneous customer service & informa _EXP910	0	0	0	0	0	0	0
8	Total Customer Service Labor	1,999,018	1,342,004	239,640	285,060	99,819	29,700	2,795
Sales Labor								
9	991200 Demonstrating & selling expenses _EXP912	0	0	0	0	0	0	0
10	991300 Advertising expense _EXP913	0	0	0	0	0	0	0
11	Total Sales Labor	0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEVEL OF LABOR ALLOC CONT-15		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
Customer Accounts Labor									
1	990200 Meter reading expenses	_EXP902	700,015	99,006	3,108	13,193	7,189	0	2,906
2	990300 Customer records and collection expenses	_EXP903	2,085,098	262,978	841	19,198	1,565	50,001	454
3	990500 Miscellaneous customer accounts expense	_EXP905	0	0	0	0	0	0	0
4	Total Customer Accounts Labor		2,785,113	361,984	3,949	32,390	8,754	50,001	3,360
Customer Service Labor									
5	990700 Supervision	_EXP907	0	0	0	0	0	0	0
6	990800 Customer assistance expenses	_EXP908	1,342,004	236,329	3,312	222,043	63,017	29,700	56,655
7	991000 Miscellaneous customer service & informa	_EXP910	0	0	0	0	0	0	0
8	Total Customer Service Labor		1,342,004	236,329	3,312	222,043	63,017	29,700	56,655
Sales Labor									
9	991200 Demonstrating & selling expenses	_EXP912	0	0	0	0	0	0	0
10	991300 Advertising expense	_EXP913	0	0	0	0	0	0	0
11	Total Sales Labor		0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVEL OF LABOR ALLOC CONT-15				
Customer Accounts Labor				
1	990200 Meter reading expenses	_EXP902	1,908	0
2	990300 Customer records and collection expenses	_EXP903	204	3,030
3	990500 Miscellaneous customer accounts expenst	_EXP905	0	0
4	Total Customer Accounts Labor		2,113	3,030
Customer Service Labor				
5	990700 Supervision	_EXP907	0	0
6	990800 Customer assistance expenses	_EXP908	43,164	2,795
7	991000 Miscellaneous customer service & informa	_EXP910	0	0
8	Total Customer Service Labor		43,164	2,795
Sales Labor				
9	991200 Demonstrating & selling expenses	_EXP912	0	0
10	991300 Advertising expense	_EXP913	0	0
11	Total Sales Labor		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
DEVEL OF LABOR ALLOC CON'T-16									
Administrative & General Labor									
Operation Labor									
1	992000 Administrative & General salaries	_EXP920	802,730	499,863	132,889	127,352	15,172	26,967	488
2	992100 Office supplies & expenses	_EXP921	0	0	0	0	0	0	0
3	992300 Outside services employed	_EXP923	0	0	0	0	0	0	0
4	992800 Regulatory commission expenses	_EXP923	55,620	34,634	9,208	8,824	1,051	1,868	34
5	992900 Duplicate charges-Credit	_EXP923	514,123	320,146	85,111	81,565	9,717	17,271	313
6	993020 Miscellaneous general expenses	_EXP9302	0	0	0	0	0	0	0
7	Total Operation Labor		1,372,472	854,643	227,208	217,741	25,940	46,107	834
Maintenance Labor									
8	993500 Maintenance of general plant	_EXP935	137,959	85,908	22,839	21,887	2,607	4,635	84
9	Total Maintenance Labor		137,959	85,908	22,839	21,887	2,607	4,635	84
10	Total Administrative & General Labor		1,510,432	940,551	250,046	239,628	28,547	50,741	918
11	Total Operation & Maintenance Labor		32,710,669	20,369,046	5,415,127	5,189,501	618,235	1,098,877	19,883

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)	
DEVEL OF LABOR ALLOC CONT-16									
Administrative & General Labor									
Operation Labor									
1	992000 Administrative & General salaries	_EXP920	499,863	129,523	3,366	104,283	23,069	26,967	8,793
2	992100 Office supplies & expenses	_EXP921	0	0	0	0	0	0	0
3	992300 Outside services employed	_EXP923	0	0	0	0	0	0	0
4	992800 Regulatory commission expenses	_EXP923	34,634	8,974	233	7,226	1,598	1,868	609
5	992900 Duplicate charges-Credit	_EXP923	320,146	82,955	2,156	66,790	14,775	17,271	5,632
6	993020 Miscellaneous general expenses	_EXP9302	0	0	0	0	0	0	0
7	Total Operation Labor		854,643	221,453	5,755	178,298	39,443	46,107	15,035
Maintenance Labor									
8	993500 Maintenance of general plant	_EXP935	85,908	22,260	578	17,922	3,965	4,635	1,511
9	Total Maintenance Labor		85,908	22,260	578	17,922	3,965	4,635	1,511
10	Total Administrative & General Labor		940,551	243,713	6,334	196,221	43,407	50,741	16,546
11	Total Operation & Maintenance Labor		20,369,046	5,277,965	137,162	4,249,451	940,049	1,098,877	358,329

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVEL OF LABOR ALLOC CONT-16				
Administrative & General Labor				
Operation Labor				
1	992000 Administrative & General salaries	_EXP920	6,378	488
2	992100 Office supplies & expenses	_EXP921	0	0
3	992300 Outside services employed	_EXP923	0	0
4	992800 Regulatory commission expenses	_EXP923	442	34
5	992900 Duplicate charges-Credit	_EXP923	4,085	313
6	993020 Miscellaneous general expenses	_EXP9302	0	0
7	Total Operation Labor		10,905	834
Maintenance Labor				
8	993500 Maintenance of general plant	_EXP935	1,096	84
9	Total Maintenance Labor		1,096	84
10	Total Administrative & General Labor		12,001	918
11	Total Operation & Maintenance Labor		259,906	19,883

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
REVENUE REQUIREMENTS-17								
Present Rates								
1	Rate Base	1,259,487,385	755,691,691	180,109,360	235,977,055	7,897,562	78,980,642	831,075
2	Net Operating Income (Present Rates)	47,442,314	14,187,516	15,094,365	12,006,485	1,700,178	4,238,366	215,403
3	Rate of Return (Present Rates)	3.77%	1.88%	8.38%	5.09%	21.53%	5.37%	25.92%
4	Relative Rate of Return	1.00	0.50	2.22	1.35	5.72	1.42	6.88
5	Sales Revenue (Present Rates)	339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
6	Revenue Present Rates \$/KWH	\$0.0385	\$0.0473	\$0.0518	\$0.0231	\$0.0068	\$0.2059	\$0.0433
7	Revenue Required - \$/Mo/Customer	\$51.06	\$33.87	\$99.15	\$1,258.09	\$7,923.70	\$106.17	\$66.42
Claimed Rate of Return								
8	Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
9	Return Required Claimed Rate of Return	98,617,862	59,170,659	14,102,563	18,477,003	618,379	6,184,184	65,073
10	Sales Revenue Required Claimed ROR	426,189,832	272,643,906	63,034,261	67,634,469	4,156,483	18,402,870	317,843
11	Revenue Deficiency Sales Revenue	86,751,431	76,254,230	(1,681,277)	10,968,651	(1,833,837)	3,298,499	(254,834)
12	Percent Increase Required	25.56%	38.83%	-2.60%	19.36%	-30.61%	21.84%	-44.50%
13	Annual Booked KWH Sales	8,819,370,717	4,148,811,252	1,248,694,168	2,455,530,765	879,770,325	73,343,971	13,220,236
14	Sales Revenue Required \$/KWH	\$0.0483	\$0.0657	\$0.0505	\$0.0275	\$0.0047	\$0.2509	\$0.0240
15	Revenue Deficiency \$/KWH	\$0.0098	\$0.0184	(\$0.0013)	\$0.0045	(\$0.0021)	\$0.0450	(\$0.0193)
ATLANTIC CITY ELECTRIC								
	BPU Assessment	0.2113%						
	Ratepayer Advocate Assessment	0.0575%						
	STATE TAX RATE	9.000%						
	FEDERAL TAX RATE - CURRENT	35.000%						
	EFFECTIVE STATE TAX RATE	8.9758%						
	1 - INCREMENTAL TAX RATE	0.58991						
	INCREMENTAL TAX RATE	0.41009						
	EFFECTIVE INCREMENTAL FEDERAL RATE	0.31764						
	FACTOR FOR TAXABLE BASIS	1.6947						

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
REVENUE REQUIREMENTS-17								
Present Rates								
1		755,691,691	176,916,305	3,193,055	206,118,728	29,858,327	78,980,642	5,446,176
2		14,187,516	14,785,711	308,654	10,377,804	1,628,681	4,238,366	926,463
3		1.88%	8.36%	9.67%	5.03%	5.45%	5.37%	17.01%
4		0.50	2.22	2.57	1.34	1.45	1.42	4.52
5		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
6		\$0.0473	\$0.0519	\$0.0487	\$0.0251	\$0.0161	\$0.2059	\$0.0068
7		\$33.87	\$97.23	\$1,344.71	\$1,096.26	\$5,936.32	\$106.17	\$6,169.51
Claimed Rate of Return								
8		7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
9		59,170,659	13,852,547	250,016	16,139,096	2,337,907	6,184,184	426,436
10		272,643,906	61,776,851	1,257,410	57,492,115	10,142,354	18,402,870	2,557,938
11		76,254,230	(1,581,876)	(99,401)	9,766,390	1,202,261	3,298,499	(847,633)
12		38.83%	-2.50%	-7.33%	20.46%	13.45%	21.84%	-24.89%
13		4,148,811,328	1,220,811,328	27,882,840	1,901,486,190	554,044,575	73,343,971	499,172,809
14		\$0.0657	\$0.0506	\$0.0451	\$0.0302	\$0.0183	\$0.2509	\$0.0051
15		\$0.0184	(\$0.0013)	(\$0.0036)	\$0.0051	\$0.0022	\$0.0450	(\$0.0017)

ATLANTIC CITY ELECTRIC

BPU Assessment
Ratepayer Advocate Assessment
STATE TAX RATE
FEDERAL TAX RATE - CURRENT
EFFECTIVE STATE TAX RATE
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
REVENUE REQUIREMENTS-17			
Present Rates			
1		2,451,386	831,075
2		773,716	215,403
3		31.56%	25.92%
4		8.38	6.88
5		2,584,750	572,677
6		\$0.0068	\$0.0433
7		\$12,670.34	\$66.42
Claimed Rate of Return			
8		7.83%	7.83%
9		191,943	65,073
10		1,598,545	317,843
11		(986,205)	(254,834)
12		-38.15%	-44.50%
13		380,597,516	13,220,236
14		\$0.0042	\$0.0240
15		(\$0.0026)	(\$0.0193)

ATLANTIC CITY ELECTRIC

BPU Assessment
Ratepayer Advocate Assessment
STATE TAX RATE
FEDERAL TAX RATE - CURRENT
EFFECTIVE STATE TAX RATE
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED									
1	Distribution Primary-Class ACED	DEMPRI	2,547,270	1,536,887	351,773	547,596	88,444	20,828	1742
2	Distribution Secondary-Class ACED	DEMSEC	1.00000	0.65589	0.14597	0.18851	0.00000	0.00889	0.00074
3	Dist Line Transformer	DEMTRNSF	1.00000	0.65589	0.14597	0.18851	0.00000	0.00889	0.00074
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	2,458,826	1,536,887	351,773	547,596	0	20,828	1,742
5									
6	Class Maximum Diversified Demands SEC		2,343,208	1,536,887	342,033	441,718	0	20,828	1,742
7	Class Maximum Diversified Demands PRI		2,547,270	1,536,887	351,773	547,596	88,444	20,828	1,742
8									

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
1	Distribution Primary-Class ACED	DEMPRI	1,536,887	342,033	9,740	441,718	105,878	20,828	88,444
2	Distribution Secondary-Class ACED	DEMSEC	0.65589	0.14597	0.00000	0.18851	0.00000	0.00889	0.00000
3	Dist Line Transformer	DEMTRNSF	0.65589	0.14597	0.00000	0.18851	0.00000	0.00889	0.00000
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	1,536,887	342,033	9,740	441,718	105,878	20,828	0
5									
6	Class Maximum Diversified Demands SEC		1,536,887	342,033	0	441,718	0	20,828	0
7	Class Maximum Diversified Demands PRI		1,536,887	342,033	9,740	441,718	105,878	20,828	88,444
8									

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED				
1	Distribution Primary-Class ACED	DEMPRI	0	1,742
2	Distribution Secondary-Class ACED	DEMSEC	0.00000	0.00074
3	Dist Line Transformer	DEMTRNSF	0.00000	0.00074
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	0	1,742
5				
6	Class Maximum Diversified Demands SEC		0	1,742
7	Class Maximum Diversified Demands PRI		0	1,742
8				

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
CUSTOMER RELATED-19								
1		543,219	484,251	55,063	3,794	111	0	0
2		554,017	483,238	54,389	3,753	63	11,855	719
3	Customer Service Expenses Allocator	CSERV 1.0000	0.6713	0.1199	0.1426	0.0499	1.49%	0
4	Sales Expense Allocator	CSALES 1.0000	0.6713	0.1199	0.1426	0.0499	1.49%	0
5	Acct 369-Services-Class MDD	CUST369 2,321,509	1,536,887	342,033	441,718	0	0	871
6	Acct 370-Meters Direct Assignment	CUST370 74,279,408	41,842,776	21,752,223	6,486,641	4,197,768	0	0
7	Acct 3730 Street Light & Signal Sys Dir Assign	CUST373 1	0	0	0	0	1	0
8	Acct 990200 Meter reading expenses	CUST902 5,738,367	4,855,341	708,267	141,371	33,388	0	0
9	Acct 990300 Cust records and collection exp	CUST903 54,183,845	46,620,478	5,898,691	464,219	14,732	1,117,970	67,756
10	D.A. 372-Leased Prop Cust Prem	CUST372 141,649	0	0	13,606	128,042	0	0
11	D.A. Customer Deposits	CUSPDEP (32,063,760)	(21,169,446)	(4,595,675)	(6,298,639)	0	0	0
12	Acct 371.1 Based on Dist Pkt	CUST3711P 2,084,878,611	1,246,263,441	292,622,549	401,056,191	7,953,642	135,687,209	1,295,579
13								
14	Distribution Plant	2,084,878,611	1,246,263,441	292,622,549	401,056,191	7,953,642	135,687,209	1,295,579
15								
16	Number of customers	CUST 554,017	483,238	54,389	3,753	63	11,855	719
17								
18								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
CUSTOMER RELATED-19								
1		484,251	54,948	115	3,661	133	0	67
2		483,238	54,305	84	3,628	126	11,855	46
3	CSERV	0.6713	0.1182	0.0017	0.1111	0.0315	0.0149	0.0283
4	CSALES	0.6713	0.1182	0.0017	0.1111	0.0315	0.0149	0.0283
5	CUST369	1,536,887	342,033	0	441,718	0	0	0
6	CUST370	41,842,776	21,087,420	664,803	5,182,443	1,304,198	0	1,882,664
7	CUST373	0	0	0	0	0	1	0
8	CUST902	4,855,341	686,709	21,558	91,506	49,865	0	20,153
9	CUST903	46,620,478	5,879,897	18,794	429,237	34,982	1,117,970	10,160
10	CUST372	0	0	0	0	13,606	0	6,903
11	CUSPDEP	(21,169,446)	(4,517,632)	(78,043)	(5,531,416)	(767,223)	0	0
12	CUST3711P	1,246,263,441	287,653,307	4,969,242	352,204,412	48,851,779	135,687,209	5,807,750
13								
14		1,246,263,441	287,653,307	4,969,242	352,204,412	48,851,779	135,687,209	5,807,750
15								
16	CUST	483,238	54,305	84	3,628	126	11,855	46
17								
18								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CUSTOMER RELATED-19			
1		44	0
2		17	719
3	CSERV	0.0216	0.0014
4	CSALES	0.0216	0.0014
5	Acct 369-Services-Class MDD CUST369	0	871
6	Acct 370-Meters Direct Assignment CUST370	2,315,104	0
7	Acct 3730 Street Light & Signal Sys Dir Assign CUST373	0	0
8	Acct 990200 Meter reading expenses CUST902	13,235	0
9	Acct 990300 Cust records and collection exp CUST903	4,572	67,756
10	D.A. 372-Leased Prop Cust Prem CUST372	121,139	0
11	D.A. Customer Deposits CUSPDEP	0	0
12	Acct 371.1 Based on Dist Plt CUST3711P	2,145,891	1,295,579
13			
14	Distribution Plant	2,145,891	1,295,579
15			
16	Number of customers CUST	17	719
17			
18			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED-20									
1	Acct 3620 Station Equipment	PLT362	310,708,213	193,166,230	44,213,182	68,825,525	1,666,527	2,617,802	218,946
2	Accts 364 - 367 Distribution Plant	PLT3647	865,413,030	543,504,195	123,852,090	187,686,036	2,389,062	7,365,607	616,040
3	Accts 364 & 365 Overhead Lines	PLTDOHLN	673,523,500	423,079,615	96,500,097	147,078,606	652,034	5,733,604	479,544
4	Accts 366 & 367 Underground Lines	PLTDUGLN	191,889,530	120,424,580	27,351,993	40,607,430	1,737,028	1,632,002	136,496
5	Acct 3730 Street Lighting and Signal Systems	PLT373	90,857,352	0	0	0	0	90,857,352	0
6	Acct 3700 Meters	PLT370	64,944,537	36,584,294	19,018,569	5,671,449	3,670,224	0	0
7	Acct 369 Services	PLT369	201,265,155	133,241,698	29,652,836	38,295,110	0	0	75,512
8	Acct 3680 Line Transformers	PLT368	453,145,455	297,213,631	66,144,661	85,422,423	0	4,027,860	336,880
9	Acct 958100 Load dispatching	EXP581	2,050,911	1,237,411	283,227	440,892	71,210	16,769	1,403
10	Acct 958200 Station expenses	EXP582	0	0	0	0	0	0	0
11	Acct 958300 Overhead line expenses	EXP583	6,822,640	4,285,701	977,524	1,489,873	6,605	58,080	4,858
12	Acct 958400 Underground line expenses	EXP584	0	0	0	0	0	0	0
13	Acct 958500 Street lighting	EXP585	0	0	0	0	0	0	0
14	Acct 958600 Meter expenses	EXP586	4,624,376	2,604,985	1,354,217	403,836	261,338	0	0
15	Acct 958700 Customer installations expenses	EXP587	311,992	206,545	45,967	59,363	0	0	117
16	Acct 958800 Miscellaneous distribution exp	EXP588	15,457,815	9,329,188	2,978,456	2,679,628	379,623	83,781	7,138
17	Acct 958900 Rents	EXP589	3,479,893	2,100,205	670,516	603,243	85,462	18,861	1,607
18	Acct 959200 Maintain equipment	EXP592	5,116,311	3,180,793	728,041	1,133,323	27,442	43,106	3,605
19	Acct 959300 Maintain overhead lines	EXP593	43,757,026	27,486,355	6,269,354	9,555,305	42,361	372,497	31,155
20	Acct 959400 Maintain underground line	EXP594	2,389,319	1,499,471	340,574	505,625	21,629	20,321	1,700
21	Acct 959500 Maintain line transformers	EXP595	4,075	2,672	595	768	0	36	3
22	Acct 959600 Maint street lighting & signal sys	EXP596	1,463,322	0	0	0	0	1,463,322	0
23	Acct 959700 Maintain meters	EXP597	692,902	390,323	202,912	60,509	39,158	0	0
24	Acct 959800 Maintain distribution plant	EXP598	2,385,155	1,453,677	336,702	502,522	5,830	84,797	1,628
25	Total Distribution Plant	DISTPLT	2,084,878,611	1,246,263,441	292,622,549	401,056,191	7,953,642	135,687,209	1,295,579
26	Total Operation & Maintenance Labor	LABOR	32,710,669	20,369,046	5,415,127	5,189,501	618,235	1,098,877	19,883
27	Total General Plant	GENPLT	106,004,819	66,009,566	17,548,694	16,817,513	2,003,501	3,561,109	64,435
28	Dist O&M Expense	DISTOMEXP	234,446,269	159,086,050	34,817,353	31,593,256	2,760,078	6,011,826	177,706
29	Taxable Income	TAXINC	(100,709,579)	(85,896,769)	530,882	(13,696,819)	2,090,138	(4,006,602)	269,591
30	Acct 364 Poles	PLT364	272,105,344	170,884,744	38,977,015	59,405,701	328,351	2,315,842	193,691
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)	
INTERNALLY DEVELOPED-20									
1	Acct 3620 Station Equipment	PLT362	193,166,230	42,988,994	1,224,188	55,518,071	13,307,455	2,617,802	1,666,527
2	Accts 364 - 367 Distribution Plant	PLT3647	543,504,195	120,956,434	2,895,656	156,209,003	31,477,033	7,365,607	2,389,062
3	Accts 364 & 365 Overhead Lines	PLTDOHLN	423,079,615	94,156,037	2,344,059	121,597,672	25,480,934	5,733,604	652,034
4	Accts 366 & 367 Underground Lines	PLTDUGLN	120,424,580	26,800,396	551,597	34,611,331	5,996,099	1,632,002	1,737,028
5	Acct 3730 Street Lighting and Signal Systems	PLT373	0	0	0	0	90,857,352	0	0
6	Acct 3700 Meters	PLT370	36,584,294	18,437,313	581,256	4,531,153	1,140,296	0	1,646,065
7	Acct 369 Services	PLT369	133,241,698	29,652,836	0	38,295,110	0	0	0
8	Acct 3680 Line Transformers	PLT368	297,213,631	66,144,661	0	85,422,423	0	4,027,860	0
9	Acct 958100 Load dispatching	EXP581	1,237,411	275,385	7,842	355,645	85,247	16,769	71,210
10	Acct 958200 Station expenses	EXP582	0	0	0	0	0	0	0
11	Acct 958300 Overhead line expenses	EXP583	4,285,701	953,779	23,745	1,231,757	258,116	58,080	6,605
12	Acct 958400 Underground line expenses	EXP584	0	0	0	0	0	0	0
13	Acct 958500 Street lighting	EXP585	0	0	0	0	0	0	0
14	Acct 958600 Meter expenses	EXP586	2,604,985	1,312,829	41,388	322,641	81,195	0	117,208
15	Acct 958700 Customer installations expenses	EXP587	206,545	45,967	0	59,363	0	0	0
16	Acct 958800 Miscellaneous distribution exp	EXP588	9,329,188	2,896,773	81,683	2,204,409	475,219	83,781	218,294
17	Acct 958900 Rents	EXP589	2,100,205	652,127	18,389	496,261	106,982	18,861	49,143
18	Acct 959200 Maintain equipment	EXP592	3,180,793	707,883	20,158	914,194	219,129	43,106	27,442
19	Acct 959300 Maintain overhead lines	EXP593	27,486,355	6,117,067	152,287	7,899,877	1,655,428	372,497	42,361
20	Acct 959400 Maintain underground line	EXP594	1,499,471	333,706	6,868	430,964	74,661	20,321	21,629
21	Acct 959500 Maintain line transformers	EXP595	2,672	595	0	768	0	36	0
22	Acct 959600 Maint street lighting & signal sys	EXP596	0	0	0	0	1,463,322	0	0
23	Acct 959700 Maintain meters	EXP597	390,323	196,710	6,201	48,343	12,166	0	17,562
24	Acct 959800 Maintain distribution plant	EXP598	1,453,677	328,419	8,283	414,952	87,569	84,797	4,866
25	Total Distribution Plant	DISTPLT	1,246,263,441	287,653,307	4,969,242	352,204,412	48,851,779	135,687,209	5,807,750
26	Total Operation & Maintenance Labor	LABOR	20,369,046	5,277,965	137,162	4,249,451	940,049	1,098,877	358,329
27	Total General Plant	GENPLT	66,009,566	17,104,197	444,497	13,771,113	3,046,400	3,561,109	1,161,228
28	Dist O&M Expense	DISTOMEXP	159,086,050	34,064,373	752,980	25,985,029	5,608,227	6,011,826	1,629,480
29	Taxable Income	TAXINC	(85,896,769)	450,254	80,629	(12,176,549)	(1,520,270)	(4,006,602)	1,008,658
30	Acct 364 Poles	PLT364	170,884,744	38,030,266	946,749	49,114,130	10,291,572	2,315,842	328,351
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
INTERNALLY DEVELOPED-20			
1 Acct 3620 Station Equipment	PLT362	0	218,946
2 Accts 364 - 367 Distribution Plant	PLT3647	0	616,040
3 Accts 364 & 365 Overhead Lines	PLTDOHLN	0	479,544
4 Accts 366 & 367 Underground Lines	PLTDUGLN	0	136,496
5 Acct 3730 Street Lighting and Signal Systems	PLT373	0	0
6 Acct 3700 Meters	PLT370	2,024,159	0
7 Acct 369 Services	PLT369	0	75,512
8 Acct 3680 Line Transformers	PLT368	0	336,880
9 Acct 958100 Load dispatching	EXP581	0	1,403
10 Acct 958200 Station expenses	EXP582	0	0
11 Acct 958300 Overhead line expenses	EXP583	0	4,858
12 Acct 958400 Underground line expenses	EXP584	0	0
13 Acct 958500 Street lighting	EXP585	0	0
14 Acct 958600 Meter expenses	EXP586	144,130	0
15 Acct 958700 Customer installations expenses	EXP587	0	117
16 Acct 958800 Miscellaneous distribution exp	EXP588	161,329	7,138
17 Acct 958900 Rents	EXP589	36,319	1,607
18 Acct 959200 Maintain equipment	EXP592	0	3,605
19 Acct 959300 Maintain overhead lines	EXP593	0	31,155
20 Acct 959400 Maintain underground line	EXP594	0	1,700
21 Acct 959500 Maintain line transformers	EXP595	0	3
22 Acct 959600 Maint street lighting & signal sys	EXP596	0	0
23 Acct 959700 Maintain meters	EXP597	21,596	0
24 Acct 959800 Maintain distribution plant	EXP598	964	1,628
25 Total Distribution Plant	DISTPLT	2,145,891	1,295,579
26 Total Operation & Maintenance Labor	LABOR	259,906	19,883
27 Total General Plant	GENPLT	842,273	64,435
28 Dist O&M Expense	DISTOMEXP	1,130,598	177,706
29 Taxable Income	TAXINC	1,081,480	269,591
30 Acct 364 Poles	PLT364	0	193,691
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)		
INTERNALLY DEVELOPED CONT-21										
1		Distribution Operating Exp Acct 581 - 587	EXPDISTO	13,809,921	8,334,642	2,660,935	2,393,964	339,153	74,850	6,377
2		Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	53,422,956	32,559,614	7,541,476	11,255,531	130,590	1,899,283	36,463
3		Distribution Operating Labor Acct 581 - 589	LABDO	14,362,427	8,653,604	2,800,943	2,467,645	355,849	77,832	6,553
4		Distribution Maintenance Labor Acct 592 - 598	LABDM	8,738,361	4,930,759	1,202,812	1,666,403	57,941	875,159	5,287
5		Total Distribution Operating Labor	TLABDO	17,212,165	10,370,619	3,356,696	2,957,266	426,455	93,276	7,854
6		Total Distribution Maintenance Labor	TLABDM	8,738,361	4,930,759	1,202,812	1,666,403	57,941	875,159	5,287
7		Acct 990200 Meter reading expenses	EXP902	5,488,160	4,643,636	677,385	135,207	31,932	0	0
8		Acct 990300 Cust records and collection exp	EXP903	54,973,816	47,300,179	5,984,691	470,987	14,946	1,134,269	68,744
9		Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0	0	0	0	0	0
10		Acct 990700 Supervision	EXP907	(0)	(0)	(0)	(0)	(0)	(0)	(0)
11		Acct 990800 Customer assistance expenses	EXP908	4,816,425	3,233,419	577,388	686,821	240,503	71,560	6,733
12		Acct 991000 Misc cust service & informat exp	EXP910	(2,800)	(1,880)	(336)	(399)	(140)	(42)	(4)
13		Acct 991200 Demonstrating & selling expenses	EXP912	0	0	0	0	0	0	0
14		Acct 991300 Advertising expense	EXP913	0	0	0	0	0	0	0
15		Acct 992000 Administrative & General salaries	EXP920	1,891,897	1,178,091	313,196	300,147	35,757	63,556	1,150
16		Acct 992100 Office supplies & expenses	EXP921	304,369	189,532	50,387	48,288	5,753	10,225	185
17		Acct 992300 Outside services employed	EXP923	60,236,367	37,509,393	9,971,901	9,556,413	1,138,473	2,023,571	36,615
18		Acct 993020 Miscellaneous general expenses	EXP9302	766,472	477,285	126,886	121,600	14,486	25,749	466
19		Acct 993500 Maintenance of general plant	EXP935	2,404,269	1,497,147	398,018	381,434	45,441	80,769	1,461
20		Total Intangible Plant	INTPLT	14,295,973	8,902,152	2,366,644	2,268,036	270,195	480,257	8,690
23		Service Company Assets Reserve	SERVCO	32,710,669	20,369,046	5,415,127	5,189,501	618,235	1,098,877	19,883
24		Total System Electric Distribution	PLANT	2,296,530,016	1,378,059,502	327,660,633	434,634,384	11,953,874	142,797,394	1,424,231
25		Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	60,461,976	51,943,815	6,662,075	606,194	46,879	1,134,269	68,744
26		Total Customer Deposits	CUSTDEP	33,133,624	21,875,802	4,749,017	6,508,804	0	0	0
27		Sales Revenue Required Claimed ROR	CLAIMREV	426,189,832	272,643,906	63,034,261	67,634,469	4,156,483	18,402,870	317,843
28		Net Income	NETINC	47,442,314	14,187,516	15,094,365	12,006,485	1,700,178	4,238,366	215,403
29		Residential Distribution Plant	RESDIST	1,246,263,441	1,246,263,441	0	0	0	0	0
30		Non-Residential Distribution Plant	NRESDIST	838,615,170	0	292,622,549	401,056,191	7,953,642	135,687,209	1,295,579
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
INTERNALLY DEVELOPED CONT-21									
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	8,334,642	2,587,960	72,975	1,969,406	424,558	74,850	195,023
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	32,559,614	7,355,961	185,515	9,294,147	1,961,384	1,899,283	108,994
3	Distribution Operating Labor Acct 581 - 589	LABDO	8,653,604	2,723,214	77,730	2,023,727	443,918	77,832	199,083
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	4,930,759	1,172,397	30,415	1,373,530	292,873	875,159	43,184
5	Total Distribution Operating Labor	TLABDO	10,370,619	3,263,543	93,153	2,425,268	531,998	93,276	238,584
6	Total Distribution Maintenance Labor	TLABDM	4,930,759	1,172,397	30,415	1,373,530	292,873	875,159	43,184
7	Acct 990200 Meter reading expenses	EXP902	4,643,636	656,767	20,618	87,516	47,691	0	19,275
8	Acct 990300 Cust records and collection exp	EXP903	47,300,179	5,965,623	19,068	435,495	35,492	1,134,269	10,308
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0	0	0	0	0	0
10	Acct 990700 Supervision	EXP907	(0)	(0)	(0)	(0)	(0)	(0)	(0)
11	Acct 990800 Customer assistance expenses	EXP908	3,233,419	569,409	7,979	534,989	151,833	71,560	136,504
12	Acct 991000 Misc cust service & informat exp	EXP910	(1,880)	(331)	(5)	(311)	(88)	(42)	(79)
13	Acct 991200 Demonstrating & selling expenses	EXP912	0	0	0	0	0	0	0
14	Acct 991300 Advertising expense	EXP913	0	0	0	0	0	0	0
15	Acct 992000 Administrative & General salaries	EXP920	1,178,091	305,263	7,933	245,777	54,370	63,556	20,725
16	Acct 992100 Office supplies & expenses	EXP921	189,532	49,111	1,276	39,541	8,747	10,225	3,334
17	Acct 992300 Outside services employed	EXP923	37,509,393	9,719,319	252,582	7,825,322	1,731,092	2,023,571	659,858
18	Acct 993020 Miscellaneous general expenses	EXP9302	477,285	123,673	3,214	99,573	22,027	25,749	8,396
19	Acct 993500 Maintenance of general plant	EXP935	1,497,147	387,936	10,082	312,339	69,095	80,769	26,338
20	Total Intangible Plant	INTPLT	8,902,152	2,306,698	59,946	1,857,194	410,842	480,257	156,605
23	Service Company Assets Reserve	SERVCO	20,369,046	5,277,965	137,162	4,249,451	940,049	1,098,877	358,329
24	Total System Electric Distribution	PLANT	1,378,059,502	321,803,899	5,856,734	379,700,101	54,934,283	142,797,394	8,126,283
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	51,943,815	6,622,389	39,686	523,011	83,183	1,134,269	29,582
26	Total Customer Deposits	CUSTDEP	21,875,802	4,668,371	80,647	5,715,981	792,823	0	0
27	Sales Revenue Required Claimed ROR	CLAIMREV	272,643,906	61,776,851	1,257,410	57,492,115	10,142,354	18,402,870	2,557,938
28	Net Income	NETINC	14,187,516	14,785,711	308,654	10,377,804	1,628,661	4,238,366	926,463
29	Residential Distribution Plant	RESDIST	1,246,263,441	0	0	0	0	0	0
30	Non-Residential Distribution Plant	NRESDIST	0	287,653,307	4,969,242	352,204,412	48,851,779	135,687,209	5,807,750
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
INTERNALLY DEVELOPED CONT-21				
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	144,130	6,377
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	21,596	36,463
3	Distribution Operating Labor Acct 581 - 589	LABDO	156,766	6,553
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	14,757	5,287
5	Total Distribution Operating Labor	TLABDO	187,871	7,854
6	Total Distribution Maintenance Labor	TLABDM	14,757	5,287
7	Acct 990200 Meter reading expenses	EXP902	12,658	0
8	Acct 990300 Cust records and collection exp	EXP903	4,638	68,744
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0
10	Acct 990700 Supervision	EXP907	(0)	(0)
11	Acct 990800 Customer assistance expenses	EXP908	104,000	6,733
12	Acct 991000 Misc cust service & informal exp	EXP910	(60)	(4)
13	Acct 991200 Demonstrating & selling expenses	EXP912	0	0
14	Acct 991300 Advertising expense	EXP913	0	0
15	Acct 992000 Administrative & General salaries	EXP920	15,032	1,150
16	Acct 992100 Office supplies & expenses	EXP921	2,418	185
17	Acct 992300 Outside services employed	EXP923	478,615	36,615
18	Acct 993020 Miscellaneous general expenses	EXP9302	6,090	466
19	Acct 993500 Maintenance of general plant	EXP935	19,103	1,461
20	Total Intangible Plant	INTPLT	113,590	8,690
23	Service Company Assets Reserve	SERVCO	259,906	19,883
24	Total System Electric Distribution	PLANT	3,827,591	1,424,231
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	17,296	68,744
26	Total Customer Deposits	CUSTDEP	0	0
27	Sales Revenue Required Claimed ROR	CLAIMREV	1,598,545	317,843
28	Net Income	NETINC	773,716	215,403
29	Residential Distribution Plant	RESDIST	0	0
30	Non-Residential Distribution Plant	NRESDIST	2,145,891	1,295,579
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
INTERNAL BASED ON CLAIMED REV-22								
1		<u>Claimed Revenues</u>						
2		272,643,906	272,643,906	0	0	0	0	0
4		61,776,851	0	61,776,851	0	0	0	0
5		1,257,410	0	1,257,410	0	0	0	0
6		57,492,115	0	0	57,492,115	0	0	0
7		10,142,354	0	0	10,142,354	0	0	0
8		18,402,870	0	0	0	0	18,402,870	0
9		2,557,938	0	0	0	2,557,938	0	0
10		1,598,545	0	0	0	1,598,545	0	0
11		317,843	0	0	0	0	0	317,843
12								
13		1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14		1.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
15		1.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
16		1.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
17		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
18		1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
19		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
20		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
21		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
22								
23		0	0	0	0	0	0	0
24		63,358,727	0	63,358,727	0	0	0	0
25		1,356,811	0	1,356,811	0	0	0	0
26		47,725,725	0	0	47,725,725	0	0	0
27		8,940,092	0	0	8,940,092	0	0	0
28		15,104,371	0	0	0	0	15,104,371	0
29		0	0	0	0	0	0	0
30		0	0	0	0	0	0	0
31		572,677	0	0	0	0	0	572,677
32		137,058,404	0	64,715,538	56,665,818	0	15,104,371	572,677
33	LPAY	1.000000	0.000000	0.472175	0.413443	0.000000	0.110204	0.004178
34								
35		8,819,371	4,148,811	1,248,694	2,455,531	879,770	73,344	13,220
36	DEMPRI	4,148,811	2,503,172	572,943	891,885	144,051	33,923	2,837
37	DEMPRI	1,220,811	736,573	168,592	262,442	42,388	9,982	835
38	DEMPRI	27,883	16,823	3,851	5,994	968	228	19
39	DEMPRI	1,901,486	1,147,255	262,592	408,769	66,022	15,548	1,300
40	DEMPRI	554,045	334,281	76,512	119,105	19,237	4,530	379
41	DEMPRI	73,344	44,252	10,129	15,767	2,547	600	50
42	DEMPRI	499,173	301,174	68,935	107,309	17,332	4,082	341
43	DEMPRI	380,598	229,632	52,560	81,818	13,215	3,112	260
44	DEMPRI	13,220	7,976	1,826	2,842	459	108	9
45		8,819,371	5,321,138	1,217,938	1,895,933	306,218	72,112	6,031
46	SALES	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
47		8,819,371	5,321,138	1,217,938	1,895,933	306,218	72,112	6,031
48	SALESWOT	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
49		361,389,652	361,389,652	0	0	0	0	0
50		72,605,291	0	72,605,291	0	0	0	0
51		1,362,578	0	1,362,578	0	0	0	0
52		48,122,390	0	0	48,122,390	0	0	0
53		10,328,622	0	0	10,328,622	0	0	0
54		1,782,402	0	0	0	0	1,782,402	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
INTERNAL BASED ON CLAIMED REV-22								
1								
2		272,643,906	0	0	0	0	0	0
4		0	61,776,851	0	0	0	0	0
5		0	0	1,257,410	0	0	0	0
6		0	0	0	57,492,115	0	0	0
7		0	0	0	0	10,142,354	0	0
8		0	0	0	0	0	18,402,870	0
9		0	0	0	0	0	0	2,557,938
10		0	0	0	0	0	0	0
11		0	0	0	0	0	0	0
12								
13		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15		0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
16		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
17		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
18		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
19		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
20		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
21		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
22								
23		0	0	0	0	0	0	0
24		0	63,358,727	0	0	0	0	0
25		0	0	1,356,811	0	0	0	0
26		0	0	0	47,725,725	0	0	0
27		0	0	0	0	8,940,092	0	0
28		0	0	0	0	0	15,104,371	0
29		0	0	0	0	0	0	0
30		0	0	0	0	0	0	0
31		0	0	0	0	0	0	0
32		0	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	0
33	LPAY	0.000000	0.462275	0.009900	0.348215	0.065228	0.110204	0.000000
34								0.056600
35		4,148,811	1,220,811	27,883	1,901,486	554,045	73,344	499,173
36	DEMPRI	2,503,172	557,079	15,864	719,439	172,447	33,923	144,051
37	DEMPRI	736,573	163,924	4,668	211,699	50,743	9,982	42,388
38	DEMPRI	16,823	3,744	107	4,835	1,159	228	968
39	DEMPRI	1,147,255	255,321	7,271	329,734	79,036	15,548	66,022
40	DEMPRI	334,281	74,394	2,119	96,076	23,029	4,530	19,237
41	DEMPRI	44,252	9,848	280	12,718	3,049	600	2,547
42	DEMPRI	301,174	67,026	1,909	86,561	20,748	4,082	17,332
43	DEMPRI	229,632	51,104	1,455	65,999	15,820	3,112	13,215
44	DEMPRI	7,976	1,775	51	2,292	550	108	459
45		5,321,138	1,184,215	33,723	1,529,353	366,580	72,112	306,218
46	SALES	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
47		5,321,138	1,184,215	33,723	1,529,353	366,580	72,112	306,218
48	SALESWOT	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
49		361,389,652	0	0	0	0	0	0
50		0	72,605,291	0	0	0	0	0
51		0	0	1,362,578	0	0	0	0
52		0	0	0	48,122,390	0	0	0
53		0	0	0	0	10,328,622	0	0
54		0	0	0	0	0	1,782,402	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
<u>INTERNAL BASED ON CLAIMED REV-22</u>			
1			
2		0	0
4		0	0
5		0	0
6		0	0
7		0	0
8		0	0
9		0	0
10		1,598,545	0
11		0	317,843
12			
13		0.000000	0.000000
14		0.000000	0.000000
15		0.000000	0.000000
16		0.000000	0.000000
17		0.000000	0.000000
18		0.000000	0.000000
19		0.000000	0.000000
20		1.000000	0.000000
21		0.000000	1.000000
22			
23		0	0
24		0	0
25		0	0
26		0	0
27		0	0
28		0	0
29		0	0
30		0	0
31		0	572,677
32		0	572,677
33	LPAY	0.000000	0.004178
34		0.043155	
35		380,598	13,220
36	DEMPRI	0	2,837
37	DEMPRI	0	835
38	DEMPRI	0	19
39	DEMPRI	0	1,300
40	DEMPRI	0	379
41	DEMPRI	0	50
42	DEMPRI	0	341
43	DEMPRI	0	260
44	DEMPRI	0	9
45		0	6,031
46	SALES	0.000000	0.000684
47		0	6,031
48	SALESWOT	0.000000	0.000684
49		0	0
50		0	0
51		0	0
52		0	0
53		0	0
54		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
55 Revenues GSST		17,883,389	0	0	0	17,883,389	0	0
56 Revenues GST		7,006,055	0	0	0	7,006,055	0	0
57 Revenues DDC		258,306	0	0	0	0	0	258,306
58 BGS & NUGS Revenue		520,738,684	361,389,652	73,967,869	58,451,012	24,889,444	1,782,402	258,306
59 Revenue BGS & NUGS	BGSNUGRV	1.000000	0.693994	0.142044	0.112246	0.047796	0.003423	0.000496
60 Revenues Residential		14,187,516	14,187,516	0	0	0	0	0
61 Revenues MGSS		14,785,711	0	14,785,711	0	0	0	0
62 Revenues MGSP		308,654	0	308,654	0	0	0	0
63 Revenues AGSS		10,377,804	0	0	10,377,804	0	0	0
64 Revenues AGSP		1,628,681	0	0	1,628,681	0	0	0
65 Revenues Lighting		4,238,366	0	0	0	0	4,238,366	0
66 Revenues GSST		926,463	0	0	0	926,463	0	0
67 Revenues GST		773,716	0	0	0	773,716	0	0
68 Revenues DDC		215,403	0	0	0	0	0	215,403
69 Net Income		47,442,314	14,187,516	15,094,365	12,006,485	1,700,178	4,238,366	215,403
70 Net Income	NETINC	1.000000	0.299048	0.318163	0.253075	0.035837	0.089337	0.004540

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
55 Revenues GSST		0	0	0	0	0	0	17,883,389
56 Revenues GST		0	0	0	0	0	0	0
57 Revenues DDC		0	0	0	0	0	0	0
58 BGS & NUGS Revenue		361,389,652	72,605,291	1,362,578	48,122,390	10,328,622	1,782,402	17,883,389
59 Revenue BGS & NUGS	BGSNUGRV	0.693994	0.139427	0.002617	0.092412	0.019835	0.003423	0.034342
60 Revenues Residential		14,187,516	0	0	0	0	0	0
61 Revenues MGSS		0	14,785,711	0	0	0	0	0
62 Revenues MGSP		0	0	308,654	0	0	0	0
63 Revenues AGSS		0	0	0	10,377,804	0	0	0
64 Revenues AGSP		0	0	0	0	1,628,681	0	0
65 Revenues Lighting		0	0	0	0	0	4,238,366	0
66 Revenues GSST		0	0	0	0	0	0	926,463
67 Revenues GST		0	0	0	0	0	0	0
68 Revenues DDC		0	0	0	0	0	0	0
69 Net Income		14,187,516	14,785,711	308,654	10,377,804	1,628,681	4,238,366	926,463
70 Net Income	NETINC	0.299048	0.311657	0.006506	0.218746	0.034330	0.089337	0.019528

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
55 Revenues GSST		0	0
56 Revenues GST		7,006,055	0
57 Revenues DDC		0	258,306
58 BGS & NUGS Revenue		7,006,055	258,306
59 Revenue BGS & NUGS	BGSNUGRV	0.013454	0.000496
60 Revenues Residential		0	0
61 Revenues MGSS		0	0
62 Revenues MGSP		0	0
63 Revenues AGSS		0	0
64 Revenues AGSP		0	0
65 Revenues Lighting		0	0
66 Revenues GSST		0	0
67 Revenues GST		773,716	0
68 Revenues DDC		0	215,403
69 Net Income		773,716	215,403
70 Net Income	NETINC	0.016309	0.004540

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
REVENUES FROM SALES-23								
1 Revenue - Retail Sales ACE		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
2								
3								
4								
5 Revenues Residential		196,389,676	196,389,676	0	0	0	0	0
6 Revenues MGSS		63,358,727	0	63,358,727	0	0	0	0
7 Revenues MGSP		1,356,811	0	1,356,811	0	0	0	0
8 Revenues AGSS		47,725,725	0	0	47,725,725	0	0	0
9 Revenues AGSP		8,940,092	0	0	8,940,092	0	0	0
10 Revenues Lighting		15,104,371	0	0	0	0	15,104,371	0
11 Revenues GSST		3,405,571	0	0	0	3,405,571	0	0
12 Revenues GST		2,584,750	0	0	0	2,584,750	0	0
13 Revenues DDC		572,677	0	0	0	0	0	572,677
14 Net Income		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
15 Net Income	REVENUES	1,000000	0.578572	0.190655	0.166940	0.017648	0.044498	0.001687
16								
17								
18								
19								
20								

REVENUE REQUIREMENTS INPUTS

1 Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
2 Ave Number of Customers (12 Months)	554,017	483,238	554,389	3,753	63	11,855	719	
3 KWH Sales @ Meter	8,819,370,717	4,148,811,252	1,248,694,168	2,455,530,765	879,770,325	73,343,971	13,220,236	
4								
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
<u>REVENUES FROM SALES-23</u>								
1 Revenue - Retail Sales ACE		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
2								
3								
4								
5 Revenues Residential		196,389,676	0	0	0	0	0	0
6 Revenues MGSS		0	63,358,727	0	0	0	0	0
7 Revenues MGSP		0	0	1,356,811	0	0	0	0
8 Revenues AGSS		0	0	0	47,725,725	0	0	0
9 Revenues AGSP		0	0	0	0	8,940,092	0	0
10 Revenues Lighting		0	0	0	0	0	15,104,371	0
11 Revenues GSST		0	0	0	0	0	0	3,405,571
12 Revenues GST		0	0	0	0	0	0	0
13 Revenues DDC		0	0	0	0	0	0	0
14 Net Income		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
15 Net Income	REVENUES	0.578572	0.186658	0.003997	0.140602	0.026338	0.044498	0.010033

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REVENUE REQUIREMENTS INPUTS

1 Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
2 Ave Number of Customers (12 Months)	483,238	54,305	84	3,628	126	11,855	46	
3 KWH Sales @ Meter	4,148,811,252	1,220,811,328	27,882,840	1,901,486,190	554,044,575	73,343,971	499,172,809	

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
<u>REVENUES FROM SALES-23</u>			
1 Revenue - Retail Sales ACE		2,584,750	572,677
2			
3			
4			
5 Revenues Residential		0	0
6 Revenues MGSS		0	0
7 Revenues MGSP		0	0
8 Revenues AGSS		0	0
9 Revenues AGSP		0	0
10 Revenues Lighting		0	0
11 Revenues GSST		0	0
12 Revenues GST		2,584,750	0
13 Revenues DDC		0	572,677
14 Net Income		2,584,750	572,677
15 Net Income	REVENUES	0.007615	0.001687
16			
17			
18			
19			
20			

<u>REVENUE REQUIREMENTS INPUTS</u>			
1 Claimed Rate of Return		7.83%	7.83%
2 Ave Number of Customers (12 Months)		17	719
3 KWH Sales @ Meter		380,597,516	13,220,236
4			
5			
6			
7			
8			
9			
10			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
RATIO TABLE-24 CAPACITY-DISTRIBUTION RELATED									
1	Distribution Primary-Class ACED	DEMPRI	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
2	Distribution Secondary-Class ACED	DEMSEC	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
3	Dist Line Transformer	DEMTRNSF	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	1.000000	0.625049	0.143065	0.222706	0.000000	0.008471	0.000708
5									
6	Class Maximum Diversified Dem NJ Pri	DEMPRI	1.000000	0.577587	0.132436	0.238734	0.046087	0.004062	0.001095
7	Class Maximum Diversified Dem NJ Sec	DEMSECS	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
8	Dist Line Transformer NJ	DEMTRNSFS	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
9	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSS	1.000000	0.606246	0.138730	0.249671	0.000000	0.004210	0.001143
10									

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
RATIO TABLE-24 CAPACITY-DISTRIBUTION RELATED		0.603347						
1	Distribution Primary-Class ACED DEMPRI	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
2	Distribution Secondary-Class ACED DEMSEC	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
3	Dist Line Transformer DEMTRNSF	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
4	Distr Pri-Class ACED - NONTGSS DPRITGSS	0.625049	0.139104	0.003961	0.179646	0.043060	0.008471	0.000000
5								
6	Class Maximum Diversified Dem NJ Pri DEMPRI	0.577587	0.130280	0.002156	0.186993	0.051740	0.004062	0.046087
7	Class Maximum Diversified Dem NJ Sec DEMSECS	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
8	Dist Line Transformer NJ DEMTRNSFS	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
9	Distr Pri-Class ACED - NONTGSS NJ DPRITGSS	0.606246	0.136476	0.002254	0.195582	0.054088	0.004210	0.000000
10								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC GENERAL DIRECT
 SERVICE DISTRIBUTION
 TRANSMISSION CONNECTION
 (15) (16)

RATIO TABLE-24
CAPACITY-DISTRIBUTION RELATED

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
1 Distribution Primary-Class ACED	DEMPRI	0.000000	0.000684
2 Distribution Secondary-Class ACED	DEMSEC	0.000000	0.000743
3 Dist Line Transformer	DEMTRNSF	0.000000	0.000743
4 Distr Pri-Class ACED - NONTGSS	DPRITGSS	0.000000	0.000708
5			
6 Class Maximum Diversified Dem NJ Pri	DEMPRI	0.000000	0.001095
7 Class Maximum Diversified Dem NJ Sec	DEMSECS	0.000000	0.001206
8 Dist Line Transformer NJ	DEMTRNSFS	0.000000	0.001206
9 Distr Pri-Class ACED - NONTGSS NJ	DPRITGSS	0.000000	0.001143
10			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
CUSTOMER RELATED-25								
1		1.000000	0.891447	0.101364	0.006984	0.000204	0.000000	0.000000
2		1.000000	0.872243	0.098173	0.006775	0.000114	0.021399	0.001297
3	CSERV	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
4	CSALES	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
5	Acct 369-Services-Class Max NCD	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
6	Acct 370-Meters Direct Assignment	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
7	Acct 3730 Street Light & Signal Sys Dir Assign	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
8	Acct 990200 Meter reading expenses	1.000000	0.846119	0.123427	0.024636	0.005818	0.000000	0.000000
9	Acct 990300 Cust records and collection exp	1.000000	0.860413	0.108864	0.008567	0.000272	0.020633	0.001250
10	D.A. 372-Leased Prop Cust Prem	1.000000	0.000000	0.000000	0.096057	0.903943	0.000000	0.000000
11	D.A. Customer Deposits	1.000000	0.660230	0.143329	0.196441	0.000000	0.000000	0.000000
12	Acct 3711 Based on Dist Pit	1.000000	0.597763	0.140355	0.192364	0.003815	0.065082	0.000621
13	D.A. TGS	1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
14	Acct 371 Installations on Customer Premises	1.000000	0.597763	0.140355	0.192364	0.003815	0.065082	0.000621
15	Number of Customers	1.000000	0.872243	0.098173	0.006775	0.000114	0.021399	0.001297
16								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
CUSTOMER RELATED-25								
1		0.891447	0.101153	0.000212	0.006739	0.000245	0.000000	0.000123
2		0.872243	0.098021	0.000152	0.006548	0.000227	0.021399	0.000083
3	CSERV	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
4	CSALES	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
5	CUST369	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
6	CUST370	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
7	CUST373	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
8	CUST902	0.846119	0.119670	0.003757	0.015946	0.008690	0.000000	0.003512
9	CUST903	0.860413	0.108518	0.000347	0.007922	0.000646	0.020633	0.000188
10	CUST372	0.000000	0.000000	0.000000	0.000000	0.096057	0.000000	0.048735
11	CUSPDEP	0.660230	0.140895	0.002434	0.172513	0.023928	0.000000	0.000000
12	CUST3711P	0.597763	0.137971	0.002383	0.168933	0.023431	0.065082	0.002786
13	DATGS	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	CUST371	0.597763	0.137971	0.002383	0.168933	0.023431	0.065082	0.002786
15	CUST	0.872243	0.098021	0.000152	0.006548	0.000227	0.021399	0.000083
16								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CUSTOMER RELATED-25			
1		0.000081	0.000000
2		0.000031	0.001297
3	CSERV	0.021593	0.001398
4	CSALES	0.021593	0.001398
5	CUST369	0.000000	0.000375
6	CUST370	0.031168	0.000000
7	CUST373	0.000000	0.000000
8	CUST902	0.002306	0.000000
9	CUST903	0.000084	0.001250
10	CUST372	0.855208	0.000000
11	CUSPDEP	0.000000	0.000000
12	CUST3711P	0.001029	0.000621
13	DATGS	1.000000	0.000000
14	CUST371	0.001029	0.000621
15	CUST	0.000031	0.001297
16			

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ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED-26.									
1	Acct 3620 Station Equipment	PLT362	1.000000	0.621697	0.142298	0.221512	0.005364	0.008425	0.000705
2	Accts 364 - 367 Distribution Plant	PLT3647	1.000000	0.628029	0.143113	0.216875	0.002761	0.008511	0.000712
3	Accts 364 & 365 Overhead Lines	PLTDOHNLN	1.000000	0.628159	0.143277	0.218372	0.000968	0.008513	0.000712
4	Accts 366 & 367 Underground Lines	PLTDUGLN	1.000000	0.627572	0.142540	0.211619	0.009052	0.008505	0.000711
5	Acct 3730 Street Lighting and Signal Systems	PLT373	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
6	Acct 3700 Meters	PLT370	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
7	Acct 369 Services	PLT369	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
8	Acct 3680 Line Transformers	PLT368	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
9	Acct 958100 Load dispatching	EXP581	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
10	Acct 958200 Station expenses	EXP582	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
11	Acct 958300 Overhead line expenses	EXP583	1.000000	0.628159	0.143277	0.218372	0.000968	0.008513	0.000712
12	Acct 958400 Underground line expenses	EXP584	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
13	Acct 958500 Street lighting	EXP585	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 958600 Meter expenses	EXP586	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
15	Acct 958700 Customer installations expenses	EXP587	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
16	Acct 958800 Miscellaneous distribution exp	EXP588	1.000000	0.603526	0.192683	0.173351	0.024559	0.005420	0.000462
17	Acct 958900 Rents	EXP589	1.000000	0.603526	0.192683	0.173351	0.024559	0.005420	0.000462
18	Acct 959200 Maintain equipment	EXP592	1.000000	0.621697	0.142298	0.221512	0.005364	0.008425	0.000705
19	Acct 959300 Maintain overhead lines	EXP593	1.000000	0.628159	0.143277	0.218372	0.000968	0.008513	0.000712
20	Acct 959400 Maintain underground line	EXP594	1.000000	0.627572	0.142540	0.211619	0.009052	0.008505	0.000711
21	Acct 959500 Maintain line transformers	EXP595	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
22	Acct 959600 Maint street lighting & signal sys	EXP596	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
23	Acct 959700 Maintain meters	EXP597	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
24	Acct 959800 Maintain distribution plant	EXP598	1.000000	0.609469	0.141165	0.210687	0.002444	0.035552	0.000683
25	Total Distribution Plant	DISTPLT	1.000000	0.597763	0.140355	0.192364	0.003815	0.065082	0.000621
26	Total Operation & Maintenance Labor	LABOR	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
27	Total General Plant	GENPLT	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
28	Dist O&M Expense	DISTOMEXP	1.000000	0.678561	0.148509	0.134757	0.011773	0.025643	0.000758
29	Taxable Income	TAXINC	1.000000	0.852916	-0.005271	0.136003	-0.020754	0.039784	-0.002677
30	Acct 364 Poles	PLT364	1.000000	0.628010	0.143242	0.218319	0.001207	0.008511	0.000712
31	Other Taxes	OTHTAX	1.000000	0.625540	0.153542	0.165864	0.012259	0.042132	0.000643

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ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISN (14)	
INTERNALLY DEVELOPED-26									
1	Acct 3620 Station Equipment	PLT362	0.621697	0.138358	0.003940	0.178682	0.042829	0.008425	0.005364
2	Accts 364 - 367 Distribution Plant	PLT3647	0.628029	0.139767	0.003346	0.180502	0.036372	0.008511	0.002761
3	Accts 364 & 365 Overhead Lines	PLTDOHNLN	0.628159	0.139796	0.003480	0.180540	0.037832	0.008513	0.000968
4	Accts 366 & 367 Underground Lines	PLTDUGLN	0.627572	0.139666	0.002875	0.180371	0.031248	0.008505	0.009052
5	Acct 3730 Street Lighting and Signal Systems	PLT373	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
6	Acct 3700 Meters	PLT370	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
7	Acct 369 Services	PLT369	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
8	Acct 3680 Line Transformers	PLT368	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
9	Acct 958100 Load dispatching	EXP581	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
10	Acct 958200 Station expenses	EXP582	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
11	Acct 958300 Overhead line expenses	EXP583	0.628159	0.139796	0.003480	0.180540	0.037832	0.008513	0.000968
12	Acct 958400 Underground line expenses	EXP584	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
13	Acct 958500 Street lighting	EXP585	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 958600 Meter expenses	EXP586	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
15	Acct 958700 Customer installations expenses	EXP587	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
16	Acct 958800 Miscellaneous distribution exp	EXP588	0.603526	0.187399	0.005284	0.142608	0.030743	0.005420	0.014122
17	Acct 958900 Rents	EXP589	0.603526	0.187399	0.005284	0.142608	0.030743	0.005420	0.014122
18	Acct 959200 Maintain equipment	EXP592	0.621697	0.138358	0.003940	0.178682	0.042829	0.008425	0.005364
19	Acct 959300 Maintain overhead lines	EXP593	0.628159	0.139796	0.003480	0.180540	0.037832	0.008513	0.000968
20	Acct 959400 Maintain underground line	EXP594	0.627572	0.139666	0.002875	0.180371	0.031248	0.008505	0.009052
21	Acct 959500 Maintain line transformers	EXP595	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
22	Acct 959600 Maint street lighting & signal sys	EXP596	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
23	Acct 959700 Maintain meters	EXP597	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
24	Acct 959800 Maintain distribution plant	EXP598	0.609469	0.137693	0.003473	0.173973	0.036714	0.035552	0.002040
25	Total Distribution Plant	DISTPLT	0.597763	0.137971	0.002383	0.168933	0.023431	0.065082	0.002786
26	Total Operation & Maintenance Labor	LABOR	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
27	Total General Plant	GENPLT	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
28	Dist O&M Expense	DISTOMEXP	0.678561	0.145297	0.003212	0.110836	0.023921	0.025643	0.006950
29	Taxable Income	TAXINC	0.852916	-0.004471	-0.000801	0.120908	0.015096	0.039784	-0.010016
30	Acct 364 Poles	PLT364	0.628010	0.139763	0.003479	0.180497	0.037822	0.008511	0.001207
31	Other Taxes	OTHTAX	0.625540	0.150151	0.003390	0.139737	0.026147	0.042132	0.007326

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
INTERNALLY DEVELOPED-26			
1 Acct 3620 Station Equipment	PLT362	0.000000	0.000705
2 Accts 364 - 367 Distribution Plant	PLT3647	0.000000	0.000712
3 Accts 364 & 365 Overhead Lines	PLTDOHLN	0.000000	0.000712
4 Accts 366 & 367 Underground Lines	PLTDUGLN	0.000000	0.000711
5 Acct 3730 Street Lighting and Signal Systems	PLT373	0.000000	0.000000
6 Acct 3700 Meters	PLT370	0.031168	0.000000
7 Acct 369 Services	PLT369	0.000000	0.000375
8 Acct 3680 Line Transformers	PLT368	0.000000	0.000743
9 Acct 958100 Load dispatching	EXP581	0.000000	0.000684
10 Acct 958200 Station expenses	EXP582	0.000000	0.000000
11 Acct 958300 Overhead line expenses	EXP583	0.000000	0.000712
12 Acct 958400 Underground line expenses	EXP584	0.000000	0.000000
13 Acct 958500 Street lighting	EXP585	0.000000	0.000000
14 Acct 958600 Meter expenses	EXP586	0.031168	0.000000
15 Acct 958700 Customer installations expenses	EXP587	0.000000	0.000375
16 Acct 958800 Miscellaneous distribution exp	EXP588	0.010437	0.000462
17 Acct 958900 Rents	EXP589	0.010437	0.000462
18 Acct 959200 Maintain equipment	EXP592	0.000000	0.000705
19 Acct 959300 Maintain overhead lines	EXP593	0.000000	0.000712
20 Acct 959400 Maintain underground line	EXP594	0.000000	0.000711
21 Acct 959500 Maintain line transformers	EXP595	0.000000	0.000743
22 Acct 959600 Maint street lighting & signal sys	EXP596	0.000000	0.000000
23 Acct 959700 Maintain meters	EXP597	0.031168	0.000000
24 Acct 959800 Maintain distribution plant	EXP598	0.000404	0.000683
25 Total Distribution Plant	DISTPLT	0.001029	0.000621
26 Total Operation & Maintenance Labor	LABOR	0.007946	0.000608
27 Total General Plant	GENPLT	0.007946	0.000608
28 Dist O&M Expense	DISTOMEXP	0.004822	0.000758
29 Taxable Income	TAXINC	-0.010739	-0.002677
30 Acct 364 Poles	PLT364	0.000000	0.000712
31 Other Taxes	OTH TAX	0.004933	0.000643

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ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
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ALLOC		TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED CONT-27									
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	1.000000	0.603526	0.192683	0.173351	0.024559	0.005420	0.000462
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	1.000000	0.609469	0.141165	0.210687	0.002444	0.035552	0.000683
3	Distribution Operating Labor Acct 581 - 589	LABDO	1.000000	0.602517	0.195019	0.171813	0.024776	0.005419	0.000456
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	1.000000	0.564266	0.137647	0.190700	0.006631	0.100151	0.000605
5	Total Distribution Operating Labor	TLABDO	1.000000	0.602517	0.195019	0.171813	0.024776	0.005419	0.000456
6	Total Distribution Maintenance Labor	TLABDM	1.000000	0.564266	0.137647	0.190700	0.006631	0.100151	0.000605
7	Acct 990200 Meter reading expenses	EXP902	1.000000	0.846119	0.123427	0.024636	0.005818	0.000000	0.000000
8	Acct 990300 Cust records and collection exp	EXP903	1.000000	0.860413	0.108864	0.008567	0.000272	0.020633	0.001250
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
10	Acct 990700 Supervision	EXP907	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
11	Acct 990800 Customer assistance expenses	EXP908	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
12	Acct 991000 Misc cust service & informat exp	EXP910	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
13	Acct 991200 Demonstrating & selling expenses	EXP912	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 991300 Advertising expense	EXP913	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15	Acct 992000 Administrative & General salaries	EXP920	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
16	Acct 992100 Office supplies & expenses	EXP921	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
17	Acct 992300 Outside services employed	EXP923	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
18	Acct 993020 Miscellaneous general expenses	EXP9302	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
19	Acct 993500 Maintenance of general plant	EXP935	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
20	Total Intangible Plant	INTPLT	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
23	Service Company Assets Reserve	SERVCO	1.000000	0.622703	0.165546	0.158649	0.018900	0.033594	0.000608
24	Total System Electric Distribution	PLANT	1.000000	0.600062	0.142676	0.189257	0.005205	0.062180	0.000620
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	1.000000	0.859115	0.110186	0.010026	0.000775	0.018760	0.001137
26	Total Customer Deposits	CUSTDEP	1.000000	0.660230	0.143329	0.196441	0.000000	0.000000	0.000000
27	Sales Revenue Required Claimed ROR	CLAIMREV	1.000000	0.639724	0.147902	0.158696	0.009753	0.043180	0.000746
28	Residential Distribution Plant	RESDIST	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
29	Non-Residential Distribution Plant	NRESDIST	1.000000	0.000000	0.348935	0.478236	0.009484	0.161799	0.001545
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ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)	
INTERNALLY DEVELOPED CONT-27									
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	0.603526	0.187399	0.005284	0.142608	0.030743	0.005420	0.014122
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	0.609469	0.137693	0.003473	0.173973	0.036714	0.035552	0.002040
3	Distribution Operating Labor Acct 581 - 589	LABDO	0.602517	0.189607	0.005412	0.140904	0.030908	0.005419	0.013861
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	0.564266	0.134167	0.003481	0.157184	0.033516	0.100151	0.004942
5	Total Distribution Operating Labor	TLABDO	0.602517	0.189607	0.005412	0.140904	0.030908	0.005419	0.013861
6	Total Distribution Maintenance Labor	TLABDM	0.564266	0.134167	0.003481	0.157184	0.033516	0.100151	0.004942
7	Acct 990200 Meter reading expenses	EXP902	0.846119	0.119670	0.003757	0.015946	0.008690	0.000000	0.003512
8	Acct 990300 Cust records and collection exp	EXP903	0.860413	0.108518	0.000347	0.007922	0.000646	0.020633	0.000188
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
10	Acct 990700 Supervision	EXP907	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
11	Acct 990800 Customer assistance expenses	EXP908	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
12	Acct 991000 Misc cust service & informat exp	EXP910	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
13	Acct 991200 Demonstrating & selling expenses	EXP912	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 991300 Advertising expense	EXP913	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15	Acct 992000 Administrative & General salaries	EXP920	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
16	Acct 992100 Office supplies & expenses	EXP921	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
17	Acct 992300 Outside services employed	EXP923	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
18	Acct 993020 Miscellaneous general expenses	EXP9302	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
19	Acct 993500 Maintenance of general plant	EXP935	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
20	Total Intangible Plant	INTPLT	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
23	Service Company Assets Reserve	SERVCO	0.622703	0.161353	0.004193	0.129910	0.028738	0.033594	0.010954
24	Total System Electric Distribution	PLANT	0.600062	0.140126	0.002550	0.165336	0.023921	0.062180	0.003539
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	0.859115	0.109530	0.000656	0.008650	0.001376	0.018760	0.000489
26	Total Customer Deposits	CUSTDEP	0.660230	0.140895	0.002434	0.172513	0.023928	0.000000	0.000000
27	Sales Revenue Required Claimed ROR	CLAIMREV	0.639724	0.144951	0.002950	0.134898	0.023798	0.043180	0.006002
28	Residential Distribution Plant	RESDIST	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
29	Non-Residential Distribution Plant	NRESDIST	0.000000	0.343010	0.005926	0.419983	0.058253	0.161799	0.006925
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ACE RETAIL COST OF SERVICE STUDY
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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
INTERNALLY DEVELOPED CONT-27				
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	0.010437	0.000462
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	0.000404	0.000683
3	Distribution Operating Labor Acct 581 - 589	LABDO	0.010915	0.000456
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	0.001689	0.000605
5	Total Distribution Operating Labor	TLABDO	0.010915	0.000456
6	Total Distribution Maintenance Labor	TLABDM	0.001689	0.000605
7	Acct 990200 Meter reading expenses	EXP902	0.002306	0.000000
8	Acct 990300 Cust records and collection exp	EXP903	0.000084	0.001250
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0.000000	0.000000
10	Acct 990700 Supervision	EXP907	0.021593	0.001398
11	Acct 990800 Customer assistance expenses	EXP908	0.021593	0.001398
12	Acct 991000 Misc cust service & informat exp	EXP910	0.021593	0.001398
13	Acct 991200 Demonstrating & selling expenses	EXP912	0.000000	0.000000
14	Acct 991300 Advertising expense	EXP913	0.000000	0.000000
15	Acct 992000 Administrative & General salaries	EXP920	0.007946	0.000608
16	Acct 992100 Office supplies & expenses	EXP921	0.007946	0.000608
17	Acct 992300 Outside services employed	EXP923	0.007946	0.000608
18	Acct 993020 Miscellaneous general expenses	EXP9302	0.007946	0.000608
19	Acct 993500 Maintenance of general plant	EXP935	0.007946	0.000608
20	Total Intangible Plant	INTPLT	0.007946	0.000608
23	Service Company Assets Reserve	SERVCO	0.007946	0.000608
24	Total System Electric Distribution	PLANT	0.001667	0.000620
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	0.000286	0.001137
26	Total Customer Deposits	CUSTDEP	0.000000	0.000000
27	Sales Revenue Required Claimed ROR	CLAIMREV	0.003751	0.000746
28	Residential Distribution Plant	RESDIST	0.000000	0.000000
29	Non-Residential Distribution Plant	NRESDIST	0.002559	0.001545
30				
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1
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REVENUES FROM SALES-28		TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
ALOC								
1	Revenue - Retail Sales ACE	1.000000	0.578572	0.190655	0.166940	0.017648	0.044498	0.001687
2	REVENUEI							
3	Residential	196,389,676	196,389,676	0	0	0	0	0
4	MGSS	63,358,727	0	63,358,727	0	0	0	0
5	MGSP	1,356,811	0	1,356,811	0	0	0	0
6	AGSS	47,725,725	0	0	47,725,725	0	0	0
7	AGSP	8,940,092	0	0	8,940,092	0	0	0
8	Lighting	15,104,371	0	0	0	0	15,104,371	0
9	TGSST	3,405,571	0	0	0	3,405,571	0	0
10	TGST	2,584,750	0	0	0	2,584,750	0	0
11	DDC	572,677	0	0	0	0	0	572,677
12	Total Revenue	339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
13	Revenue - Retail Sales ACE	1.000000	0.57857	0.19065	0.16694	0.01765	0.04450	0.00169
14	Revenue - Settlement Retail Sales	0.000000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	REVENUES							

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1
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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
REVENUES FROM SALES-28								
1 Revenue - Retail Sales ACE	REVENUEI	0.578572	0.186658	0.003997	0.140602	0.026338	0.044498	0.010033
2								
3 Residential		196,389,676	0	0	0	0	0	0
4 MGSS		0	63,358,727	0	0	0	0	0
5 MGSP		0	0	1,356,811	0	0	0	0
6 AGSS		0	0	0	47,725,725	0	0	0
7 AGSP		0	0	0	0	8,940,092	0	0
8 Lighting		0	0	0	0	0	15,104,371	0
9 TGSST		0	0	0	0	0	0	3,405,571
10 TGST		0	0	0	0	0	0	0
11 DDC		0	0	0	0	0	0	0
12 Total Revenue		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
13 Revenue - Retail Sales ACE	REVENUE	0.57857	0.18666	0.00400	0.14060	0.02634	0.04450	0.01003
14 Revenue - Settlement Retail Sales	REVENUES	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-1

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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
REVENUES FROM SALES-28			
1 Revenue - Retail Sales ACE	REVENUEI	0.007615	0.001687
2			
3 Residential		0	0
4 MGSS		0	0
5 MGSP		0	0
6 AGSS		0	0
7 AGSP		0	0
8 Lighting		0	0
9 TGSST		0	0
10 TGST		2,584,750	0
11 DDC		0	572,677
12 Total Revenue		2,584,750	572,677
13 Revenue - Retail Sales ACE	REVENUE	0.00761	0.00169
14 Revenue - Settlement Retail Sales	REVENUES	0.00000	0.00000

Schedule (EPT)-2

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
PRESENT RATE OF RETURN SUMMARY SCHEDULE - COMPONENT FORMAT RATE OF RETURN	3.77%	1.88%	8.36%	9.67%	5.03%	5.45%	5.37%	17.01%	31.56%	25.92%
REVENUES REQUIRED										
1 DEMAND DISTRIBUTION	202,668,008	107,746,706	40,691,494	934,524	41,329,762	7,922,242	1,991,932	1,607,835	0	443,513
2 DEMAND DISTRIBUTION PRIMARY	162,999,681	87,967,229	30,606,938	934,524	32,107,125	7,922,242	1,541,538	1,607,835	0	312,250
3 DEMAND DISTRIBUTION SECONDARY	18,923,113	10,903,066	3,803,827	0	3,985,925	0	191,398	0	0	38,897
4 DEMAND DISTRIBUTION TRANSFORMERS	20,745,214	8,876,411	6,280,730	0	5,236,712	0	258,996	0	0	92,366
5 CUSTOMER COMPONENTS	136,770,393	88,642,970	22,667,233	422,287	6,395,963	1,017,851	13,112,440	1,797,736	2,584,750	129,164
6 CUSTOMER METERS COMPONENT	36,491,453	18,329,939	11,155,052	363,662	2,491,740	635,125	0	1,351,425	2,164,510	0
7 CUSTOMER SERVICES COMPONENT	10,328,568	4,740,601	2,994,845	0	2,571,884	0	0	0	0	21,238
8 ACCT 902 - METER READING COMP	7,833,723	6,568,210	979,059	31,033	126,653	69,292	0	34,352	25,124	(0)
9 ACCT 903 - CUST RECORDS & COLL COMP	62,565,963	53,590,448	6,999,681	22,514	500,453	40,903	1,300,820	14,188	6,917	90,040
10 CUSTOMER SALES EXPENSE COMP	0	0	0	0	0	0	0	0	0	0
11 CUSTOMER SERVICES EXP COMP	11,009,352	7,141,510	1,353,122	19,219	1,221,548	348,532	163,374	396,233	346,378	19,436
12 CUSTOMER OTHER COMPONENT	8,541,335	(1,727,737)	(814,528)	(14,141)	(516,313)	(76,001)	11,648,246	1,537	41,821	(1,551)
13 TOTAL ACE DISTRIBUTION	339,438,401	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571	2,584,750	572,677
	100.00%	57.86%	18.67%	0.40%	14.06%	2.63%	4.45%	1.00%	0.76%	0.17%
14 AVG. NUMBER OF CUSTOMER	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
15 CUSTOMER \$/MONTH/CUSTOMER	\$20.57	\$15.29	\$34.78	\$418.52	\$146.92	\$675.86	\$92.17	\$3,256.77	\$12,670.34	\$14.98

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-2

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	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
PRESENT RATE OF RETURN SUMMARY SCHEDULE - COMPONENT FORMAT RATE OF RETURN	3.77%	1.88%	8.36%	9.67%	5.03%	5.45%	5.37%	17.01%	31.56%	25.92%
\$/KWH										
1 DEMAND DISTRIBUTION	\$0.0230	\$0.0260	\$0.0333	\$0.0335	\$0.0217	\$0.0143	\$0.0272	\$0.0032	\$0.0000	\$0.0335
2 DEMAND DISTRIBUTION PRIMARY	\$0.0185	\$0.0212	\$0.0251	\$0.0335	\$0.0169	\$0.0143	\$0.0210	\$0.0032	\$0.0000	\$0.0236
3 DEMAND DISTRIBUTION SECONDARY	\$0.0021	\$0.0026	\$0.0031	\$0.0000	\$0.0021	\$0.0000	\$0.0026	\$0.0000	\$0.0000	\$0.0029
4 DEMAND DISTRIBUTION TRANSFORMERS	\$0.0024	\$0.0021	\$0.0051	\$0.0000	\$0.0028	\$0.0000	\$0.0035	\$0.0000	\$0.0000	\$0.0070
5 CUSTOMER COMPONENTS	\$0.0155	\$0.0214	\$0.0186	\$0.0151	\$0.0034	\$0.0018	\$0.1788	\$0.0036	\$0.0068	\$0.0098
6 CUSTOMER METERS COMPONENT	\$0.0041	\$0.0044	\$0.0091	\$0.0130	\$0.0013	\$0.0011	\$0.0000	\$0.0027	\$0.0057	\$0.0000
7 CUSTOMER SERVICES COMPONENT	\$0.0012	\$0.0011	\$0.0025	\$0.0000	\$0.0014	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0016
8 ACCT 902 - METER READING COMP	\$0.0009	\$0.0016	\$0.0008	\$0.0011	\$0.0001	\$0.0001	\$0.0000	\$0.0001	\$0.0001	\$0.0000
9 ACCT 903 - CUST RECORDS & COLL COMP	\$0.0071	\$0.0129	\$0.0057	\$0.0008	\$0.0003	\$0.0001	\$0.0177	\$0.0000	\$0.0000	\$0.0068
10 CUSTOMER SERVICES EXP COMP	\$0.0012	\$0.0017	\$0.0011	\$0.0007	\$0.0006	\$0.0006	\$0.0022	\$0.0008	\$0.0009	\$0.0015
11 CUSTOMER OTHER COMPONENT	\$0.0010	-\$0.0004	-\$0.0007	-\$0.0005	-\$0.0003	-\$0.0001	\$0.1588	\$0.0000	\$0.0001	-\$0.0001
12 TOTAL ACE DISTRIBUTION	\$0.0385	\$0.0473	\$0.0519	\$0.0487	\$0.0251	\$0.0161	\$0.2059	\$0.0068	\$0.0068	\$0.0433

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-2

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	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CLAIMED RATE OF RETURN SUMMARY										
SCHEDULE - COMPONENT FORMAT										
RATE OF RETURN	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
REVENUES REQUIRED										
1 DEMAND DISTRIBUTION	276,135,768	172,990,876	39,397,052	849,900	50,112,830	9,105,127	2,353,213	1,112,861	0	213,909
2 DEMAND DISTRIBUTION PRIMARY	211,671,514	131,012,234	29,752,283	849,900	37,899,291	9,105,127	1,779,428	1,112,861	0	160,391
3 DEMAND DISTRIBUTION SECONDARY	24,925,766	16,278,378	3,697,103	0	4,709,242	0	221,107	0	0	19,936
4 DEMAND DISTRIBUTION TRANSFORMERS	39,538,488	25,700,264	5,947,666	0	7,504,297	0	352,678	0	0	33,583
5 CUSTOMER COMPONENTS	150,054,064	99,653,030	22,379,800	407,510	7,379,285	1,037,226	16,049,657	1,445,077	1,598,545	103,934
6 CUSTOMER METERS COMPONENT	38,692,621	21,624,144	11,005,937	347,343	2,682,024	676,044	0	1,056,565	1,300,564	0
7 CUSTOMER SERVICES COMPONENT	18,766,394	12,320,254	2,844,762	0	3,593,390	0	0	0	0	7,988
8 ACCT 902 - METER READING COMP	8,126,438	6,870,656	975,099	30,605	129,264	70,525	0	30,511	19,779	(0)
9 ACCT 903 - CUST RECORDS & COLL COMP	64,169,692	55,204,418	6,980,433	22,303	507,173	41,382	1,314,146	12,845	5,694	81,299
10 CUSTOMER SERVICES EXP COMP	11,373,358	7,607,105	1,345,621	18,856	1,257,090	357,222	167,297	344,407	259,597	16,164
11 CUSTOMER OTHER COMPONENT	8,925,561	(3,973,547)	(772,051)	(11,597)	(789,655)	(107,946)	14,568,214	749	12,911	(1,517)
12 TOTAL ACE DISTRIBUTION	426,189,832	272,643,906	61,776,851	1,257,410	57,492,115	10,142,354	18,402,870	2,557,938	1,598,545	317,843
13 AVG. NUMBER OF CUSTOMER	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
14 CUSTOMER \$/MONTH/CUSTOMER	\$22.57	\$17.18	\$34.34	\$403.88	\$169.50	\$688.73	\$112.82	\$2,617.89	\$7,836.00	\$12.05

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-2

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	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CLAIMED RATE OF RETURN SUMMARY										
SCHEDULE - COMPONENT FORMAT										
RATE OF RETURN	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
Ave Number of Customers (12 Months)	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
\$/MONTH/CUSTOMER	\$22.57	\$17.18	\$34.34	\$403.88	\$169.50	\$688.73	\$112.82	\$2,617.89	\$7,836.00	\$12.05
\$/KWH										
1 DEMAND DISTRIBUTION	0.0313	0.0417	0.0323	0.0305	0.0264	0.0164	0.0321	0.0022	0.0000	0.0162
2 DEMAND DISTRIBUTION PRIMARY	0.0240	0.0316	0.0244	0.0305	0.0199	0.0164	0.0243	0.0022	0.0000	0.0121
3 DEMAND DISTRIBUTION SECONDARY	0.0028	0.0039	0.0030	0.0000	0.0025	0.0000	0.0030	0.0000	0.0000	0.0015
4 DEMAND DISTRIBUTION TRANSFORMERS	0.0045	0.0062	0.0049	0.0000	0.0039	0.0000	0.0048	0.0000	0.0000	0.0025
5 CUSTOMER COMPONENTS	0.0170	0.0240	0.0183	0.0146	0.0039	0.0019	0.2188	0.0029	0.0042	0.0079
6 CUSTOMER METERS COMPONENT	0.0044	0.0052	0.0090	0.0125	0.0014	0.0012	0.0000	0.0021	0.0034	0.0000
7 CUSTOMER SERVICES COMPONENT	0.0021	0.0030	0.0023	0.0000	0.0019	0.0000	0.0000	0.0000	0.0000	0.0000
8 ACCT 902 - METER READING COMP	0.0009	0.0017	0.0008	0.0011	0.0001	0.0001	0.0000	0.0001	0.0001	(0.0000)
9 ACCT 903 - CUST RECORDS & COLL COMP	0.0073	0.0133	0.0057	0.0008	0.0003	0.0001	0.0179	0.0000	0.0000	0.0061
10 CUSTOMER SERVICES EXP COMP	0.0013	0.0018	0.0011	0.0007	0.0007	0.0000	0.0006	0.0023	0.0007	0.0012
11 CUSTOMER SALES EXP COMP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12 CUSTOMER OTHER COMPONENT	0.0010	(0.0010)	(0.0006)	(0.0004)	(0.0004)	(0.0002)	0.1986	0.0000	0.0000	(0.0001)
13 TOTAL ACE DISTRIBUTION	0.0483	0.0657	0.0506	0.0451	0.0302	0.0183	0.2509	0.0051	0.0042	0.0240

Schedule (EPT)-3

**Atlantic City Electric Company
Customer Class Rate of Return
& Relative Rate of Return**

(1) Line No.	(2)	(3) Customer Class Rate of Return - %	
	Customer Class	Rate of Return	Relative Rate of Return
1	Residential	1.88	0.50
2	Monthly General Service Secondary	8.36	2.22
3	Monthly General Service Primary	9.67	2.57
4	Annual General Service Secondary	5.03	1.34
5	Annual General Service Primary	5.45	1.45
6	General Service Subtransmission	17.01	4.52
7	General Service Transmission	31.56	8.38
8	Street and Private Lighting	5.37	1.42
9	Direct Distribution Connection	25.92	6.88
	Total Company	3.77	1.00

Schedule (EPT)-4

ATLANTIC CITY ELECTRIC COMPANY
DESCRIPTION OF ALLOCATORS

Demand Related Allocators

- | | | |
|----|----------|---|
| 1. | DEMPRI | Distribution Primary system-related allocator based on Class Maximum Diversified Demand (Class MDD). |
| 2. | DPRITGSS | Distribution Primary system-related allocator based on Class MDD. Excluding General Service Subtransmission and General Service Transmission. |
| 3. | DEMSEC | Distribution Secondary-related allocator based on a Class MDD. Excluding Monthly General Service Primary (MGSP), Annual General Service Primary (AGSP), General Service Subtransmission (GSST), and General Service Transmission (GST). |
| 3. | DEMTRNSF | Distribution Secondary-related allocator for Line Transformers based on Class MDD. Excluding MGSP, AGSP, GSST, and GST. |

Customer Related Allocators

- | | | |
|----|---------|--|
| 1. | CUST369 | Customer-related allocator for Account 369 Services based on Class MDD. Excluded MGSP, AGSP, Street Lighting, GSST, and GST. |
| 2. | CUST370 | Customer-related direct assignment allocator for Account 370- Meters. |
| 3. | CUST902 | Customer-related direct assignment allocator for Account 902- Meter Reading Expenses. |
| 4. | CUST903 | Customer-related direct assignment allocator for Account 903- Customer Records and Collection Expense. |
| 5. | CSERV | Customer-related allocator that was weighted 50% on the number of customers and 50% on MWH Sales at the Meter. |
| 6. | CSALES | Customer-related allocator that was weighted 50% on the number of customers and 50% on MWH Sales at the Meter. |

Customer Related - Continued

- | | | |
|----|---------|--|
| 7. | CUST371 | Customer-related allocator for assigning Account 371- Installations on Customer Premises to the rate classes. |
| 8. | CUST372 | Customer-related allocator for assigning Account 372- Leased Property on Customer Premises to the rate classes. |
| 9. | CUST373 | Customer-related allocator for assigning Account 373- Street Lighting and Signal Systems to the Street Lighting class. |
| 9. | CUSTDEP | Customer-related allocator for assigning Customer Deposits to the rate classes. |

Miscellaneous Other Allocators

- | | | |
|----|---------|---|
| 1. | BGSNUGR | Revenue-related allocator based on Basic Generation Service (BGS) and NUG revenues. |
|----|---------|---|

Schedule (EPT)-5

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPJ
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5
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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANS GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
SUMMARY OF RESULTS-1								
RATE BASE								
1	Total System Electric Distribution	2,296,530,016	1,347,387,341	321,460,388	476,982,397	13,401,971	135,085,277	2,212,642
2	Less: Depreciation Reserve	555,979,227	327,426,062	78,919,321	113,809,464	3,874,738	31,419,954	529,688
3	Total Net Plant	1,740,550,789	1,019,961,279	242,541,067	363,172,932	9,527,234	103,665,323	1,682,954
ADD:								
4	Working Capital	84,750,725	53,468,833	13,459,807	12,951,331	2,217,024	2,565,076	88,655
5	Plant Held for Future Use	6,584,025	3,932,240	983,374	1,273,546	73,960	314,899	6,006
6	Materials & Supplies	20,713,780	12,097,570	2,850,175	4,377,122	92,532	1,276,155	20,226
DEDUCT:								
7	Customer Advances	493,900	288,455	67,960	104,368	2,206	30,429	482
8	Customer Deposits	33,133,624	21,875,802	4,439,662	6,818,159	0	0	0
9	Deferred FIT	445,192,929	261,140,306	62,265,869	92,542,359	2,568,857	26,246,331	429,208
10	Deferred SIT	114,291,481	67,039,378	15,983,800	23,759,791	658,732	6,739,586	110,195
11	TOTAL RATE BASE	1,259,487,385	739,115,981	177,077,131	258,550,254	8,680,955	74,805,107	1,257,957
DEVELOPMENT OF RETURN								
12	Revenue - Retail Sales	339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
13	Settlement Net Base Revenue Increase	0	0	0	0	0	0	0
14	Total Revenue - Retail Sales ACE	339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
15	Other Operating Revenue	9,194,395	5,736,004	1,313,962	1,983,765	15,057	134,262	11,345
16	Total Electric Operating Revenue	348,632,796	202,125,680	66,029,500	58,649,583	6,005,378	15,238,633	584,022
LESS:								
17	Operating & Maintenance Expense	234,446,269	157,021,959	34,361,828	34,473,688	2,829,284	5,532,917	226,593
18	Depreciation & Amortization Expense	55,765,291	32,738,299	7,824,075	11,554,541	335,928	3,258,819	53,629
19	Other Taxes	4,996,078	3,070,468	755,465	904,650	63,591	197,347	4,557
20	Net ITC Adjustment	(152,570)	(89,059)	(20,951)	(32,305)	(657)	(9,449)	(149)
21	Interest on Customer Deposits	38,316	25,298	5,134	7,885	0	0	0
22	Income Taxes	6,097,098	(6,117,634)	7,728,127	1,529,713	1,123,739	1,718,295	114,858
23	Total Operating Expenses	301,190,482	186,649,330	50,653,678	48,438,172	4,351,885	10,697,929	399,488
24	OPERATING INCOME	47,442,314	15,476,350	15,375,821	10,211,412	1,653,493	4,540,704	184,534
25	RATE OF RETURN	3.77%	2.09%	8.68%	3.95%	19.05%	6.07%	14.67%
26	RELATIVE RATE OF RETURN	1.00	0.56	2.31	1.05	5.06	1.61	3.89

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
SUMMARY OF RESULTS-1								
RATE BASE								
1	Total System Electric Distribution	1,347,387,341	317,619,029	3,841,360	409,103,200	67,879,197	135,085,277	9,574,380
2	Less: Depreciation Reserve	327,426,062	77,908,273	1,011,048	97,178,099	16,631,366	31,419,954	2,654,583
3	Total Net Plant	1,019,961,279	239,710,755	2,830,312	311,925,101	51,247,831	103,665,323	6,919,797
ADD:								
4	Working Capital	53,468,833	13,214,572	245,235	10,859,113	2,092,218	2,565,076	1,506,357
5	Plant Held for Future Use	3,932,240	967,789	15,585	1,067,767	205,779	314,899	46,435
6	Materials & Supplies	12,097,570	2,819,174	31,001	3,773,792	603,331	1,276,155	71,212
DEDUCT:								
7	Customer Advances	288,455	67,221	739	89,982	14,386	30,429	1,698
8	Customer Deposits	21,875,802	4,391,373	48,289	5,878,363	939,796	0	0
9	Deferred FIT	261,140,306	61,524,957	740,912	79,392,836	13,149,522	26,246,331	1,840,450
10	Deferred SIT	67,039,378	15,793,688	190,112	20,384,237	3,375,554	6,739,586	472,084
11	TOTAL RATE BASE	739,115,981	174,935,051	2,142,080	221,880,354	36,669,900	74,805,107	6,229,569
DEVELOPMENT OF RETURN								
12	Revenue - Retail Sales	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
13	Settlement Net Base Revenue Increase	0	0	0	0	0	0	0
14	Total Revenue - Retail Sales ACE	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
15	Other Operating Revenue	5,736,004	1,296,318	17,644	1,613,125	370,640	134,262	14,141
16	Total Electric Operating Revenue	202,125,680	64,655,045	1,374,455	49,338,851	9,310,733	15,238,633	3,419,712
LESS:								
17	Operating & Maintenance Expense	157,021,959	33,777,015	584,813	27,782,546	6,891,142	5,532,917	1,698,686
18	Depreciation & Amortization Expense	32,738,299	7,729,448	94,628	9,902,970	1,651,570	3,258,819	238,096
19	Other Taxes	3,070,468	742,800	12,865	747,826	156,824	197,347	38,947
20	Net ITC Adjustment	(89,059)	(20,726)	(225)	(27,868)	(4,436)	(9,449)	(512)
21	Interest on Customer Deposits	25,298	5,078	56	6,798	1,087	0	0
22	Income Taxes	(6,117,634)	7,456,634	271,493	1,686,232	(156,519)	1,718,295	564,717
23	Total Operating Expenses	186,649,330	49,690,049	963,630	40,098,504	8,339,668	10,697,929	2,539,934
24	OPERATING INCOME	15,476,350	14,964,996	410,825	9,240,347	971,065	4,540,704	879,778
25	RATE OF RETURN	2.09%	8.55%	19.18%	4.16%	2.65%	6.07%	14.12%
26	RELATIVE RATE OF RETURN	0.56	2.27	5.09	1.11	0.70	1.61	3.75

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
SUMMARY OF RESULTS-1			
RATE BASE			
1	Total System Electric Distribution	3,827,591	2,212,642
2	Less: Depreciation Reserve	1,220,155	529,688
3	Total Net Plant	2,607,437	1,682,954
ADD:			
4	Working Capital	710,667	88,655
5	Plant Held for Future Use	27,525	6,006
6	Materials & Supplies	21,320	20,226
DEDUCT:			
7	Customer Advances	508	482
8	Customer Deposits	0	0
9	Deferred FIT	728,407	429,208
10	Deferred SIT	186,648	110,195
11	TOTAL RATE BASE	2,451,386	1,257,957
DEVELOPMENT OF RETURN			
12	Revenue - Retail Sales	2,584,750	572,677
13	Settlement Net Base Revenue Increase	0	0
14	Total Revenue - Retail Sales ACE	2,584,750	572,677
15	Other Operating Revenue	916	11,345
16	Total Electric Operating Revenue	2,585,666	584,022
LESS:			
17	Operating & Maintenance Expense	1,130,598	226,593
18	Depreciation & Amortization Expense	97,832	53,629
19	Other Taxes	24,645	4,557
20	Net ITC Adjustment	(146)	(149)
21	Interest on Customer Deposits	0	0
22	Income Taxes	559,022	114,858
23	Total Operating Expenses	1,811,950	399,488
24	OPERATING INCOME	773,716	184,534
25	RATE OF RETURN	31.56%	14.67%
26	RELATIVE RATE OF RETURN	8.38	3.89

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOPMENT OF RATE BASE-2								
ELECTRIC PLANT IN SERVICE								
DISTRIBUTION PLANT								
Distribution - ACE								
3601 Land and Land Rights								
1								
	Substations 23/34.5 KV	_PLT362 110,146	66,288	15,173	27,314	784	461	125
2	Substations Remainder	DPRITGSSS 8,861,247	5,372,093	1,229,323	2,212,395	0	37,304	10,133
3	Lines 23/34.5 KV	_PLT3647 1,151,934	702,243	160,239	279,038	4,221	4,869	1,324
4	Lines Remainder	DPRITGSS 25,817,503	16,137,207	3,693,592	5,749,720	0	218,693	18,291
5	Total Acct 3601	35,940,830	22,277,831	5,098,327	8,268,467	5,005	261,327	29,872
6	3610 Structures and Improvements							
7	23/34.5 KV	DEMPRIS 2,570,661	1,484,780	340,448	613,703	118,474	10,441	2,815
8	Remainder	DPRITGSSS 28,256,132	17,130,159	3,919,979	7,054,731	0	118,953	32,310
9	Total Acct 3610	30,826,793	18,614,939	4,260,427	7,668,434	118,474	129,394	35,125
10	3620 Station Equipment							
11	23/34.5 KV	DEMPRIS 47,997,543	27,722,752	6,356,605	11,458,631	2,212,055	194,945	52,556
12	Remainder	DPRITGSSS 262,710,670	159,267,215	36,445,905	65,591,179	0	1,105,966	300,404
13	Total Acct 3620	310,708,213	186,989,967	42,802,509	77,049,810	2,212,055	1,300,912	352,961
14	3640 Poles, Towers and Fixtures							
15	Demand Primary 23/34.5 KV	DEMPRIS 9,456,806	5,462,127	1,252,422	2,257,658	435,834	38,409	10,355
16	Demand Primary Remainder	DPRITGSSS 229,874,775	139,360,595	31,890,574	57,393,015	0	967,733	262,857
17	Secondary	DEMSECS 32,773,763	21,083,540	4,734,628	6,771,980	0	144,101	39,515
18	Total Acct 3640	272,105,344	165,906,262	37,877,624	66,422,654	435,834	1,150,243	312,727
19	3650 Overhead Conductors and Devices							
20	Demand Primary 23/34.5 KV	DEMPRIS 9,322,383	5,384,486	1,234,620	2,225,567	429,639	37,863	10,208
21	Demand Primary Remainder	DPRITGSSS 343,746,912	208,395,089	47,688,079	85,823,561	0	1,447,115	393,068
22	Secondary	DEMSECS 48,348,861	31,103,085	6,984,668	9,990,233	0	212,582	58,294
23	Total Acct 3650	401,418,156	244,882,660	55,907,366	98,039,361	429,639	1,697,560	461,569
24	3660 Underground Conduit							
25	Demand Primary 23/34.5 KV	DEMPRIS 7,957,740	4,596,286	1,053,892	1,899,781	366,747	32,321	8,714
26	Demand Primary Remainder	DPRITGSSS 19,064,040	11,557,492	2,644,758	4,759,734	0	80,256	21,799
27	Secondary	DEMSECS 9,756,412	6,276,353	1,409,450	2,015,949	0	42,897	11,763
28	Total Acct 3660	36,778,191	22,430,131	5,108,100	8,675,463	366,747	155,474	42,276
30	3670 Underground Conductors and Devices							
31	Demand Primary 23/34.5 KV	DEMPRIS 42,070,284	24,299,244	5,571,622	10,043,594	1,938,886	170,871	46,066
32	Demand Primary Remainder	DPRITGSSS 71,893,571	43,585,169	9,973,810	17,949,724	0	302,659	82,209
33	Secondary	DEMSECS 41,147,485	26,470,400	5,944,329	8,502,226	0	180,919	49,611
34	Total Acct 3670	155,111,339	94,354,813	21,489,760	36,495,545	1,938,886	654,449	177,886
35	3680 Line Transformers							
36	3691 Services	DEMTRNSFS 453,145,455	291,510,932	65,463,187	93,632,579	0	1,992,404	546,352
37	3700 Meters	CUST369 201,265,155	133,241,698	29,652,836	38,295,110	0	0	75,512
38	3711 Installations on Customer Premises	CUST370 64,944,537	36,584,294	19,018,569	5,671,449	3,670,224	0	0
39	3712 Installations on Customer Premises	CUST371P 576,123	336,476	79,273	121,743	2,574	35,494	563
40	372 Leased Property on Customer Premises	CUST373 30,209,074	0	0	0	0	30,209,074	0
41	3730 Street Lighting and Signal Systems	CUST372 141,649	0	0	13,606	128,042	0	0
42	3740 Asset retirement costs for dist plant.	CUST373 90,857,352	0	0	0	0	90,857,352	0
		_PLT362 850,400	511,786	117,149	210,883	6,054	3,561	966
	Total Distribution - ACE	2,084,878,611	1,217,641,790	286,875,129	440,565,104	9,313,535	128,447,244	2,035,809

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOPMENT OF RATE BASE-2			
ELECTRIC PLANT IN SERVICE			
DISTRIBUTION PLANT			
Distribution - ACE			
3601 Land and Land Rights			
1		_PLT362	0 125
2		DPRITGSSS	0 10,133
3		_PLT3647	0 1,324
4		DPRITGSS	0 18,291
5			0 29,872
Total Acct 3601			
6			0 2,815
3610 Structures and Improvements			
7		DEMPRIS	0 32,310
8		DPRITGSSS	0 35,125
9			0
Total Acct 3610			
10			0 52,556
3620 Station Equipment			
11		DEMPRIS	0 300,404
12		DPRITGSSS	0 352,961
13			0
Total Acct 3620			
14			0 10,355
3640 Poles, Towers and Fixtures			
15		DEMPRIS	0 262,857
16		DPRITGSSS	0 39,515
17		DEMSECS	0 312,727
18			0
Total Acct 3640			
19			0 10,208
3650 Overhead Conductors and Devices			
20		DEMPRIS	0 393,068
21		DPRITGSSS	0 58,294
22		DEMSECS	0 461,569
23			0
Total Acct 3650			
24			0 8,714
3660 Underground Conduit			
25		DEMPRIS	0 21,799
26		DPRITGSSS	0 11,763
27		DEMSECS	0 42,276
28			0
Total Acct 3660			
30			0 46,066
3670 Underground Conductors and Devices			
31		DEMPRIS	0 82,209
32		DPRITGSSS	0 49,611
33		DEMSECS	0 177,886
34			0 546,352
Total Acct 3670			
35		DEMTRNSFS	0 75,512
3680 Line Transformers			
36		CUST369	0
37		CUST370	2,024,159
38		CUST3711P	593 563
39		CUST373	0
40		CUST372	121,139
41		CUST373	0
42		_PLT362	0 966
Total Distribution - ACE			
		2,145,891	2,035,809

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CON'T-3								
ELECTRIC PLANT IN SERVICE								
General Plant								
1	3891 Land and Land Rights	LABOR 312,407	191,510	51,049	53,754	6,035	9,798	261
2	3903 Structures and Improvements	LABOR 20,086,173	12,313,132	3,282,215	3,456,079	388,001	629,964	16,782
3	3911 Office Furniture and Equipment	LABOR 2,034,357	1,247,092	332,428	350,037	39,297	63,804	1,700
4	3912 Office Furniture and Equipment	LABOR 0	0	0	0	0	0	0
5	3913 Office Furniture and Equipment	LABOR 672,970	412,541	109,968	115,793	13,000	21,106	562
6	3915 Office Furniture and Equipment	LABOR 0	0	0	0	0	0	0
7	3920 Transportation Equipment	LABOR 210,684	129,153	34,427	36,251	4,070	6,608	176
8	3931 Stores Equipment	LABOR 526,264	322,608	85,995	90,550	10,166	16,505	440
9	3932 Stores Equipment	LABOR 0	0	0	0	0	0	0
10	3941 Tools, Shop and Garage Equipment	LABOR 9,579,259	5,872,232	1,565,315	1,648,232	185,041	300,435	8,003
11	3942 Tools, Shop and Garage Equipment	LABOR 0	0	0	0	0	0	0
12	3951 Laboratory Equipment	LABOR 2,434,809	1,492,575	397,864	418,940	47,033	76,363	2,034
13	3952 Laboratory Equipment	LABOR 0	0	0	0	0	0	0
14	3960 Power Operated Equipment	LABOR 0	0	0	0	0	0	0
15	3970 Communication Equipment	LABOR 68,798,597	42,174,593	11,242,152	11,837,666	1,328,972	2,157,733	57,481
16	3982 Miscellaneous Equipment	LABOR 1,261,221	773,148	206,092	217,009	24,363	39,556	1,054
17	399 Other Tangible Property	LABOR 0	0	0	0	0	0	0
18	3991 Other Tangible Property	LABOR 88,077	53,993	14,392	15,155	1,701	2,762	74
19	Total General Plant	106,004,819	64,982,576	17,321,899	18,239,466	2,047,678	3,324,634	88,566
Intangible Plant								
20	3020 000 Franchises and Consents	LABOR 0	0	0	0	0	0	0
21	3030 000 Miscellaneous Intangible Plant	LABOR 14,295,973	8,763,650	2,336,058	2,459,802	276,153	448,365	11,944
22	Total Intangible Plant	14,295,973	8,763,650	2,336,058	2,459,802	276,153	448,365	11,944

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

ALOC		RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
DEVELOP OF RATE BASE CONT-3									
ELECTRIC PLANT IN SERVICE									
General Plant									
1	3891 Land and Land Rights	LABOR	191,510	49,985	1,064	43,196	10,558	9,798	3,552
2	3903 Structures and Improvements	LABOR	12,313,132	3,213,782	68,434	2,777,253	678,826	629,964	228,404
3	3911 Office Furniture and Equipment	LABOR	1,247,092	325,496	6,931	281,284	68,753	63,804	23,133
4	3912 Office Furniture and Equipment	LABOR	0	0	0	0	0	0	0
5	3913 Office Furniture and Equipment	LABOR	412,541	107,675	2,293	93,050	22,744	21,106	7,652
6	3915 Office Furniture and Equipment	LABOR	0	0	0	0	0	0	0
7	3920 Transportation Equipment	LABOR	129,153	33,709	718	29,131	7,120	6,608	2,396
8	3931 Stores Equipment	LABOR	322,608	84,202	1,793	72,765	17,785	16,505	5,984
9	3932 Stores Equipment	LABOR	0	0	0	0	0	0	0
10	3941 Tools, Shop and Garage Equipment	LABOR	5,872,232	1,532,679	32,637	1,324,494	323,738	300,435	108,928
11	3942 Tools, Shop and Garage Equipment	LABOR	0	0	0	0	0	0	0
12	3951 Laboratory Equipment	LABOR	1,492,575	389,569	8,285	336,653	82,286	76,363	27,687
13	3952 Laboratory Equipment	LABOR	0	0	0	0	0	0	0
14	3960 Power Operated Equipment	LABOR	0	0	0	0	0	0	0
15	3970 Communication Equipment	LABOR	42,174,593	11,007,754	234,398	9,512,569	2,325,097	2,157,733	782,325
16	3982 Miscellaneous Equipment	LABOR	773,148	201,795	4,297	174,385	42,624	39,556	14,342
17	399 Other Tangible Property	LABOR	0	0	0	0	0	0	0
18	3991 Other Tangible Property	LABOR	53,993	14,092	300	12,178	2,977	2,762	1,002
19	Total General Plant		64,982,576	16,960,739	361,160	14,656,958	3,582,508	3,324,634	1,205,405
Intangible Plant									
20	3020 000 Franchises and Consents	LABOR	0	0	0	0	0	0	0
21	3030 000 Miscellaneous Intangible Plant	LABOR	8,763,650	2,287,351	48,707	1,976,660	483,143	448,365	162,563
22	Total Intangible Plant		8,763,650	2,287,351	48,707	1,976,660	483,143	448,365	162,563

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-3				
ELECTRIC PLANT IN SERVICE				
General Plant				
1	3891 Land and Land Rights	LABOR	2,482	261
2	3903 Structures and Improvements	LABOR	159,597	16,782
3	3911 Office Furniture and Equipment	LABOR	16,164	1,700
4	3912 Office Furniture and Equipment	LABOR	0	0
5	3913 Office Furniture and Equipment	LABOR	5,347	562
6	3915 Office Furniture and Equipment	LABOR	0	0
7	3920 Transportation Equipment	LABOR	1,674	176
8	3931 Stores Equipment	LABOR	4,181	440
9	3932 Stores Equipment	LABOR	0	0
10	3941 Tools, Shop and Garage Equipment	LABOR	76,113	8,003
11	3942 Tools, Shop and Garage Equipment	LABOR	0	0
12	3951 Laboratory Equipment	LABOR	19,346	2,034
13	3952 Laboratory Equipment	LABOR	0	0
14	3960 Power Operated Equipment	LABOR	0	0
15	3970 Communication Equipment	LABOR	546,647	57,481
16	3982 Miscellaneous Equipment	LABOR	10,021	1,054
17	399 Other Tangible Property	LABOR	0	0
18	3991 Other Tangible Property	LABOR	700	74
19	Total General Plant		842,273	88,566
Intangible Plant				
20	3020 000 Franchises and Consents	LABOR	0	0
21	3030 000 Miscellaneous Intangible Plant	LABOR	113,590	11,944
22	Total Intangible Plant		113,590	11,944

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CONT-4								
ELECTRIC PLANT IN SERVICE								
1 Total pre-Service Co Electric Plant In Service		2,205,179,403	1,291,388,017	306,533,085	461,264,372	11,637,366	132,220,243	2,136,320
2 Service Company Assets	SERVCO	91,350,613	55,999,324	14,927,303	15,718,025	1,764,605	2,865,033	76,323
3 Total System Electric Distribution		2,296,530,016	1,347,387,341	321,460,388	476,982,397	13,401,971	135,085,277	2,212,642

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
DEVELOP OF RATE BASE CONT-4								
ELECTRIC PLANT IN SERVICE								
1	Total pre-Service Co Electric Plant In Service	1,291,388,017	303,002,959	3,530,127	396,472,434	64,791,938	132,220,243	8,535,611
2	Service Company Assets	55,999,324	14,616,070	311,233	12,630,766	3,087,259	2,865,033	1,038,769
3	Total System Electric Distribution	1,347,387,341	317,619,029	3,841,360	409,103,200	67,879,197	135,085,277	9,574,380

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-4			
ELECTRIC PLANT IN SERVICE			
1 Total pre-Service Co Electric Plant In Service		3,101,755	2,136,320
2 Service Company Assets	SERVCO	725,836	76,323
3 Total System Electric Distribution		3,827,591	2,212,642

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
DEVELOP OF RATE BASE CON'T-5									
DEPRECIATION RESERVE									
1	Distribution	DISTPLT	462,301,881	270,000,415	63,611,815	97,691,096	2,065,187	28,481,947	451,421
2	General	GENPLT	34,178,288	20,951,814	5,584,962	5,880,805	660,217	1,071,935	28,556
3	Intangible	INTPLT	13,792,400	8,454,952	2,253,771	2,373,156	266,426	432,572	11,523
4	Other	PLANT	0	0	0	0	0	0	0
5	Service Company Assets Reserve	SERVCO	45,706,658	28,018,881	7,468,775	7,864,407	882,908	1,433,500	38,188
6	Total Depreciation Reserve		555,979,227	327,426,062	78,919,321	113,809,464	3,874,738	31,419,954	529,688
7	Total Net Plant		1,740,550,789	1,019,961,279	242,541,067	363,172,932	9,527,234	103,665,323	1,682,954
PLANT HELD FOR FUTURE USE									
8	Distribution - ACE	DISTPLT	3,584,070	2,093,222	493,161	757,366	16,011	220,811	3,500
9	General	GENPLT	2,999,955	1,839,018	490,213	516,180	57,950	94,088	2,506
10	Total Plant Held for Future Use		6,584,025	3,932,240	983,374	1,273,546	73,960	314,899	6,006
MATERIALS & SUPPLIES									
11	Distribution	DISTPLT	20,713,780	12,097,570	2,850,175	4,377,122	92,532	1,276,155	20,226
12	Labor Stock	LABOR	0	0	0	0	0	0	0
13	Total Materials & Supplies		20,713,780	12,097,570	2,850,175	4,377,122	92,532	1,276,155	20,226
Cash Working Capital									
13	O&M - Distribution	DISTOMEXP	15,762,497	10,557,038	2,310,245	2,317,765	190,221	371,994	15,235
14	Depreciation	DISTPLT	8,393,822	4,902,285	1,154,973	1,773,736	37,497	517,135	8,196
15	Deferred Tax Distribution	PLANT	0	0	0	0	0	0	0
16	Other Taxes	OTH TAX	873,698	536,953	132,113	158,202	11,121	34,511	797
17	Tax on Sales Revenue	CLAIMREV	20,877,886	13,141,281	3,044,789	3,609,071	212,585	849,250	20,909
18	Net ITC Adjustment	PLANT	1,718	1,008	240	357	10	101	2
19	FIT & SIT	CLAIMREV	0	0	0	0	0	0	0
20	Cost of Electric Supply	BGSNUGRV	31,732,610	22,022,249	4,507,431	3,561,869	1,516,705	108,615	15,741
21	Invested Capital Distribution	NETINC	7,141,043	2,329,509	2,314,377	1,537,027	248,885	683,469	27,776
22	IOCD	CUSTDEP	(32,549)	(21,490)	(4,361)	(6,698)	0	0	0
	Total Cash Working Capital		84,750,725	53,468,833	13,459,807	12,951,331	2,217,024	2,565,076	88,655

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
DEVELOP OF RATE BASE CONT-5								
DEPRECIATION RESERVE								
1	Distribution	270,000,415	62,919,927	691,888	84,225,623	13,465,473	28,481,947	1,589,356
2	General	20,951,814	5,468,516	116,446	4,725,726	1,155,080	1,071,935	388,649
3	Intangible	8,454,952	2,206,780	46,991	1,907,032	466,124	432,572	156,837
4	Other	0	0	0	0	0	0	0
5	Service Company Assets Reserve	28,018,881	7,313,051	155,723	6,319,718	1,544,689	1,433,500	519,741
6	Total Depreciation Reserve	327,426,062	77,908,273	1,011,048	97,178,099	16,631,366	31,419,954	2,654,583
7	Total Net Plant	1,019,961,279	239,710,755	2,830,312	311,925,101	51,247,831	103,665,323	6,919,797
PLANT HELD FOR FUTURE USE								
8	Distribution - ACE	2,093,222	487,797	5,364	652,973	104,393	220,811	12,322
9	General	1,839,018	479,992	10,221	414,794	101,386	94,088	34,113
10	Total Plant Held for Future Use	3,932,240	967,789	15,585	1,067,767	205,779	314,899	46,435
MATERIALS & SUPPLIES								
11	Distribution	12,097,570	2,819,174	31,001	3,773,792	603,331	1,276,155	71,212
12	Labor Stock	0	0	0	0	0	0	0
13	Total Materials & Supplies	12,097,570	2,819,174	31,001	3,773,792	603,331	1,276,155	71,212
Cash Working Capital								
13	O&M - Distribution	10,557,038	2,270,926	39,319	1,867,900	449,865	371,994	114,208
14	Depreciation	4,902,285	1,142,411	12,562	1,529,249	244,487	517,135	28,857
15	Deferred Tax Distribution	0	0	0	0	0	0	0
16	Other Taxes	536,953	129,863	2,250	130,777	27,425	34,511	6,811
17	Tax on Sales Revenue	13,141,281	2,998,510	46,279	3,013,325	595,746	849,250	134,277
18	Net ITC Adjustment	1,008	238	3	306	51	101	7
19	FIT & SIT	0	0	0	0	0	0	0
20	Cost of Electric Supply	22,022,249	4,424,398	83,032	2,932,467	629,402	108,615	1,089,772
21	Invested Capital Distribution	2,329,509	2,252,539	61,838	1,390,862	146,165	683,469	132,425
22	IOCD	(21,490)	(4,314)	(47)	(5,775)	(923)	0	0
	Total Cash Working Capital	53,468,833	13,214,572	245,235	10,859,113	2,092,218	2,565,076	1,506,357

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-5			
DEPRECIATION RESERVE			
1	DISTPLT	475,831	451,421
2	GENPLT	271,567	28,556
3	INTPLT	109,589	11,523
4	PLANT	0	0
5	SERVCO.	363,167	38,188
6		1,220,155	529,688
7		2,607,437	1,682,954
PLANT HELD FOR FUTURE USE			
8	DISTPLT	3,689	3,500
9	GENPLT	23,836	2,506
10		27,525	6,006
MATERIALS & SUPPLIES			
11	DISTPLT	21,320	20,226
12	LABOR	0	0
13		21,320	20,226
Cash Working Capital			
13	DISTOMEXP	76,013	15,235
14	DISTPLT	8,639	8,196
15	PLANT	0	0
16	OTHHTAX	4,310	797
17	CLAIMREV	78,308	20,909
18	PLANT	3	2
19	CLAIMREV	0	0
20	BGSNUGRV	426,933	15,741
21	NETINC	116,460	27,776
22	CUSTDEP	0	0
		710,667	88,655
Total Cash Working Capital			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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		ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOP OF RATE BASE CON'T-6									
CUSTOMER ADVANCES									
1	ACE	DISTPLT	493,900	288,455	67,960	104,368	2,206	30,429	482
2	Total Customer Advances		493,900	288,455	67,960	104,368	2,206	30,429	482
CUSTOMER DEPOSITS									
3	ACE	CUSPDEP	33,133,624	21,875,802	4,439,662	6,818,159	0	0	0
4	Total Customer Deposits		33,133,624	21,875,802	4,439,662	6,818,159	0	0	0
DEFERRED FIT									
5	Labor	LABOR	(2,164,269)	(1,326,730)	(353,656)	(372,390)	(41,807)	(67,878)	(1,808)
6	Plant	PLANT	447,357,198	262,467,036	62,619,525	92,914,748	2,610,664	26,314,209	431,016
7	Total Deferred FIT		445,192,929	261,140,306	62,265,869	92,542,359	2,568,857	26,246,331	429,208
DEFERRED SIT									
8	Labor	LABOR	(611,567)	(374,900)	(99,934)	(105,228)	(11,814)	(19,181)	(511)
9	Plant	PLANT	114,903,049	67,414,278	16,083,734	23,865,019	670,545	6,758,767	110,706
10	Total Deferred SIT		114,291,481	67,039,378	15,983,800	23,759,791	658,732	6,739,586	110,195
11	Total Rate Base		1,259,487,385	739,115,981	177,077,131	258,550,254	8,680,955	74,805,107	1,257,957

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

DEVELOP OF RATE BASE CONT-6		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
CUSTOMER ADVANCES									
1	ACE	DISTPLT	288,455	67,221	739	89,982	14,386	30,429	1,698
2	Total Customer Advances		288,455	67,221	739	89,982	14,386	30,429	1,698
CUSTOMER DEPOSITS									
3	ACE	CUSPDEP	21,875,802	4,391,373	48,289	5,878,363	939,796	0	0
4	Total Customer Deposits		21,875,802	4,391,373	48,289	5,878,363	939,796	0	0
DEFERRED FIT									
5	Labor	LABOR	(1,326,730)	(346,282)	(7,374)	(299,247)	(73,143)	(67,878)	(24,610)
6	Plant	PLANT	262,467,036	61,871,240	748,285	79,692,083	13,222,665	26,314,209	1,865,061
7	Total Deferred FIT		261,140,306	61,524,957	740,912	79,392,836	13,149,522	26,246,331	1,840,450
DEFERRED SIT									
8	Labor	LABOR	(374,900)	(97,851)	(2,084)	(84,560)	(20,668)	(19,181)	(6,954)
9	Plant	PLANT	67,414,278	15,891,538	192,196	20,468,796	3,396,222	6,758,767	479,038
10	Total Deferred SIT		67,039,378	15,793,688	190,112	20,384,237	3,375,554	6,739,586	472,084
11	Total Rate Base		739,115,981	174,935,051	2,142,080	221,880,354	36,669,900	74,805,107	6,229,569

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOP OF RATE BASE CONT-6				
CUSTOMER ADVANCES				
1	ACE	DISTPLT	508	482
2	Total Customer Advances		508	482
CUSTOMER DEPOSITS				
3	ACE	CUSPDEP	0	0
4	Total Customer Deposits		0	0
DEFERRED FIT				
5	Labor	LABOR	(17,196)	(1,808)
6	Plant	PLANT	745,603	431,016
7	Total Deferred FIT		728,407	429,208
DEFERRED SIT				
8	Labor	LABOR	(4,859)	(511)
9	Plant	PLANT	191,507	110,706
10	Total Deferred SIT		186,648	110,195
11	Total Rate Base		2,451,386	1,257,957

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ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OPERATING REVENUES-7								
ELECTRIC SALES REVENUES								
1		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
2		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
REVENUE - OTHER								
3	CUST	0	0	0	0	0	0	0
3	Other Revenues							
4	Late Payment Revenue ACE	249,141	0	117,638	103,006	0	27,456	1,041
4	Late Payment Revenue ACE			113,658	7,844	132	24,774	1,501
5	Miscellaneous Service Revenue ACE	1,157,739	1,009,830	113,658	7,844	132	24,774	1,501
5	Miscellaneous Service Revenue ACE		4,226,311	964,898	1,692,057	11,102	29,301	7,966
6	Rent from Electric Property ACE Poll Attach	6,931,636	4,226,311	964,898	1,692,057	11,102	29,301	7,966
6	Rent from Electric Property ACE Poll Attach		499,863	117,767	180,860	3,823	52,730	836
7	Rent from Electric Property ACE Other	855,879	499,863	117,767	180,860	3,823	52,730	836
7	Rent from Electric Property ACE Other		5,736,004	1,313,962	1,983,765	15,057	134,262	11,345
8	Total Other Revenue	9,194,395	5,736,004	1,313,962	1,983,765	15,057	134,262	11,345
8	Total Other Revenue				58,649,583	6,005,378	15,238,633	584,022
9	Total Revenue	348,632,796	202,125,680	66,029,500	58,649,583	6,005,378	15,238,633	584,022

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
OPERATING REVENUES-7								
ELECTRIC SALES REVENUES								
1		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
2		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
REVENUE - OTHER								
3	CUST	0	0	0	0	0	0	0
4	LPAY	0	115,172	2,466	86,755	16,251	27,456	0
5	CUST	1,009,830	113,483	176	7,581	262	24,774	96
6	_PLT364	4,226,311	951,177	13,721	1,362,859	329,198	29,301	11,102
7	DISTPLT	499,863	116,486	1,281	155,930	24,929	52,730	2,942
8		5,736,004	1,296,318	17,644	1,613,125	370,640	134,262	14,141
9		202,125,680	64,655,045	1,374,455	49,338,851	9,310,733	15,238,633	3,419,712

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATING REVENUES-7			
ELECTRIC SALES REVENUES			
1		2,584,750	572,677
2		2,584,750	572,677
REVENUE - OTHER			
3	Other Revenues	0	0
4	Late Payment Revenue ACE	0	1,041
5	Miscellaneous Service Revenue ACE	36	1,501
6	Rent from Electric Property ACE Poll Attach	0	7,966
7	Rent from Electric Property ACE Other	881	836
8	Total Other Revenue	916	11,345
9	Total Revenue	2,585,666	584,022

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
OPERATION & MAINTENANCE EXP-8									
Distribution Expenses - ACE									
Operation									
1	958000 Operation Supervision & Engineering	TLABDO	4,301,917	2,551,752	830,069	796,016	107,284	13,868	2,928
2	958100 Load dispatching	SALESWOT	2,050,911	1,237,411	283,227	440,892	71,210	16,769	1,403
3	958200 Station expenses	_PLT362	0	0	0	0	0	0	0
4	958300 Overhead line expenses	PLTDOHLN	6,822,640	4,161,199	950,021	1,665,963	8,767	28,848	7,843
5	958400 Underground line expenses	PLTDUGLN	0	0	0	0	0	0	0
6	958500 Street lighting	_PLT373	0	0	0	0	0	0	0
7	958600 Meter expenses	_PLT370	4,624,376	2,604,985	1,354,217	403,836	261,338	0	0
8	958700 Customer installations expenses	_PLT369	311,992	206,545	45,967	59,363	0	0	117
9	958800 Miscellaneous distribution expenses	_EXPDISTO	15,457,815	9,189,830	2,947,670	2,876,730	382,043	51,060	10,480
10	958900 Rents	_EXPDISTO	3,479,893	2,068,832	663,585	647,615	86,006	11,495	2,359
11	Total Operation		37,049,545	22,020,554	7,074,756	6,890,415	916,649	122,040	25,130
Maintenance									
12	959000 Maintenance Supervision & Engineering	TLABDM	543,084	297,660	72,815	115,430	4,235	52,413	530
13	959200 Maintain equipment	_PLT362	5,116,311	3,079,091	704,812	1,268,749	36,425	21,422	5,812
14	959300 Maintain overhead lines	PLTDOHLN	43,757,026	26,687,861	6,092,961	10,684,659	56,227	185,014	50,304
15	959400 Maintain underground line	PLTDUGLN	2,389,319	1,454,152	331,184	562,448	28,709	10,085	2,741
16	959500 Maintain line transformers	_PLT368	4,075	2,621	589	842	0	18	5
17	959600 Maintain street lighting & signal systems	_PLT373	1,463,322	0	0	0	1,463,322	0	0
18	959700 Maintain meters	_PLT370	692,902	390,323	202,912	60,509	39,158	0	0
19	959800 Maintain distribution plant	_EXPDISTM	2,385,155	1,411,461	327,370	561,530	7,167	75,000	2,628
20	Total Maintenance		56,351,195	33,323,169	7,732,642	13,254,168	171,921	1,807,274	62,020
21	Total Distribution Expenses - ACE		93,400,740	55,343,723	14,807,398	20,144,583	1,088,571	1,929,315	87,151

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OPERATION & MAINTENANCE EXP-8									
Distribution Expenses - ACE									
Operation									
1	958000 Operation Supervision & Engineering	TLABDO	2,551,752	810,093	19,975	641,722	154,294	13,868	60,329
2	958100 Load dispatching	SALESWOT	1,237,411	275,385	7,842	355,645	85,247	16,769	71,210
3	958200 Station expenses	_PLT362	0	0	0	0	0	0	0
4	958300 Overhead line expenses	PLTDOHLN	4,161,199	936,511	13,510	1,341,832	324,131	28,848	8,767
5	958400 Underground line expenses	PLTDUGLN	0	0	0	0	0	0	0
6	958500 Street lighting	_PLT373	0	0	0	0	0	0	0
7	958600 Meter expenses	_PLT370	2,604,985	1,312,829	41,388	322,641	81,195	0	117,208
8	958700 Customer installations expenses	_PLT369	206,545	45,967	0	59,363	0	0	0
9	958800 Miscellaneous distribution expenses	_EXPDISTO	9,189,830	2,877,444	70,227	2,327,619	549,111	51,060	220,714
10	958900 Rents	_EXPDISTO	2,068,832	647,776	15,810	523,998	123,617	11,495	49,688
11	Total Operation		22,020,554	6,906,004	168,751	5,572,820	1,317,595	122,040	527,916
Maintenance									
12	959000 Maintenance Supervision & Engineering	TLABDM	297,660	71,627	1,188	92,725	22,705	52,413	3,318
13	959200 Maintain equipment	_PLT362	3,079,091	693,356	11,456	993,872	274,877	21,422	36,425
14	959300 Maintain overhead lines	PLTDOHLN	26,687,861	6,006,317	86,644	8,605,841	2,078,817	185,014	56,227
15	959400 Maintain underground line	PLTDUGLN	1,454,152	327,288	3,896	468,960	93,489	10,085	28,709
16	959500 Maintain line transformers	_PLT368	2,621	589	0	842	0	18	0
17	959600 Maintain street lighting & signal systems	_PLT373	0	0	0	0	1,463,322	0	0
18	959700 Maintain meters	_PLT370	390,323	196,710	6,201	48,343	12,166	0	17,562
19	959800 Maintain distribution plant	_EXPDISTM	1,411,461	322,539	4,831	451,728	109,802	75,000	6,202
20	Total Maintenance		33,323,169	7,618,425	114,217	10,662,312	2,591,855	1,807,274	148,444
21	Total Distribution Expenses - ACE		55,343,723	14,524,429	282,969	16,235,133	3,909,450	1,929,315	676,360

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)		
OPERATION & MAINTENANCE EXP-8					
Distribution Expenses - ACE					
Operation					
1	958000	Operation Supervision & Engineering	TLABDO	46,955	2,928
2	958100	Load dispatching	SALESWOT	0	1,403
3	958200	Station expenses	_PLT362	0	0
4	958300	Overhead line expenses	PLTDOHLN	0	7,843
5	958400	Underground line expenses	PLTDUGLN	0	0
6	958500	Street lighting	_PLT373	0	0
7	958600	Meter expenses	_PLT370	144,130	0
8	958700	Customer installations expenses	_PLT369	0	117
9	958800	Miscellaneous distribution expenses	_EXPDISTO	161,329	10,480
10	958900	Rents	_EXPDISTO	36,319	2,359
11		Total Operation		388,733	25,130
Maintenance					
12	959000	Maintenance Supervision & Engineering	TLABDM	917	530
13	959200	Maintain equipment	_PLT362	0	5,812
14	959300	Maintain overhead lines	PLTDOHLN	0	50,304
15	959400	Maintain underground line	PLTDUGLN	0	2,741
16	959500	Maintain line transformers	_PLT368	0	5
17	959600	Maintain street lighting & signal systems	_PLT373	0	0
18	959700	Maintain meters	_PLT370	21,596	0
19	959800	Maintain distribution plant	_EXPDISTM	964	2,628
20		Total Maintenance		23,477	62,020
21		Total Distribution Expenses - ACE		412,211	87,151

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OPERATION & MAINT EXP CONT-9								
Customer Accounts Expenses								
1	990200 Meter reading expenses	CUST902	5,488,160	4,643,636	677,385	135,207	31,932	0
2	990300 Cust records and collection exp	CUST903	54,973,816	47,300,179	5,984,691	470,987	14,946	1,134,269
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0	0	0	0	0
4	Total Customer Accounts Expenses		60,461,976	51,943,815	6,662,075	606,194	46,879	1,134,269
Customer Service Expenses								
5	990700 Supervision	CSERV	(0)	(0)	(0)	(0)	(0)	(0)
6	990800 Customer assistance expenses	CSERV	4,816,425	3,233,419	577,388	686,821	240,503	71,560
7	990900 Informational & instructional adv	CSERV	461,294	309,681	55,299	65,780	23,034	6,854
8	991000 Miscellaneous customer service & informa	CSERV	(2,800)	(1,880)	(336)	(399)	(140)	(42)
9	Total Customer Service Expenses		5,274,919	3,541,221	632,352	752,202	263,398	78,372
Sales Expense								
10	991200 Demonstrating & selling expenses	CSALES	0	0	0	0	0	0
11	991300 Advertising expense	CSALES	0	0	0	0	0	0
12	Total Sales Expense		0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
OPERATION & MAINT EXP CONT-9									
Customer Accounts Expenses									
1	990200 Meter reading expenses	CUST902	4,643,636	656,767	20,618	87,516	47,691	0	19,275
2	990300 Cust records and collection exp	CUST903	47,300,179	5,965,623	19,068	435,495	35,492	1,134,269	10,308
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0	0	0	0	0	0
4	Total Customer Accounts Expenses		51,943,815	6,622,389	39,686	523,011	83,183	1,134,269	29,582
Customer Service Expenses									
5	990700 Supervision	CSERV	(0)	(0)	(0)	(0)	(0)	(0)	(0)
6	990800 Customer assistance expenses	CSERV	3,233,419	569,409	7,979	534,989	151,833	71,560	136,504
7	990900 Informational & instructional adv	CSERV	309,681	54,535	764	51,239	14,542	6,854	13,074
8	991000 Miscellaneous customer service & informa	CSERV	(1,880)	(331)	(5)	(311)	(88)	(42)	(79)
9	Total Customer Service Expenses		3,541,221	623,613	8,739	585,916	166,286	78,372	149,498
Sales Expense									
10	991200 Demonstrating & selling expenses	CSALES	0	0	0	0	0	0	0
11	991300 Advertising expense	CSALES	0	0	0	0	0	0	0
12	Total Sales Expense		0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATION & MAINT EXP CON'T-9				
Customer Accounts Expenses				
1	990200 Meter reading expenses	CUST902	12,658	0
2	990300 Cust records and collection exp	CUST903	4,638	68,744
3	990500 Miscellaneous cust accounts exp	_EXP9023	0	0
4	Total Customer Accounts Expenses		17,296	68,744
Customer Service Expenses				
5	990700 Supervision	CSERV	(0)	(0)
6	990800 Customer assistance expenses	CSERV	104,000	6,733
7	990900 Informational & instructional adv	CSERV	9,961	645
8	991000 Miscellaneous customer service & informa	CSERV	(60)	(4)
9	Total Customer Service Expenses		113,900	7,374
Sales Expense				
10	991200 Demonstrating & selling expenses	CSALES	0	0
11	991300 Advertising expense	CSALES	0	0
12	Total Sales Expense		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
OPERATION & MAINT EXP CONT-10									
Administrative & General Expense									
Operation									
1	992000 Administrative & General salaries	LABOR	1,891,897	1,159,762	309,149	325,525	36,545	59,336	1,581
2	992100 Office supplies & expenses	LABOR	304,369	186,583	49,736	52,371	5,879	9,546	254
3	992300 Outside services employed	LABOR	60,236,367	36,925,815	9,843,026	10,364,426	1,163,576	1,889,196	50,327
4	992400 Property insurance	PLANT	312,726	183,478	43,774	64,952	1,825	18,395	301
5	992500 Injuries & damages	LABOR	(256,422)	(157,191)	(41,901)	(44,121)	(4,953)	(8,042)	(214)
6	992600 Employee pensions & benefits	LABOR	11,010,729	6,749,746	1,799,227	1,894,535	212,693	345,330	9,199
	992800 Regulatory commission expenses								
7	Regulatory commission exp - NJ Retail	CLAIMREV	2,197,439	1,383,146	320,470	379,862	22,375	89,385	2,201
8	Total Acct 992800 Regulatory comm Exp		2,197,439	1,383,146	320,470	379,862	22,375	89,385	2,201
9	992900 Duplicate charges-Credit	LABOR	(3,923,198)	(2,404,980)	(641,077)	(675,036)	(75,784)	(123,043)	(3,278)
10	993010 General ad expenses	LABOR	363,930	223,095	59,469	62,619	7,030	11,414	304
11	993020 Miscellaneous general expenses	LABOR	766,472	469,859	125,247	131,881	14,806	24,039	640
12	993100 Rents	LABOR	55	34	9	9	1	2	0
13	Total Operation		72,904,364	44,719,346	11,867,129	12,557,024	1,383,994	2,315,557	61,316
Maintenance									
14	993500 Maintenance of general plant	GENPLT	2,404,269	1,473,854	392,874	413,685	46,443	75,405	2,009
15	Total Maintenance		2,404,269	1,473,854	392,874	413,685	46,443	75,405	2,009
16	Total Administrative & General Exp		75,308,633	46,193,199	12,260,003	12,970,709	1,430,436	2,390,962	63,325
17	Total Operation & Maintenance Expense		234,446,269	157,021,959	34,361,828	34,473,688	2,829,284	5,532,917	226,593

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
OPERATION & MAINT EXP CONT-10									
Administrative & General Expense									
Operation									
1	992000 Administrative & General salaries	LABOR	1,159,762	302,703	6,446	261,587	63,938	59,336	21,513
2	992100 Office supplies & expenses	LABOR	186,583	48,699	1,037	42,084	10,286	9,546	3,461
3	992300 Outside services employed	LABOR	36,925,815	9,637,800	205,226	8,328,696	2,035,731	1,889,196	684,962
4	992400 Property insurance	PLANT	183,478	43,251	523	55,709	9,243	18,395	1,304
5	992500 Injuries & damages	LABOR	(157,191)	(41,027)	(874)	(35,455)	(8,666)	(8,042)	(2,916)
6	992600 Employee pensions & benefits	LABOR	6,749,746	1,761,713	37,514	1,522,419	372,115	345,330	125,206
	992800 Regulatory commission expenses								
7	Regulatory commission exp - NJ Retail	CLAIMREV	1,383,146	315,599	4,871	317,158	62,703	89,385	14,133
8	Total Acct 992800 Regulatory comm Exp		1,383,146	315,599	4,871	317,158	62,703	89,385	14,133
9	992900 Duplicate charges-Credit	LABOR	(2,404,980)	(627,710)	(13,366)	(542,448)	(132,587)	(123,043)	(44,612)
10	993010 General ad expenses	LABOR	223,095	58,229	1,240	50,319	12,299	11,414	4,138
11	993020 Miscellaneous general expenses	LABOR	469,859	122,635	2,611	105,978	25,903	24,039	8,716
12	993100 Rents	LABOR	34	9	0	8	2	2	1
13	Total Operation		44,719,346	11,621,901	245,228	10,106,055	2,450,969	2,315,557	815,905
Maintenance									
14	993500 Maintenance of general plant	GENPLT	1,473,854	384,682	8,191	332,431	81,254	75,405	27,339
15	Total Maintenance		1,473,854	384,682	8,191	332,431	81,254	75,405	27,339
16	Total Administrative & General Exp		46,193,199	12,006,583	253,420	10,438,486	2,532,223	2,390,962	843,245
17	Total Operation & Maintenance Expense		157,021,959	33,777,015	584,813	27,782,546	6,691,142	5,532,917	1,698,686

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OPERATION & MAINT EXP CONT-10			
Administrative & General Expense			
Operation			
1		992000 Administrative & General salaries	LABOR 15,032 1,581
2		992100 Office supplies & expenses	LABOR 2,418 254
3		992300 Outside services employed	LABOR 478,615 50,327
4		992400 Property insurance	PLANT 521 301
5		992500 Injuries & damages	LABOR (2,037) (214)
6		992600 Employee pensions & benefits	LABOR 87,487 9,199
		992600 Regulatory commission expenses	
7		Regulatory commission exp - NJ Retail	CLAIMREV 8,242 2,201
8		Total Acct 992600 Regulatory comm Exp	8,242 2,201
9		992900 Duplicate charges-Credit	LABOR (31,172) (3,278)
10		993010 General ad expenses	LABOR 2,892 304
11		993020 Miscellaneous general expenses	LABOR 6,090 640
12		993100 Rents	LABOR 0 0
13		Total Operation	568,088 61,316
Maintenance			
14		993500 Maintenance of general plant	GENPLT 19,103 2,009
15		Total Maintenance	19,103 2,009
16		Total Administrative & General Exp	587,192 63,325
17		Total Operation & Maintenance Expense	1,130,598 226,593

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEPRECIATION & AMORT EXP-11								
Depreciation & Amortization								
Acct 403 Depreciation								
Distribution								
1	ACE	49,662,730	29,004,765	6,833,492	10,494,455	221,853	3,059,670	48,494
2	General	5,692,933	3,489,855	930,263	979,541	109,969	178,548	4,756
3	A/C 403 Total	55,355,663	32,494,620	7,763,756	11,473,996	331,822	3,238,218	53,250
Acct 404 Amortization								
4	Amort of Limited Term Plant	0	0	0	0	0	0	0
5	Amort of Software - Elec	127,237	77,998	20,791	21,893	2,458	3,991	106
	A/C 404 Total	127,237	77,998	20,791	21,893	2,458	3,991	106
Acct 405 Amortization of Intangible								
Electric								
6	Intangible - Software	0	0	0	0	0	0	0
7	Misc. Amortization	0	0	0	0	0	0	0
8	General	0	0	0	0	0	0	0
9	A/C 405 Total	0	0	0	0	0	0	0
Acct 407 Amortization - Other								
10	Misc. Amortization	282,392	165,681	39,528	58,652	1,648	16,611	272
11	A/C 407 Total	282,392	165,681	39,528	58,652	1,648	16,611	272
12	Total Depreciation and Amortization	55,765,291	32,738,299	7,824,075	11,554,541	335,928	3,258,819	53,629

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEPRECIATION & AMORT EXP-11		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
Depreciation & Amortization									
Acct 403 Depreciation									
Distribution									
1	ACE	DISTPLT	29,004,765	6,759,166	74,326	9,047,928	1,446,527	3,059,670	170,736
2	General	GENPLT	3,489,855	910,868	19,396	787,144	192,397	178,548	64,736
3	A/C 403 Total		32,494,620	7,670,034	93,722	9,835,073	1,638,924	3,238,218	235,472
Acct 404 Amortization									
4	Amort of Limited Term Plant	LABOR	0	0	0	0	0	0	0
5	Amort of Software - Elec	LABOR	77,998	20,358	433	17,593	4,300	3,991	1,447
	A/C 404 Total		77,998	20,358	433	17,593	4,300	3,991	1,447
Acct 405 Amortization of Intangible									
Electric									
6	Intangible - Software	LABOR	0	0	0	0	0	0	0
7	Misc. Amortization	PLANT	0	0	0	0	0	0	0
8	General	PLANT	0	0	0	0	0	0	0
9	A/C 405 Total		0	0	0	0	0	0	0
Acct 407 Amortization - Other									
10	Misc. Amortization	PLANT	165,681	39,056	472	50,305	8,347	16,611	1,177
11	A/C 407 Total		165,681	39,056	472	50,305	8,347	16,611	1,177
12	Total Depreciation and Amortization		32,738,299	7,729,448	94,628	9,902,970	1,651,570	3,258,819	238,096

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEPRECIATION & AMORT EXP-11		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
Depreciation & Amortization				
Acct 403 Depreciation				
Distribution				
1	ACE	DISTPLT	51,116	48,494
2	General	GENPLT	45,234	4,756
3	A/C 403 Total		96,350	53,250
Acct 404 Amortization				
4	Amort of Limited Term Plant	LABOR	0	0
5	Amort of Software - Elec	LABOR	1,011	106
	A/C 404 Total		1,011	106
Acct 405 Amortization of Intangible Electric				
6	Intangible - Software	LABOR	0	0
7	Misc. Amortization	PLANT	0	0
8	General	PLANT	0	0
9	A/C 405 Total		0	0
Acct 407 Amortization - Other				
10	Misc. Amortization	PLANT	471	272
11	A/C 407 Total		471	272
12	Total Depreciation and Amortization		97,832	53,629

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
OTHER TAXES & EXPENSES-12								
Other Taxes								
1 Payroll Taxes - FICA	LABOR	1,826,672	1,119,778	298,490	314,302	35,286	57,290	1,526
2 Payroll Taxes - FUTA/SUTA	LABOR	293,549	179,950	47,968	50,509	5,670	9,207	245
3 Property Taxes - New Jersey	PLANT	1,813,742	1,064,133	253,881	376,709	10,585	106,687	1,747
4 Franchise Tax	PLANT	10,236	6,005	1,433	2,126	60	602	10
5 Misc. Amortization	PLTDOHNLN	65,192	39,762	9,078	15,919	84	276	75
6 Sales & Use Taxes	DISTOMEXP	986,687	660,840	144,615	145,085	11,907	23,286	954
7 Total Other Taxes		4,996,078	3,070,468	755,465	904,650	63,591	197,347	4,557
Net ITC Adjustment								
8 Distribution - ACE	DISTPLT	(154,211)	(90,065)	(21,219)	(32,587)	(689)	(9,501)	(151)
9 General	GENPLT	1,641	1,006	268	282	32	51	1
10 Total Net ITC Adjustment		(152,570)	(89,059)	(20,951)	(32,305)	(657)	(9,449)	(149)
IOCD								
11 ACE	CUSTDEP	38,316	25,298	5,134	7,885	0	0	0
12 Total Interest on Customer Deposits		38,316	25,298	5,134	7,885	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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OTHER TAXES & EXPENSES-12		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
Other Taxes									
1	Payroll Taxes - FICA	LABOR	1,119,778	292,267	6,224	252,568	61,734	57,290	20,772
2	Payroll Taxes - FUTA/SUTA	LABOR	179,950	46,968	1,000	40,588	9,921	9,207	3,338
3	Property Taxes - New Jersey	PLANT	1,064,133	250,848	3,034	323,099	53,609	106,687	7,562
4	Franchise Tax	PLANT	6,005	1,416	17	1,823	303	602	43
5	Misc. Amortization	PLTDOHNLN	39,762	8,949	129	12,822	3,097	276	84
6	Sales & Use Taxes	DISTOMEXP	660,840	142,153	2,461	116,925	28,160	23,286	7,149
7	Total Other Taxes		3,070,468	742,800	12,865	747,826	156,824	197,347	38,947
Net ITC Adjustment									
8	Distribution - ACE	DISTPLT	(90,065)	(20,988)	(231)	(28,095)	(4,492)	(9,501)	(530)
9	General	GENPLT	1,006	263	6	227	55	51	19
10	Total Net ITC Adjustment		(89,059)	(20,725)	(225)	(27,868)	(4,436)	(9,449)	(512)
IOCD									
11	ACE	CUSTDEP	25,298	5,078	56	6,798	1,087	0	0
12	Total Interest on Customer Deposits		25,298	5,078	56	6,798	1,087	0	0

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
OTHER TAXES & EXPENSES-12			
Other Taxes			
1		LABOR 14,514	1,526
2		LABOR 2,332	245
3		PLANT 3,023	1,747
4		PLANT 17	10
5		PLTDOHLN 0	75
6		DISTOMEXP 4,758	954
7		Total Other Taxes 24,645	4,557
Net ITC Adjustment			
8		DISTPLT (159)	(151)
9		GENPLT 13	1
10		Total Net ITC Adjustment (146)	(149)
IOCD			
11		ACE 0	0
12		CUSTDEP 0	0
		Total Interest on Customer Deposits 0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOPMENT OF INCOME TAXES-13								
FEDERAL & STATE TAX CALCULATION								
1		348,632,796	202,125,680	66,029,500	58,649,583	6,005,378	15,238,633	584,022
OPERATING REVENUES								
OPERATING EXPENSES								
2		234,446,269	157,021,959	34,361,828	34,473,688	2,829,284	5,532,917	226,593
3		55,765,291	32,736,299	7,824,075	11,554,541	335,928	3,258,819	53,629
4		4,996,078	3,070,468	755,465	904,650	63,591	197,347	4,557
5		53,425,158	9,294,955	23,088,131	11,716,705	2,776,575	6,249,549	299,243
6	PLANT	34,689,946	20,352,790	4,855,780	7,204,998	202,442	2,040,514	33,423
Schedule M								
7	LABOR	591,093	362,349	96,589	101,705	11,418	18,538	494
8	PLANT	(4,400,728)	(2,581,933)	(615,999)	(914,018)	(25,682)	(258,857)	(4,240)
9	LABOR	329,809	202,178	53,893	56,748	6,371	10,344	276
10	PLANT	(115,964,964)	(68,037,310)	(16,232,378)	(24,085,575)	(676,742)	(6,821,230)	(111,729)
11		(119,444,790)	(70,054,715)	(16,697,895)	(24,841,140)	(684,635)	(7,051,205)	(115,200)
12		(100,709,579)	(81,112,551)	(1,534,457)	(20,329,434)	1,889,498	(2,842,169)	150,620
TAXABLE INCOME								
		(9,063,862)	(7,300,130)	138,101	(1,829,649)	170,055	(255,795)	13,556
		1,708,227	1,002,226	239,112	354,794	9,969	100,480	1,646
	PLANT	(2,983,776)	(1,750,598)	(417,659)	(619,721)	(17,413)	(175,510)	(2,875)
	PLANT	(10,339,411)	(8,048,502)	(40,446)	(2,094,577)	162,611	(330,825)	12,327
13		10,339,411	8,048,502	40,446	2,094,577	(162,611)	330,825	(12,327)
14		0	0	0	0	0	0	0
15		(35,248,353)	(28,389,393)	537,060	(7,115,302)	661,324	(994,759)	52,717
16		35,248,353	28,389,393	(537,060)	7,115,302	(661,324)	994,759	(52,717)
17		0	0	0	0	0	0	0
18		0	0	0	0	0	0	0
Deferred State Income Taxes								
19		(10,339,411)	(8,048,502)	(40,446)	(2,094,577)	162,611	(330,825)	12,327
20	LABOR	(29,683)	(18,196)	(4,850)	(5,107)	(573)	(931)	(25)
21	PLANT	10,436,847	6,123,358	1,460,914	2,167,702	60,907	613,911	10,056
22	PLANT	1,275,549	748,372	178,547	264,928	7,444	75,030	1,229
23	PLANT	1,343,302	(1,194,968)	1,594,165	332,945	230,388	357,185	23,587
24	PLANT	0	0	0	0	0	0	0
25		1,343,302	(1,194,968)	1,594,165	332,945	230,388	357,185	23,587
Deferred Federal Income Taxes								
26		(35,248,353)	(28,389,393)	537,060	(7,115,302)	661,324	(994,759)	52,717
27	LABOR	(105,044)	(64,394)	(17,165)	(18,074)	(2,029)	(3,295)	(88)
28	PLANT	36,934,841	21,669,883	5,170,012	7,671,256	215,542	2,172,562	35,586
29	PLANT	(446,442)	(261,930)	(62,491)	(92,725)	(2,605)	(26,260)	(430)
30	PLANT	3,618,794	2,123,167	506,546	751,613	21,118	212,863	3,487
31	PLANT	4,753,796	(4,922,666)	6,133,962	1,196,768	893,351	1,361,110	91,271
32	PLANT	0	0	0	0	0	0	0
33		4,753,796	(4,922,666)	6,133,962	1,196,768	893,351	1,361,110	91,271
34		6,097,098	(6,117,634)	7,728,127	1,529,713	1,123,739	1,718,295	114,858
35		301,190,482	186,649,330	50,653,678	48,438,172	4,351,885	10,697,929	399,488
36		47,442,314	15,476,350	15,375,821	10,211,412	1,653,493	4,540,704	184,534

ATLANTIC CITY ELECTRIC

EFFECTIVE STATE TAX RATE	9.00%
FEDERAL TAX RATE - CURRENT	35.00%
1 - INCREMENTAL TAX RATE	0.5915
INCREMENTAL TAX RATE	1.4516
EFFECTIVE INCREMENTAL FEDERAL RATE	0.3185
FACTOR FOR TAXABLE BASIS	1.6947

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
DEVELOPMENT OF INCOME TAXES-13								
FEDERAL & STATE TAX CALCULATION								
1		202,125,680	64,655,045	1,374,455	49,338,851	9,310,733	15,238,633	3,419,712
OPERATING EXPENSES								
2		157,021,959	33,777,015	584,813	27,782,546	6,691,142	5,532,917	1,698,686
3		32,738,299	7,729,448	94,628	9,902,970	1,651,570	3,258,819	238,096
4		3,070,468	742,600	12,865	747,826	156,824	197,347	38,947
5		9,294,955	22,405,982	682,149	10,905,508	811,196	6,249,549	1,443,984
6	PLANT	20,352,790	4,797,754	58,025	6,179,657	1,025,341	2,040,514	144,625
Schedule M								
7	LABOR	362,349	94,575	2,014	81,729	19,976	18,538	6,721
8	PLANT	(2,581,933)	(608,638)	(7,361)	(783,944)	(130,074)	(258,857)	(18,347)
9	LABOR	202,178	52,769	1,124	45,602	11,146	10,344	3,750
10	PLANT	(68,037,310)	(16,038,405)	(193,972)	(20,657,966)	(3,427,610)	(6,821,230)	(483,465)
11		(70,054,715)	(16,499,699)	(198,196)	(21,314,580)	(3,526,561)	(7,051,205)	(491,340)
12		(81,112,551)	1,108,529	425,928	(16,588,729)	(3,740,705)	(2,842,169)	808,019
TAXABLE INCOME								
		(7,300,130)	99,768	38,334	(1,492,986)	(336,663)	(255,795)	72,722
	PLANT	1,002,226	236,264	2,857	304,303	50,491	100,480	7,122
	PLANT	(1,750,598)	(412,668)	(4,991)	(531,529)	(88,192)	(175,510)	(12,440)
13		(8,048,502)	(76,646)	36,200	(1,720,212)	(374,365)	(330,825)	67,404
14		8,048,502	76,646	(36,200)	1,720,212	374,365	330,825	(67,404)
15		0	0	0	0	0	0	0
16		(28,389,393)	387,985	149,075	(5,806,055)	(1,309,247)	(994,759)	282,806
17		28,389,393	(387,985)	(149,075)	5,806,055	1,309,247	994,759	(282,806)
18		0	0	0	0	0	0	0
Deferred State Income Taxes								
19		(8,048,502)	(76,646)	36,200	(1,720,212)	(374,365)	(330,825)	67,404
20	LABOR	(18,196)	(4,749)	(101)	(4,104)	(1,003)	(931)	(338)
21	PLANT	6,123,358	1,443,456	17,458	1,859,217	308,485	613,911	43,512
22	PLANT	748,372	176,413	2,134	227,226	37,702	75,030	5,318
23		(1,194,968)	1,538,475	55,690	362,127	(29,182)	357,185	115,896
24	PLANT	0	0	0	0	0	0	0
25		(1,194,968)	1,538,475	55,690	362,127	(29,182)	357,185	115,896
Deferred Federal Income Taxes								
26		(28,389,393)	387,985	149,075	(5,806,055)	(1,309,247)	(994,759)	282,806
27	LABOR	(64,394)	(16,807)	(358)	(14,524)	(3,550)	(3,295)	(1,194)
28	PLANT	21,669,883	5,108,232	61,780	6,579,562	1,091,694	2,172,562	153,984
29	PLANT	(261,930)	(61,745)	(747)	(79,529)	(13,196)	(26,260)	(1,861)
30	PLANT	2,123,167	500,493	6,053	644,651	106,962	212,863	15,087
31		(4,922,666)	5,918,159	215,803	1,324,105	(127,337)	1,361,110	448,821
32	PLANT	0	0	0	0	0	0	0
33		(4,922,666)	5,918,159	215,803	1,324,105	(127,337)	1,361,110	448,821
34		(6,117,634)	7,456,634	271,493	1,686,232	(156,519)	1,718,295	564,717
35		186,649,330	49,690,049	963,630	40,098,504	8,339,668	10,697,929	2,539,934
36		15,476,350	14,964,996	410,825	9,240,347	971,065	4,540,704	879,778

ATLANTIC CITY ELECTRIC

EFFECTIVE STATE TAX RATE
FEDERAL TAX RATE - CURRENT
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOPMENT OF INCOME TAXES-13			
FEDERAL & STATE TAX CALCULATION			
1		2,585,666	584,022
OPERATING REVENUES			
OPERATING EXPENSES			
2		1,130,598	226,593
3		97,832	53,629
4		24,645	4,557
5		1,332,591	299,243
6	PLANT	57,817	33,423
Schedule M			
7	LABOR	4,697	494
8	PLANT	(7,335)	(4,240)
9	LABOR	2,621	276
10	PLANT	(193,277)	(111,729)
11		(193,295)	(115,200)
12		1,081,480	150,620
TAXABLE INCOME			
State Income Taxes			
		97,333	13,556
	PLANT	2,847	1,646
	PLANT	(4,973)	(2,875)
13		95,207	12,327
14		(95,207)	(12,327)
15		0	0
16		378,518	52,717
17		(378,518)	(52,717)
18		0	0
Deferred State Income Taxes			
19		95,207	12,327
20	LABOR	(236)	(25)
21	PLANT	17,395	10,056
22	PLANT	2,126	1,229
23		114,492	23,587
24	PLANT	0	0
25		114,492	23,587
Deferred Federal Income Taxes			
26		378,518	52,717
27	LABOR	(835)	(88)
28	PLANT	61,559	35,586
29	PLANT	(744)	(430)
30	PLANT	6,031	3,487
31		444,529	91,271
32	PLANT	0	0
33		444,529	91,271
34		559,022	114,858
35		1,811,950	399,488
36		773,716	184,534

ATLANTIC CITY ELECTRIC
EFFECTIVE STATE TAX RATE
FEDERAL TAX RATE - CURRENT
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5
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		ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVELOPMENT OF LABOR ALLOCATOR-14									
Distribution Labor - ACE									
Operation Labor									
1	958000 Operation Supervision & Engineering	LABDO	2,849,738	1,690,368	549,866	527,308	71,069	9,187	1,939
2	958100 Load dispatching	_EXP581	1,151,711	694,881	159,049	247,588	39,989	9,417	788
3	958200 Station expenses	_EXP582	0	0	0	0	0	0	0
4	958300 Overhead line expenses	_EXP583	5,013,344	3,057,690	698,085	1,224,166	6,442	21,198	5,763
5	958400 Underground line expenses	_EXP584	0	0	0	0	0	0	0
6	958500 Street lighting	_EXP585	0	0	0	0	0	0	0
7	958600 Meter expenses	_EXP586	3,439,670	1,937,621	1,007,284	300,378	194,387	0	0
8	958700 Customer installations expenses	_EXP587	9,078	6,010	1,337	1,727	0	0	3
9	958800 Miscellaneous distribution expenses	_EXP588	4,734,737	2,814,850	902,873	881,144	117,020	15,640	3,210
10	958900 Rents	_EXP589	13,887	8,256	2,648	2,584	343	46	9
11	Total Operation Labor		17,212,165	10,209,676	3,321,143	3,184,896	429,250	55,487	11,713
Maintenance Labor									
12	959000 Maintenance Supervision & Engineering	LABDM	0	0	0	0	0	0	0
13	959200 Maintain equipment	_EXP592	2,590,823	1,559,205	356,906	642,475	18,445	10,848	2,943
14	959300 Maintain overhead lines	_EXP593	3,284,241	2,003,092	457,315	801,951	4,220	13,886	3,776
15	959400 Maintain underground line	_EXP594	1,554,441	946,040	215,461	365,917	18,677	6,561	1,783
16	959500 Maintain line transformers	_EXP595	3,085	1,985	446	638	0	14	4
17	959800 Maintain street lighting & signal systems	_EXP596	811,371	0	0	0	0	811,371	0
18	959700 Maintain meters	_EXP597	473,207	266,565	138,575	41,324	26,742	0	0
19	959800 Maintain distribution plant	_EXP598	21,194	12,542	2,909	4,990	64	666	23
20	Total Maintenance Labor		8,738,361	4,789,429	1,171,613	1,857,295	68,149	843,346	8,529
21	Total Distribution Labor - ACE		25,950,526	14,999,106	4,492,755	5,042,190	497,398	898,833	20,243

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALOC		RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)	
DEVELOPMENT OF LABOR ALLOCATOR-14									
Distribution Labor - ACE									
Operation Labor									
1	958000 Operation Supervision & Engineering	LABDO	1,690,368	536,634	13,232	425,099	102,209	9,187	39,964
2	958100 Load dispatching	_EXP581	694,881	154,645	4,404	199,716	47,871	9,417	39,989
3	958200 Station expenses	_EXP582	0	0	0	0	0	0	0
4	958300 Overhead line expenses	_EXP583	3,057,690	688,158	9,927	985,991	238,175	21,198	6,442
5	958400 Underground line expenses	_EXP584	0	0	0	0	0	0	0
6	958500 Street lighting	_EXP585	0	0	0	0	0	0	87,181
7	958600 Meter expenses	_EXP586	1,937,621	976,499	30,785	239,984	60,394	0	0
8	958700 Customer installations expenses	_EXP587	6,010	1,337	0	1,727	0	0	0
9	958800 Miscellaneous distribution expenses	_EXP588	2,814,850	881,363	21,510	712,951	168,193	15,640	67,605
10	958900 Rents	_EXP589	8,256	2,585	63	2,091	493	46	198
11	Total Operation Labor		10,209,676	3,241,221	79,922	2,567,560	617,336	55,487	241,379
Maintenance Labor									
12	959000 Maintenance Supervision & Engineering	LABDM	0	0	0	0	0	0	0
13	959200 Maintain equipment	_EXP592	1,559,205	351,105	5,801	503,282	139,194	10,848	18,445
14	959300 Maintain overhead lines	_EXP593	2,003,092	450,812	6,503	645,923	156,028	13,886	4,220
15	959400 Maintain underground line	_EXP594	946,040	212,927	2,535	305,095	60,822	6,561	18,677
16	959500 Maintain line transformers	_EXP595	1,985	446	0	638	0	14	0
17	959600 Maintain street lighting & signal systems	_EXP596	0	0	0	0	811,371	0	0
18	959700 Maintain meters	_EXP597	266,565	134,340	4,235	33,015	8,309	0	11,994
19	959800 Maintain distribution plant	_EXP598	12,542	2,866	43	4,014	976	666	55
20	Total Maintenance Labor		4,789,429	1,152,495	19,118	1,491,967	365,328	843,346	53,391
21	Total Distribution Labor - ACE		14,999,106	4,393,716	99,039	4,059,527	982,663	898,833	294,770

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVELOPMENT OF LABOR ALLOCATOR-14				
Distribution Labor - ACE				
Operation Labor				
1	958000 Operation Supervision & Engineering	LABDO	31,105	1,939
2	958100 Load dispatching	_EXP581	0	788
3	958200 Station expenses	_EXP582	0	0
4	958300 Overhead line expenses	_EXP583	0	5,763
5	958400 Underground line expenses	_EXP584	0	0
6	958500 Street lighting	_EXP585	0	0
7	958600 Meter expenses	_EXP586	107,206	0
8	958700 Customer installations expenses	_EXP587	0	3
9	958800 Miscellaneous distribution expenses	_EXP588	49,415	3,210
10	958900 Rents	_EXP589	145	9
11	Total Operation Labor		187,871	11,713
Maintenance Labor				
12	959000 Maintenance Supervision & Engineering	LABDM	0	0
13	959200 Maintain equipment	_EXP592	0	2,943
14	959300 Maintain overhead lines	_EXP593	0	3,776
15	959400 Maintain underground line	_EXP594	0	1,783
16	959500 Maintain line transformers	_EXP595	0	4
17	959600 Maintain street lighting & signal systems	_EXP596	0	0
18	959700 Maintain meters	_EXP597	14,749	0
19	959800 Maintain distribution plant	_EXP598	9	23
20	Total Maintenance Labor		14,757	8,529
21	Total Distribution Labor - ACE		202,628	20,243

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

17-Mar-17
21:13

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
DEVEL OF LABOR ALLOC CONT-15								
Customer Accounts Labor								
1	990200 Meter reading expenses _EXP902	827,325	700,015	102,114	20,382	4,814	0	0
2	990300 Customer records and collection expenses _EXP903	2,423,369	2,085,098	263,819	20,762	659	50,001	3,030
3	990500 Miscellaneous customer accounts expense _EXP905	0	0	0	0	0	0	0
4	Total Customer Accounts Labor	3,250,694	2,785,113	365,932	41,144	5,473	50,001	3,030
Customer Service Labor								
5	990700 Supervision _EXP907	0	0	0	0	0	0	0
6	990800 Customer assistance expenses _EXP908	1,999,018	1,342,004	239,640	285,060	99,819	29,700	2,795
7	991000 Miscellaneous customer service & informa _EXP910	0	0	0	0	0	0	0
8	Total Customer Service Labor	1,999,018	1,342,004	239,640	285,060	99,819	29,700	2,795
Sales Labor								
9	991200 Demonstrating & selling expenses _EXP912	0	0	0	0	0	0	0
10	991300 Advertising expense _EXP913	0	0	0	0	0	0	0
11	Total Sales Labor	0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

		RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	STREET AND PRIVATE LIGHTING	GENERAL SERVICE SUBTRANSMN
ALLOC		(8)-2	(9)	(10)	(11)	(12)	(13)	(14)
DEVEL OF LABOR ALLOC CONT-15								
Customer Accounts Labor								
1	990200 Meter reading expenses _EXP902	700,015	99,006	3,108	13,193	7,189	0	2,906
2	990300 Customer records and collection expenses _EXP903	2,085,098	262,978	841	19,198	1,565	50,001	454
3	990500 Miscellaneous customer accounts expense _EXP905	0	0	0	0	0	0	0
4	Total Customer Accounts Labor	2,785,113	361,984	3,949	32,390	8,754	50,001	3,360
Customer Service Labor								
5	990700 Supervision _EXP907	0	0	0	0	0	0	0
6	990800 Customer assistance expenses _EXP908	1,342,004	236,329	3,312	222,043	63,017	29,700	56,655
7	991000 Miscellaneous customer service & informa _EXP910	0	0	0	0	0	0	0
8	Total Customer Service Labor	1,342,004	236,329	3,312	222,043	63,017	29,700	56,655
Sales Labor								
9	991200 Demonstrating & selling expenses _EXP912	0	0	0	0	0	0	0
10	991300 Advertising expense _EXP913	0	0	0	0	0	0	0
11	Total Sales Labor	0	0	0	0	0	0	0

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVEL OF LABOR ALLOC CONT-15				
Customer Accounts Labor				
1	990200 Meter reading expenses	_EXP902	1,908	0
2	990300 Customer records and collection expenses	_EXP903	204	3,030
3	990500 Miscellaneous customer accounts expense	_EXP905	0	0
4	Total Customer Accounts Labor		2,113	3,030
Customer Service Labor				
5	990700 Supervision	_EXP907	0	0
6	990800 Customer assistance expenses	_EXP908	43,164	2,795
7	991000 Miscellaneous customer service & informa	_EXP910	0	0
8	Total Customer Service Labor		43,164	2,795
Sales Labor				
9	991200 Demonstrating & selling expenses	_EXP912	0	0
10	991300 Advertising expense	_EXP913	0	0
11	Total Sales Labor		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

DEVEL OF LABOR ALLOC CONT-16		ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
Administrative & General Labor									
Operation Labor									
1	992000 Administrative & General salaries	_EXP920	802,730	492,086	131,171	138,120	15,506	25,176	671
2	992100 Office supplies & expenses	_EXP921	0	0	0	0	0	0	0
3	992300 Outside services employed	_EXP923	0	0	0	0	0	0	0
4	992800 Regulatory commission expenses	_EXP923	55,620	34,096	9,089	9,570	1,074	1,744	46
5	992900 Duplicate charges-Credit	_EXP923	514,123	315,165	84,011	88,461	9,931	16,124	430
6	993020 Miscellaneous general expenses	_EXP9302	0	0	0	0	0	0	0
7	Total Operation Labor		1,372,472	841,347	224,271	236,151	28,512	43,045	1,147
Maintenance Labor									
8	993500 Maintenance of general plant	_EXP935	137,959	84,571	22,543	23,738	2,665	4,327	115
9	Total Maintenance Labor		137,959	84,571	22,543	23,738	2,665	4,327	115
10	Total Administrative & General Labor		1,510,432	925,918	246,815	259,889	29,177	47,372	1,262
11	Total Operation & Maintenance Labor		32,710,669	20,052,141	5,345,143	5,628,283	631,867	1,025,906	27,329

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC Schedule (EPT)-5
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DEVEL OF LABOR ALLOC CONT-16		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
Administrative & General Labor									
Operation Labor									
1	992000 Administrative & General salaries	_EXP920	492,086	128,437	2,735	110,991	27,129	25,176	9,128
2	992100 Office supplies & expenses	_EXP921	0	0	0	0	0	0	0
3	992300 Outside services employed	_EXP923	0	0	0	0	0	0	0
4	992800 Regulatory commission expenses	_EXP923	34,096	8,899	189	7,690	1,880	1,744	632
5	992900 Duplicate charges-Credit	_EXP923	315,165	82,259	1,752	71,086	17,375	16,124	5,846
6	993020 Miscellaneous general expenses	_EXP9302	0	0	0	0	0	0	0
7	Total Operation Labor		841,347	219,595	4,676	189,767	46,384	43,045	15,607
Maintenance Labor									
8	993500 Maintenance of general plant	_EXP935	84,571	22,073	470	19,075	4,662	4,327	1,569
9	Total Maintenance Labor		84,571	22,073	470	19,075	4,662	4,327	1,569
10	Total Administrative & General Labor		925,918	241,669	5,146	208,843	51,046	47,372	17,175
11	Total Operation & Maintenance Labor		20,052,141	5,233,697	111,446	4,522,803	1,105,480	1,025,906	371,961

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ATLANTIC CITY ELECTRIC
DE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

		ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
DEVEL OF LABOR ALLOC CONT-16				
Administrative & General Labor				
Operation Labor				
1	992000 Administrative & General salaries	_EXP920	6,378	671
2	992100 Office supplies & expenses	_EXP921	0	0
3	992300 Outside services employed	_EXP923	0	0
4	992800 Regulatory commission expenses	_EXP923	442	46
5	992900 Duplicate charges-Credit	_EXP923	4,085	430
6	993020 Miscellaneous general expenses	_EXP9302	0	0
7	Total Operation Labor		10,905	1,147
Maintenance Labor				
8	993500 Maintenance of general plant	_EXP935	1,096	115
9	Total Maintenance Labor		1,096	115
10	Total Administrative & General Labor		12,001	1,262
11	Total Operation & Maintenance Labor		259,906	27,329

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
REVENUE REQUIREMENTS-17								
Present Rates								
1	Rate Base	1,259,487,385	739,115,981	177,077,131	258,550,254	8,680,955	74,805,107	1,257,957
2	Net Operating Income (Present Rates)	47,442,314	15,476,350	15,375,821	10,211,412	1,653,493	4,540,704	184,534
3	Rate of Return (Present Rates)	3.77%	2.09%	8.68%	3.95%	19.05%	6.07%	14.67%
4	Relative Rate of Return	1.00	0.56	2.31	1.05	5.06	1.61	3.89
5	Sales Revenue (Present Rates)	339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
6	Revenue Present Rates \$/KWH	\$0.0385	\$0.0473	\$0.0518	\$0.0231	\$0.0068	\$0.2059	\$0.0433
7	Revenue Required - \$/Mo/Customer	\$51.06	\$33.87	\$99.15	\$1,258.09	\$7,923.70	\$106.17	\$66.42
Claimed Rate of Return								
8	Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
9	Return Required Claimed Rate of Return	98,617,862	57,872,781	13,865,139	20,244,485	679,719	5,857,240	98,498
10	Sales Revenue Required Claimed ROR	426,189,832	268,258,981	62,154,670	73,673,617	4,339,604	17,336,128	426,832
11	Revenue Deficiency Sales Revenue	86,751,431	71,869,304	(2,560,868)	17,007,799	(1,650,717)	2,231,757	(145,845)
12	Percent Increase Required	25.56%	36.60%	-3.96%	30.01%	-27.56%	14.78%	-25.47%
13	Annual Booked KWH Sales	8,819,370,717	4,148,811,252	1,248,694,168	2,455,530,765	879,770,325	73,343,971	13,220,236
14	Sales Revenue Required \$/KWH	\$0.0483	\$0.0647	\$0.0498	\$0.0300	\$0.0049	\$0.2364	\$0.0323
15	Revenue Deficiency \$/KWH	\$0.0098	\$0.0173	(\$0.0021)	\$0.0069	(\$0.0019)	\$0.0304	(\$0.0110)
ATLANTIC CITY ELECTRIC								
	BPU Assessment	0.2113%						
	Ratepayer Advocate Assessment	0.0575%						
	STATE TAX RATE	9.000%						
	FEDERAL TAX RATE - CURRENT	35.000%						
	EFFECTIVE STATE TAX RATE	8.9758%						
	1 - INCREMENTAL TAX RATE	0.58991						
	INCREMENTAL TAX RATE	0.41009						
	EFFECTIVE INCREMENTAL FEDERAL RATE	0.31764						
	FACTOR FOR TAXABLE BASIS	1.695173						

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY NJBPU
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

At

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ALOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
REVENUE REQUIREMENTS-17							
Present Rates							
1 Rate Base	739,115,981	174,935,051	2,142,080	221,880,354	36,669,900	74,805,107	6,229,569
2 Net Operating Income (Present Rates)	15,476,350	14,964,996	410,825	9,240,347	971,065	4,540,704	879,778
3 Rate of Return (Present Rates)	2.09%	8.55%	19.18%	4.16%	2.65%	6.07%	14.12%
4 Relative Rate of Return	0.56	2.27	5.09	1.11	0.70	1.61	3.75
5 Sales Revenue (Present Rates)	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
6 Revenue Present Rates \$/KWH	\$0.0473	\$0.0519	\$0.0487	\$0.0251	\$0.0161	\$0.2059	\$0.0068
7 Revenue Required - \$/Mo/Customer	\$33.87	\$97.23	\$1,344.71	\$1,096.26	\$5,936.32	\$106.17	\$6,169.51
Claimed Rate of Return							
8 Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
9 Return Required Claimed Rate of Return	57,872,781	13,697,415	167,725	17,373,232	2,871,253	5,857,240	487,775
10 Sales Revenue Required Claimed ROR	268,258,981	61,209,956	944,714	61,512,376	12,161,242	17,336,128	2,741,059
11 Revenue Deficiency Sales Revenue	71,869,304	(2,148,771)	(412,097)	13,786,650	3,221,149	2,231,757	(664,512)
12 Percent Increase Required	36.60%	-3.39%	-30.37%	28.89%	36.03%	14.78%	-19.51%
13 Annual Booked KWH Sales	4,148,811,252	1,220,811,328	27,882,840	1,901,486,190	554,044,575	73,343,971	499,172,809
14 Sales Revenue Required \$/KWH	\$0.0647	\$0.0501	\$0.0339	\$0.0323	\$0.0219	\$0.2364	\$0.0055
15 Revenue Deficiency \$/KWH	\$0.0173	(\$0.0018)	(\$0.0148)	\$0.0073	\$0.0058	\$0.0304	(\$0.0013)

ATLANTIC CITY ELECTRIC

BPU Assessment
 Ratepayer Advocate Assessment
 STATE TAX RATE
 FEDERAL TAX RATE - CURRENT
 EFFECTIVE STATE TAX RATE
 1 - INCREMENTAL TAX RATE
 INCREMENTAL TAX RATE
 EFFECTIVE INCREMENTAL FEDERAL RATE
 FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
REVENUE REQUIREMENTS-17			
Present Rates			
1		2,451,386	1,257,957
2		773,716	184,534
3		31.56%	14.67%
4		8.38	3.89
5		2,584,750	572,677
6		\$0.0068	\$0.0433
7		\$12,670.34	\$66.42
Claimed Rate of Return			
8		7.83%	7.83%
9		191,943	98,498
10		1,598,545	426,832
11		(986,205)	(145,845)
12		-38.15%	-25.47%
13		380,597,516	13,220,236
14		\$0.0042	\$0.0323
15		(\$0.0026)	(\$0.0110)

ATLANTIC CITY ELECTRIC

BPU Assessment
Ratepayer Advocate Assessment
STATE TAX RATE
FEDERAL TAX RATE - CURRENT
EFFECTIVE STATE TAX RATE
1 - INCREMENTAL TAX RATE
INCREMENTAL TAX RATE
EFFECTIVE INCREMENTAL FEDERAL RATE
FACTOR FOR TAXABLE BASIS

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED		ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
1	Distribution Primary-Class ACED	DEMPRI	2,547,270	1,536,887	351,773	547,596	88,444	20,828	1,742
2	Distribution Secondary-Class ACED	DEMSEC	1.00000	0.65589	0.14597	0.18851	0.00000	0.00889	0.00074
3	Dist Line Transformer	DEMTRNSF	1.00000	0.65589	0.14597	0.18851	0.00000	0.00889	0.00074
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	2,458,826	1,536,887	351,773	547,596	0	20,828	1,742
5									
6	Class Maximum Diversified Demands SEC		2,343,208	1,536,887	342,033	441,718	0	20,828	1,742
7	Class Maximum Diversified Demands PRI		2,547,270	1,536,887	351,773	547,596	88,444	20,828	1,742
8									
9	Class Maximum Diversified Dem NJ Pri	DEMPRIS	1.00000	0.57759	0.13244	0.23873	0.04609	0.00406	0.00109
10	Class Maximum Diversified Dem NJ Sec	DEMSECS	1.00000	0.64331	0.14446	0.20663	0.00000	0.00440	0.00121
11	Dist Line Transformer NJ	DEMTRNSFS	1.00000	0.64331	0.14446	0.20663	0.00000	0.00440	0.00121
12	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSSS	1.00000	0.60625	0.13873	0.24967	0.00000	0.00421	0.00114
13									
14		CUST369S	1.00000	0.64582	0.14517	0.20780	0.00000	0.00000	0.00121

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
1	Distribution Primary-Class ACED	DEMPRI	1,536,887	342,033	9,740	441,718	105,878	20,828	88,444
2	Distribution Secondary-Class ACED	DEMSEC	0.65589	0.14597	0.00000	0.18851	0.00000	0.00889	0.00000
3	Dist Line Transformer	DEMTRNSF	0.65589	0.14597	0.00000	0.18851	0.00000	0.00889	0.00000
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	1,536,887	342,033	9,740	441,718	105,878	20,828	0
5									
6	Class Maximum Diversified Demands SEC		1,536,887	342,033	0	441,718	0	20,828	0
7	Class Maximum Diversified Demands PRI		1,536,887	342,033	9,740	441,718	105,878	20,828	88,444
8									
9	Class Maximum Diversified Dem NJ Pri	DEMPRI	0.57759	0.13028	0.00216	0.18699	0.05174	0.00406	0.04609
10	Class Maximum Diversified Dem NJ Sec	DEMSECS	0.64331	0.14446	0.00000	0.20663	0.00000	0.00440	0.00000
11	Dist Line Transformer NJ	DEMTRNSFS	0.64331	0.14446	0.00000	0.20663	0.00000	0.00440	0.00000
12	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSSS	0.60625	0.13648	0.00225	0.19558	0.05409	0.00421	0.00000
13									
14		CUST369S	0.64582	0.14517	0.00000	0.20780	0.00000	0.00000	0.00000

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOCATION FACTOR TABLE-18 CAPACITY-DISTRIBUTION RELATED		GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
ALLOC				
1	Distribution Primary-Class ACED	DEMPRI	0	1,742
2	Distribution Secondary-Class ACED	DEMSEC	0.00000	0.00074
3	Dist Line Transformer	DEMTRNSF	0.00000	0.00074
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	0	1,742
5				
6	Class Maximum Diversified Demands SEC		0	1,742
7	Class Maximum Diversified Demands PRI		0	1,742
8				
9	Class Maximum Diversified Dem NJ Pri	DEMPRIS	0.00000	0.00109
10	Class Maximum Diversified Dem NJ Sec	DEMSECS	0.00000	0.00121
11	Dist Line Transformer NJ	DEMTRNSFS	0.00000	0.00121
12	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSSS	0.00000	0.00114
13				
14		CUST369S	0.00000	0.00121

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
CUSTOMER RELATED-19								
1		543,219	484,251	55,063	3,794	111	0	0
2		554,017	483,238	54,389	3,753	63	11,855	719
3	Customer Service Expenses Allocator	1,0000	0,6713	0,1199	0,1426	0,0499	1,49%	0
4	Sales Expense Allocator	1,0000	0,6713	0,1199	0,1426	0,0499	1,49%	0
5	Acct 369-Services-Class MDD	2,321,509	1,536,887	342,033	441,718	0	0	871
6	Acct 370-Meters Direct Assignment	CUST370 74,279,408	41,842,776	21,752,223	6,486,641	4,197,768	0	0
7	Acct 3730 Street Light & Signal Sys Dir Assign	CUST373 1	0	0	0	0	1	0
8	Acct 990200 Meter reading expenses	CUST902 5,738,367	4,855,341	708,267	141,371	33,388	0	0
9	Acct 990300 Cust records and collection exp	CUST903 54,183,845	46,620,478	5,898,691	464,219	14,732	1,117,970	67,756
10	D.A. 372-Leased Prop Cust Prem	CUST372 141,649	0	0	13,606	128,042	0	0
11	D.A. Customer Deposits	CUSPDEP (32,063,760)	(21,169,446)	(4,296,309)	(6,598,005)	0	0	0
12	Acct 371.1 Based on Dist Plt	CUST3711P 2,084,878,611	1,217,641,790	286,875,129	440,565,104	9,313,535	128,447,244	2,035,809
13								
14	Distribution Plant	2,084,878,611	1,217,641,790	286,875,129	440,565,104	9,313,535	128,447,244	2,035,809
15								
16	Number of customers	CUST 554,017	483,238	54,389	3,753	63	11,855	719
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
CUSTOMER RELATED-19								
1		484,251	54,948	115	3,661	133	0	67
2		483,238	54,305	84	3,628	126	11,855	46
3	CSERV	0.6713	0.1182	0.0017	0.1111	0.0315	0.0149	0.0283
4	CSALES	0.6713	0.1182	0.0017	0.1111	0.0315	0.0149	0.0283
5	Acct 369-Servics-Class MDD	CUST369	1,536,887	342,033	0	441,718	0	0
6	Acct 370-Meters Direct Assignment	CUST370	41,842,776	21,087,420	664,803	5,182,443	1,304,198	1,882,664
7	Acct 3730 Street Light & Signal Sys Dir Assign	CUST373	0	0	0	0	0	1
8	Acct 990200 Meter reading expenses	CUST902	4,855,341	686,709	21,558	91,506	49,865	20,153
9	Acct 990300 Cust records and collection exp	CUST903	46,620,478	5,879,897	18,794	429,237	34,982	1,117,970
10	D.A. 372-Leased Prop Cust Prem	CUST372	0	0	0	0	13,606	0
11	D.A. Customer Deposits	CUSPDEP	(21,169,446)	(4,249,579)	(46,730)	(5,688,554)	(909,451)	0
12	Acct 371.1 Based on Dist Plt	CUST3711P	1,217,641,790	283,754,869	3,120,260	379,838,816	60,726,287	128,447,244
13								
14	Distribution Plant		1,217,641,790	283,754,869	3,120,260	379,838,816	60,726,287	128,447,244
15								
16	Number of customers	CUST	483,238	54,305	84	3,628	126	11,855
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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CUSTOMER RELATED-19			
1		44	0
2		17	719
3		0.0216	0.0014
4		0.0216	0.0014
5	CSERV	0	871
6	CUST369	2,315,104	0
7	CUST370	0	0
8	CUST373	0	0
9	CUST902	13,235	0
10	CUST903	4,572	67,756
11	CUST372	121,139	0
12	CUST3711P	2,145,891	2,035,809
13		2,145,891	2,035,809
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16	CUST.	17	719
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED-20									
1	Acct 3620 Station Equipment	PLT362	310,708,213	186,989,967	42,802,509	77,049,810	2,212,055	1,300,912	352,961
2	Accts 364 - 367 Distribution Plant	PLT3647	865,413,030	527,573,867	120,382,850	209,633,022	3,171,106	3,657,727	994,458
3	Accts 364 & 365 Overhead Lines	PLTDOHNLN	673,523,500	410,788,922	93,784,990	164,462,014	865,473	2,847,803	774,296
4	Accts 366 & 367 Underground Lines	PLTDUGLN	191,889,530	116,784,944	26,597,860	45,171,008	2,305,633	809,924	220,162
5	Acct 3730 Street Lighting and Signal Systems	PLT373	90,857,352	0	0	0	90,857,352	0	0
6	Acct 3700 Meters	PLT370	64,944,537	36,584,294	19,018,569	5,671,449	3,670,224	0	0
7	Acct 369 Services	PLT369	201,265,155	133,241,698	29,652,836	38,295,110	0	0	75,512
8	Acct 3680 Line Transformers	PLT368	453,145,455	291,510,932	65,463,187	93,632,579	0	1,992,404	546,352
9	Acct 958100 Load dispatching	EXP581	2,050,911	1,237,411	283,227	440,892	71,210	16,769	1,403
10	Acct 958200 Station expenses	EXP582	0	0	0	0	0	0	0
11	Acct 958300 Overhead line expenses	EXP583	6,822,640	4,161,199	950,021	1,665,963	8,767	28,848	7,843
12	Acct 958400 Underground line expenses	EXP584	0	0	0	0	0	0	0
13	Acct 958500 Street lighting	EXP585	0	0	0	0	0	0	0
14	Acct 958600 Meter expenses	EXP586	4,624,376	2,604,985	1,354,217	403,836	261,338	0	0
15	Acct 958700 Customer installations expenses	EXP587	311,992	206,545	45,967	59,363	0	0	117
16	Acct 958800 Miscellaneous distribution exp	EXP588	15,457,815	9,189,830	2,947,670	2,876,730	382,043	51,060	10,480
17	Acct 958900 Rents	EXP589	3,479,893	2,068,832	663,585	647,615	86,006	11,495	2,359
18	Acct 959200 Maintain equipment	EXP592	5,116,311	3,079,091	704,812	1,268,749	36,425	21,422	5,812
19	Acct 959300 Maintain overhead lines	EXP593	43,757,026	26,687,861	6,092,961	10,684,659	56,227	185,014	50,304
20	Acct 959400 Maintain underground line	EXP594	2,389,319	1,454,152	331,184	562,448	28,709	10,085	2,741
21	Acct 959500 Maintain line transformers	EXP595	4,075	2,621	589	842	0	18	5
22	Acct 959600 Maint street lighting & signal sys	EXP596	1,463,322	0	0	0	1,463,322	0	0
23	Acct 959700 Maintain meters	EXP597	692,902	390,323	202,912	60,509	39,158	0	0
24	Acct 959800 Maintain distribution plant	EXP598	2,385,155	1,411,461	327,370	561,530	7,167	75,000	2,628
25	Total Distribution Plant	DISTPLT	2,084,878,811	1,217,641,790	286,875,129	440,565,104	9,313,535	128,447,244	2,035,809
26	Total Operation & Maintenance Labor	LABOR	32,710,669	20,052,141	5,345,143	5,628,283	631,867	1,025,906	27,329
27	Total General Plant	GENPLT	106,004,819	64,982,576	17,321,899	18,239,466	2,047,678	3,324,634	88,566
28	Dist O&M Expense	DISTOMEXP	234,446,269	157,021,959	34,361,828	34,473,688	2,829,284	5,532,917	226,593
29	Taxable income	TAXINC	(100,709,579)	(81,112,551)	1,534,457	(20,329,434)	1,889,498	(2,842,169)	150,620
30	Acct 364 Poles	PLT364	272,105,344	165,906,262	37,877,624	66,422,654	435,834	1,150,243	312,727
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ATLANTIC CITY-ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
INTERNALLY DEVELOPED-20									
1	Acct 3620 Station Equipment	PLT362	186,989,967	42,106,773	695,737	60,356,823	16,692,987	1,300,912	2,212,055
2	Accts 364 - 367 Distribution Plant	PLT3647	527,573,867	118,736,276	1,646,574	170,126,932	39,506,090	3,657,727	3,171,106
3	Accts 364 & 365 Overhead Lines	PLTDOHNLN	410,788,922	92,451,331	1,333,660	132,464,131	31,997,883	2,847,803	865,473
4	Accts 366 & 367 Underground Lines	PLTDOUGLN	116,784,944	26,284,945	312,914	37,662,801	7,508,206	809,924	2,305,633
5	Acct 3730 Street Lighting and Signal Systems	PLT373	0	0	0	0	0	90,857,352	0
6	Acct 3700 Meters	PLT370	36,584,294	18,437,313	581,256	4,531,153	1,140,296	0	1,646,065
7	Acct 369 Services	PLT369	133,241,698	29,652,836	0	38,295,110	0	0	0
8	Acct 3680 Line Transformers	PLT368	291,510,932	65,463,187	0	93,632,579	0	1,992,404	0
9	Acct 958100 Load dispatching	EXP581	1,237,411	275,385	7,842	355,645	85,247	16,769	71,210
10	Acct 958200 Station expenses	EXP582	0	0	0	0	0	0	0
11	Acct 958300 Overhead line expenses	EXP583	4,161,199	936,511	13,510	1,341,832	324,131	28,848	8,767
12	Acct 958400 Underground line expenses	EXP584	0	0	0	0	0	0	0
13	Acct 958500 Street lighting	EXP585	0	0	0	0	0	0	0
14	Acct 958600 Meter expenses	EXP586	2,604,985	1,312,829	41,388	322,641	81,195	0	117,208
15	Acct 958700 Customer installations expenses	EXP587	206,545	45,967	0	59,363	0	0	0
16	Acct 958800 Miscellaneous distribution exp	EXP588	9,189,830	2,877,444	70,227	2,327,619	549,111	51,060	220,714
17	Acct 958900 Rents	EXP589	2,068,832	647,776	15,810	523,998	123,617	11,495	49,688
18	Acct 959200 Maintain equipment	EXP592	3,079,091	693,356	11,456	993,872	274,877	21,422	36,425
19	Acct 959300 Maintain overhead lines	EXP593	26,687,861	6,006,317	86,644	8,605,841	2,078,817	185,014	56,227
20	Acct 959400 Maintain underground line	EXP594	1,454,152	327,288	3,896	468,960	93,489	10,085	28,709
21	Acct 959500 Maintain line transformers	EXP595	2,621	589	0	842	0	18	0
22	Acct 959600 Maint street lighting & signal sys	EXP596	0	0	0	0	0	1,463,322	0
23	Acct 959700 Maintain meters	EXP597	390,323	196,710	6,201	48,343	12,166	0	17,562
24	Acct 959800 Maintain distribution plant	EXP598	1,411,461	322,539	4,831	451,728	109,802	75,000	6,202
25	Total Distribution Plant	DISTPLT	1,217,641,790	283,754,869	3,120,260	379,838,816	60,726,287	128,447,244	7,167,643
26	Total Operation & Maintenance Labor	LABOR	20,052,141	5,233,697	111,446	4,522,803	1,105,480	1,025,906	371,961
27	Total General Plant	GENPLT	64,982,576	16,960,739	361,160	14,656,958	3,582,508	3,324,634	1,205,405
28	Dist O&M Expense	DISTOMEXP	157,021,959	33,777,015	584,813	27,782,546	6,691,142	5,532,917	1,698,686
29	Taxable income	TAXINC	(81,112,551)	1,108,529	425,928	(16,588,729)	(3,740,705)	(2,842,169)	808,019
30	Acct 364 Poles	PLT364	165,906,262	37,339,006	538,618	53,499,812	12,922,842	1,150,243	435,834
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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5
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	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
INTERNALLY DEVELOPED-20			
1 Acct 3620 Station Equipment	PLT362	0	352,961
2 Accts 364 - 367 Distribution Plant	PLT3647	0	994,458
3 Accts 364 & 365 Overhead Lines	PLTDOHLN	0	774,296
4 Accts 366 & 367 Underground Lines	PLTDUGLN	0	220,162
5 Acct 3730 Street Lighting and Signal Systems	PLT373	0	0
6 Acct 3700 Meters	PLT370	2,024,159	0
7 Acct 369 Services	PLT369	0	75,512
8 Acct 3680 Line Transformers	PLT368	0	546,352
9 Acct 958100 Load dispatching	EXP581	0	1,403
10 Acct 958200 Station expenses	EXP582	0	0
11 Acct 958300 Overhead line expenses	EXP583	0	7,843
12 Acct 958400 Underground line expenses	EXP584	0	0
13 Acct 958500 Street lighting	EXP585	0	0
14 Acct 958600 Meter expenses	EXP586	144,130	0
15 Acct 958700 Customer installations expenses	EXP587	0	117
16 Acct 958800 Miscellaneous distribution exp	EXP588	161,329	10,480
17 Acct 958900 Rents	EXP589	36,319	2,359
18 Acct 959200 Maintain equipment	EXP592	0	5,812
19 Acct 959300 Maintain overhead lines	EXP593	0	50,304
20 Acct 959400 Maintain underground line	EXP594	0	2,741
21 Acct 959500 Maintain line transformers	EXP595	0	5
22 Acct 959600 Maint street lighting & signal sys	EXP596	0	0
23 Acct 959700 Maintain meters	EXP597	21,596	0
24 Acct 959800 Maintain distribution plant	EXP598	964	2,628
25 Total Distribution Plant	DISTPLT	2,145,891	2,035,809
26 Total Operation & Maintenance Labor	LABOR	259,906	27,329
27 Total General Plant	GENPLT	842,273	88,566
28 Dist O&M Expense	DISTOMEXP	1,130,598	226,593
29 Taxable Income	TAXINC	1,081,480	150,620
30 Acct 364 Poles	PLT364	0	312,727
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED CONT-21									
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	13,809,921	8,210,140	2,633,431	2,570,054	341,315	45,617	9,363
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	53,422,956	31,614,048	7,332,458	12,577,208	160,519	1,679,861	58,862
3	Distribution Operating Labor Acct 581 - 589	LABDO	14,362,427	8,519,308	2,771,276	2,657,588	358,181	46,300	9,774
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	8,738,361	4,789,429	1,171,613	1,857,295	68,149	843,346	8,529
5	Total Distribution Operating Labor	TLABDO	17,212,165	10,209,676	3,321,143	3,184,896	429,250	55,487	11,713
6	Total Distribution Maintenance Labor	TLABDM	8,738,361	4,789,429	1,171,613	1,857,295	68,149	843,346	8,529
7	Acct 990200 Meter reading expenses	EXP902	5,488,160	4,643,636	677,385	135,207	31,932	0	0
8	Acct 990300 Cust records and collection exp	EXP903	54,973,816	47,300,179	5,984,691	470,987	14,946	1,134,269	68,744
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0	0	0	0	0	0
10	Acct 990700 Supervision	EXP907	(0)	(0)	(0)	(0)	(0)	(0)	(0)
11	Acct 990800 Customer assistance expenses	EXP908	4,816,425	3,233,419	577,388	686,821	240,503	71,560	6,733
12	Acct 991000 Misc cust service & informat exp	EXP910	(2,800)	(1,880)	(336)	(399)	(140)	(42)	(4)
13	Acct 991200 Demonstrating & selling expenses	EXP912	0	0	0	0	0	0	0
14	Acct 991300 Advertising expense	EXP913	0	0	0	0	0	0	0
15	Acct 992000 Administrative & General salaries	EXP920	1,891,897	1,159,762	309,149	325,525	36,545	59,336	1,581
16	Acct 992100 Office supplies & expenses	EXP921	304,369	186,583	49,736	52,371	5,879	9,546	254
17	Acct 992300 Outside services employed	EXP923	60,236,367	36,925,815	9,843,026	10,364,426	1,163,576	1,889,196	50,327
18	Acct 993020 Miscellaneous general expenses	EXP9302	766,472	469,859	125,247	131,881	14,806	24,039	640
19	Acct 993500 Maintenance of general plant	EXP935	2,404,269	1,473,854	392,874	413,685	46,443	75,405	2,009
20	Total Intangible Plant	INTPLT	14,295,973	8,763,650	2,336,058	2,459,802	276,153	448,365	11,944
23	Service Company Assets Reserve	SERVCO	32,710,669	20,052,141	5,345,143	5,628,283	631,867	1,025,906	27,329
24	Total System Electric Distribution	PLANT	2,296,530,016	1,347,387,341	321,460,388	476,982,397	13,401,971	135,085,277	2,212,642
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	60,461,976	51,943,815	6,662,075	606,194	46,879	1,134,269	68,744
26	Total Customer Deposits	CUSTDEP	33,133,624	21,875,802	4,439,662	6,818,159	0	0	0
27	Sales Revenue Required Claimed ROR	CLAIMREV	426,189,832	268,258,981	62,154,670	73,673,617	4,339,604	17,336,128	426,832
28	Net Income	NETINC	47,442,314	15,476,350	15,375,821	10,211,412	1,653,493	4,540,704	184,534
29	Residential Distribution Plant	RESDIST	1,217,641,790	1,217,641,790	0	0	0	0	0
30	Non-Residential Distribution Plant	NRESDIST	867,236,821	0	286,875,129	440,565,104	9,313,535	128,447,244	2,035,809
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
INTERNALLY DEVELOPED CONT-21									
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	8,210,140	2,570,691	62,740	2,079,481	490,573	45,617	197,185
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	31,614,048	7,224,259	108,198	10,117,859	2,459,349	1,679,861	138,923
3	Distribution Operating Labor Acct 581 - 589	LABDO	8,519,308	2,704,587	66,690	2,142,461	515,126	46,300	201,415
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	4,789,429	1,152,495	19,118	1,491,967	365,328	843,346	53,391
5	Total Distribution Operating Labor	TLABDO	10,209,676	3,241,221	79,922	2,567,560	617,336	55,487	241,379
6	Total Distribution Maintenance Labor	TLABDM	4,789,429	1,152,495	19,118	1,491,967	365,328	843,346	53,391
7	Acct 990200 Meter reading expenses	EXP902	4,643,636	656,767	20,618	87,516	47,691	0	19,275
8	Acct 990300 Cust records and collection exp	EXP903	47,300,179	5,965,623	19,068	435,495	35,492	1,134,269	10,308
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0	0	0	0	0	0
10	Acct 990700 Supervision	EXP907	(0)	(0)	(0)	(0)	(0)	(0)	(0)
11	Acct 990800 Customer assistance expenses	EXP908	3,233,419	569,409	7,979	534,989	151,833	71,560	136,504
12	Acct 991000 Misc cust service & informat exp	EXP910	(1,880)	(331)	(5)	(311)	(88)	(42)	(79)
13	Acct 991200 Demonstrating & selling expenses	EXP912	0	0	0	0	0	0	0
14	Acct 991300 Advertising expense	EXP913	0	0	0	0	0	0	0
15	Acct 992000 Administrative & General salaries	EXP920	1,159,762	302,703	6,446	261,587	63,938	59,336	21,513
16	Acct 992100 Office supplies & expenses	EXP921	186,583	48,699	1,037	42,084	10,286	9,546	3,461
17	Acct 992300 Outside services employed	EXP923	36,925,815	9,637,800	205,226	8,328,696	2,035,731	1,889,196	684,962
18	Acct 993020 Miscellaneous general expenses	EXP9302	469,859	122,635	2,611	105,978	25,903	24,039	8,716
19	Acct 993500 Maintenance of general plant	EXP935	1,473,854	384,682	8,191	332,431	81,254	75,405	27,339
20	Total Intangible Plant	INTPLT	8,763,650	2,287,351	48,707	1,976,660	483,143	448,365	162,563
23	Service Company Assets Reserve	SERVCO	20,052,141	5,233,697	111,446	4,522,803	1,105,480	1,025,906	371,961
24	Total System Electric Distribution	PLANT	1,347,387,341	317,619,029	3,841,360	409,103,200	67,879,197	135,085,277	9,574,380
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	51,943,815	6,622,389	39,686	523,011	83,183	1,134,269	29,582
26	Total Customer Deposits	CUSTDEP	21,875,802	4,391,373	48,289	5,878,363	939,796	0	0
27	Sales Revenue Required Claimed ROR	CLAIMREV	268,258,981	61,209,956	944,714	61,512,376	12,161,242	17,336,128	2,741,059
28	Net Income	NETINC	15,476,350	14,964,996	410,825	9,240,347	971,065	4,540,704	879,778
29	Residential Distribution Plant	RESDIST	1,217,641,790	0	0	0	0	0	0
30	Non-Residential Distribution Plant	NRESDIST	0	283,754,869	3,120,260	379,838,816	60,726,287	128,447,244	7,167,643

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)	
INTERNALLY DEVELOPED CONT-21				
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	144,130	9,363
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	21,596	58,862
3	Distribution Operating Labor Acct 581 - 589	LABDO	156,766	9,774
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	14,757	8,529
5	Total Distribution Operating Labor	TLABDO	187,871	11,713
6	Total Distribution Maintenance Labor	TLABDM	14,757	8,529
7	Acct 990200 Meter reading expenses	EXP902	12,658	0
8	Acct 990300 Cust records and collection exp	EXP903	4,638	68,744
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0	0
10	Acct 990700 Supervision	EXP907	(0)	(0)
11	Acct 990800 Customer assistance expenses	EXP908	104,000	6,733
12	Acct 991000 Misc cust service & informat exp	EXP910	(60)	(4)
13	Acct 991200 Demonstrating & selling expenses	EXP912	0	0
14	Acct 991300 Advertising expense	EXP913	0	0
15	Acct 992000 Administrative & General salaries	EXP920	15,032	1,581
16	Acct 992100 Office supplies & expenses	EXP921	2,418	254
17	Acct 992300 Outside services employed	EXP923	478,615	50,327
18	Acct 993020 Miscellaneous general expenses	EXP9302	6,090	640
19	Acct 993500 Maintenance of general plant	EXP935	19,103	2,009
20	Total Intangible Plant	INTPLT	113,590	11,944
23	Service Company Assets Reserve	SERVCO	259,906	27,329
24	Total System Electric Distribution	PLANT	3,827,591	2,212,642
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	17,296	68,744
26	Total Customer Deposits	CUSTDEP	0	0
27	Sales Revenue Required Claimed ROR	CLAIMREV	1,598,545	426,832
28	Net Income	NETINC	773,716	184,534
29	Residential Distribution Plant	RESDIST	0	0
30	Non-Residential Distribution Plant	NRESDIST	2,145,891	2,035,809
31				
32				

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5
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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNAL BASED ON CLAIMED REV-22									
1		<u>Claimed Revenues</u>							
2		268,258,981	268,258,981	0	0	0	0	0	
4		61,209,956	0	61,209,956	0	0	0	0	
5		944,714	0	944,714	0	0	0	0	
6		61,512,376	0	0	61,512,376	0	0	0	
7		12,161,242	0	0	12,161,242	0	0	0	
8		17,336,128	0	0	0	0	17,336,128	0	
9		2,741,059	0	0	0	2,741,059	0	0	
10		1,598,545	0	0	0	1,598,545	0	0	
11		426,832	0	0	0	0	0	426,832	
12									
13		1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1
14		1.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0
15		1.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	
16		1.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	
17		1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	
18		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
19		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	
20		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
21		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	
22									
23		0	0	0	0	0	0	0	
24		63,358,727	0	63,358,727	0	0	0	0	
25		1,356,811	0	1,356,811	0	0	0	0	
26		47,725,725	0	0	47,725,725	0	0	0	
27		8,940,092	0	0	8,940,092	0	0	0	
28		15,104,371	0	0	0	0	15,104,371	0	
29		0	0	0	0	0	0	0	
30		0	0	0	0	0	0	0	
31		572,677	0	0	0	0	0	572,677	
32		137,058,404	0	64,715,538	56,665,818	0	15,104,371	572,677	
33	LPAY	1.000000	0.000000	0.472175	0.413443	0.000000	0.110204	0.004178	
34									
35		8,819,371	4,148,811	1,248,694	2,455,531	879,770	73,344	13,220	
36	DEMPRI	4,148,811	2,503,172	572,943	891,885	144,051	33,923	2,837	
37	DEMPRI	1,220,811	736,573	168,592	262,442	42,388	9,982	835	
38	DEMPRI	27,883	16,823	3,851	5,994	968	228	19	
39	DEMPRI	1,901,486	1,147,255	262,592	408,769	66,022	15,548	1,300	
40	DEMPRI	554,045	334,281	76,512	119,105	19,237	4,530	379	
41	DEMPRI	73,344	44,252	10,129	15,767	2,547	600	50	
42	DEMPRI	499,173	301,174	68,935	107,309	17,332	4,082	341	
43	DEMPRI	380,598	229,632	52,560	81,818	13,215	3,112	260	
44	DEMPRI	13,220	7,976	1,826	2,842	459	108	9	
45	SALES	8,819,371	5,321,138	1,217,938	1,895,933	306,218	72,112	6,031	
46	SALES	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684	
47	SALESWOT	8,819,371	5,321,138	1,217,938	1,895,933	306,218	72,112	6,031	
48	SALESWOT	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684	
49		361,389,652	361,389,652	0	0	0	0	0	
50		72,605,291	0	72,605,291	0	0	0	0	
51		1,362,578	0	1,362,578	0	0	0	0	
52		48,122,390	0	0	48,122,390	0	0	0	
53		10,328,622	0	0	10,328,622	0	0	0	
54		1,782,402	0	0	0	0	1,782,402	0	

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
INTERNAL BASED ON CLAIMED REV-22								
1								
2		268,258,981	0	0	0	0	0	0
4		0	61,209,956	0	0	0	0	0
5		0	0	944,714	0	0	0	0
6		0	0	0	61,512,376	0	0	0
7		0	0	0	0	12,161,242	0	0
8		0	0	0	0	0	17,336,128	0
9		0	0	0	0	0	0	2,741,059
10		0	0	0	0	0	0	0
11		0	0	0	0	0	0	0
12								
13		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15		0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
16		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
17		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
18		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
19		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
20		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
21		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
22								
23		0	0	0	0	0	0	0
24		0	63,358,727	0	0	0	0	0
25		0	0	1,356,811	0	0	0	0
26		0	0	0	47,725,725	0	0	0
27		0	0	0	0	8,940,092	0	0
28		0	0	0	0	0	15,104,371	0
29		0	0	0	0	0	0	0
30		0	0	0	0	0	0	0
31		0	0	0	0	0	0	0
32		0	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	0
33	LPAY	0.000000	0.462275	0.009900	0.348215	0.065228	0.110204	0.000000
34								0.056600
35		4,148,811	1,220,811	27,883	1,901,486	554,045	73,344	499,173
36	DEMPRI	2,503,172	557,079	15,864	719,439	172,447	33,923	144,051
37	DEMPRI	736,573	163,924	4,668	211,699	50,743	9,982	42,388
38	DEMPRI	16,823	3,744	107	4,835	1,159	228	968
39	DEMPRI	1,147,255	255,321	7,271	329,734	79,036	15,548	66,022
40	DEMPRI	334,281	74,394	2,119	96,076	23,029	4,530	19,237
41	DEMPRI	44,252	9,848	280	12,718	3,049	600	2,547
42	DEMPRI	301,174	67,026	1,909	86,561	20,748	4,082	17,332
43	DEMPRI	229,632	51,104	1,455	65,999	15,820	3,112	13,215
44	DEMPRI	7,976	1,775	51	2,292	550	108	459
45		5,321,138	1,184,215	33,723	1,529,353	366,580	72,112	306,218
46	SALES	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
47		5,321,138	1,184,215	33,723	1,529,353	366,580	72,112	306,218
48	SALESWOT	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
49		361,389,652	0	0	0	0	0	0
50		0	72,605,291	0	0	0	0	0
51		0	0	1,362,578	0	0	0	0
52		0	0	0	48,122,390	0	0	0
53		0	0	0	0	10,328,622	0	0
54		0	0	0	0	0	1,782,402	0

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
<u>INTERNAL BASED ON CLAIMED REV-22</u>			
1			
		<u>Claimed Revenues</u>	
2		0	0
4		0	0
5		0	0
6		0	0
7		0	0
8		0	0
9		0	0
10		1,598,545	0
11		0	426,832
12			
13		0.000000	0.000000
14		0.000000	0.000000
15		0.000000	0.000000
16		0.000000	0.000000
17		0.000000	0.000000
18		0.000000	0.000000
19		0.000000	0.000000
20		1.000000	0.000000
21		0.000000	1.000000
22			
23		0	0
24		0	0
25		0	0
26		0	0
27		0	0
28		0	0
29		0	0
30		0	0
31		0	572,677
32		0	572,677
33	LPAY	0.000000	0.004178
34		0.043155	
35		380,598	13,220
36	DEMPRI	0	2,837
37	DEMPRI	0	835
38	DEMPRI	0	19
39	DEMPRI	0	1,300
40	DEMPRI	0	379
41	DEMPRI	0	50
42	DEMPRI	0	341
43	DEMPRI	0	260
44	DEMPRI	0	9
45		0	6,031
46	SALES	0.000000	0.000684
47		0	6,031
48	SALESWOT	0.000000	0.000684
49		0	0
50		0	0
51		0	0
52		0	0
53		0	0
54		0	0

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
55 Revenues GSST		17,883,389	0	0	0	17,883,389	0	0
56 Revenues GST		7,006,055	0	0	0	7,006,055	0	0
57 Revenues DDC		258,306	0	0	0	0	0	258,306
58 BGS & NUGS Revenue		520,738,684	361,389,652	73,967,869	58,451,012	24,889,444	1,782,402	258,306
59 Revenue BGS & NUGS	BGSNUGRV	1.000000	0.693994	0.142044	0.112246	0.047796	0.003423	0.000496
60 Revenues Residential		15,476,350	15,476,350	0	0	0	0	0
61 Revenues MGSS		14,964,996	0	14,964,996	0	0	0	0
62 Revenues MGSP		410,825	0	410,825	0	0	0	0
63 Revenues AGSS		9,240,347	0	0	9,240,347	0	0	0
64 Revenues AGSP		971,065	0	0	971,065	0	0	0
65 Revenues Lighting		4,540,704	0	0	0	0	4,540,704	0
66 Revenues GSST		879,778	0	0	0	879,778	0	0
67 Revenues GST		773,716	0	0	0	773,716	0	0
68 Revenues DDC		184,534	0	0	0	0	0	184,534
69 Net Income		47,442,314	15,476,350	15,375,821	10,211,412	1,653,493	4,540,704	184,534
70 Net Income	NETINC	1.000000	0.326214	0.324095	0.215238	0.034853	0.095710	0.003890

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMSN (14)
55 Revenues GSST		0	0	0	0	0	0	17,883,389
56 Revenues GST		0	0	0	0	0	0	0
57 Revenues DDC		0	0	0	0	0	0	0
58 BGS & NUGS Revenue		361,389,652	72,605,291	1,362,578	48,122,390	10,328,622	1,782,402	17,883,389
59 Revenue BGS & NUGS	BGSNUGRV	0.693994	0.139427	0.002617	0.092412	0.019835	0.003423	0.034342
60 Revenues Residential		15,476,350	0	0	0	0	0	0
61 Revenues MGSS		0	14,964,996	0	0	0	0	0
62 Revenues MGSP		0	0	410,825	0	0	0	0
63 Revenues AGSS		0	0	0	9,240,347	0	0	0
64 Revenues AGSP		0	0	0	0	971,065	0	0
65 Revenues Lighting		0	0	0	0	0	4,540,704	0
66 Revenues GSST		0	0	0	0	0	0	879,778
67 Revenues GST		0	0	0	0	0	0	0
68 Revenues DDC		0	0	0	0	0	0	0
69 Net Income		15,476,350	14,964,996	410,825	9,240,347	971,065	4,540,704	879,778
70 Net Income	NETINC	0.326214	0.315436	0.008659	0.194770	0.020468	0.095710	0.018544

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
55 Revenues GSST		0	0
56 Revenues GST		7,006,055	0
57 Revenues DDC		0	258,306
58 BGS & NUGS Revenue		7,006,055	258,306
59 Revenue BGS & NUGS	BGSNUGRV	0.013454	0.000496
60 Revenues Residential		0	0
61 Revenues MGSS		0	0
62 Revenues MGSP		0	0
63 Revenues AGSS		0	0
64 Revenues AGSP		0	0
65 Revenues Lighting		0	0
66 Revenues GSST		0	0
67 Revenues GST		773,716	0
68 Revenues DDC		0	184,534
69 Net Income		773,716	184,534
70 Net Income	NETINC	0.016309	0.003890

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
REVENUES FROM SALES-23								
1 Revenue - Retail Sales ACE		333,300,641	190,935,266	63,308,550	57,013,880	6,541,139	15,017,227	484,578
2								
3								
4				0	0	0	0	0
5 Revenues Residential		196,389,676	196,389,676	63,358,727	0	0	0	0
6 Revenues MGSS		63,358,727	0	1,356,811	0	0	0	0
7 Revenues MGSP		1,356,811	0	0	47,725,725	0	0	0
8 Revenues AGSS		47,725,725	0	0	8,940,092	0	0	0
9 Revenues AGSP		8,940,092	0	0	0	0	15,104,371	0
10 Revenues Lighting		15,104,371	0	0	0	3,405,571	0	0
11 Revenues GSST		3,405,571	0	0	0	2,584,750	0	0
12 Revenues GST		2,584,750	0	0	0	0	0	572,677
13 Revenues DDC		572,677	0	0	0	0	0	572,677
14 Net Income		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
15 Net Income	REVENUES	1.000000	0.578572	0.190655	0.166940	0.017648	0.044498	0.001687

16
17
18
19
20

REVENUE REQUIREMENTS INPUTS

1 Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
2 Ave Number of Customers (12 Months)	554,017	483,238	54,389	3,753	63	11,855	719	
3 KWH Sales @ Meter	8,819,370,717	4,148,811,252	1,248,694,168	2,455,530,765	879,770,325	73,343,971	13,220,236	
4								
5								
6								
7								
8								
9								
10								

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

At

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
REVENUES FROM SALES-23								
1 Revenue - Retail Sales ACE		190,935,266	61,978,449	1,330,101	47,352,532	9,661,348	15,017,227	3,816,626
2								
3								
4								
5 Revenues Residential		196,389,676	0	0	0	0	0	0
6 Revenues MGSS		0	63,358,727	0	0	0	0	0
7 Revenues MGSP		0	0	1,356,811	0	0	0	0
8 Revenues AGSS		0	0	0	47,725,725	0	0	0
9 Revenues AGSP		0	0	0	0	8,940,092	0	0
10 Revenues Lighting		0	0	0	0	0	15,104,371	0
11 Revenues GSST		0	0	0	0	0	0	3,405,571
12 Revenues GST		0	0	0	0	0	0	0
13 Revenues DDC		0	0	0	0	0	0	0
14 Net Income		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
15 Net Income	REVENUES	0.578572	0.186658	0.003997	0.140602	0.026338	0.044498	0.010033

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REVENUE REQUIREMENTS INPUTS

1 Claimed Rate of Return	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
2 Ave Number of Customers (12 Months)	483,238	54,305	84	3,628	126	11,855	46	
3 KWH Sales @ Meter	4,148,811,252	1,220,811,328	27,882,840	1,901,486,190	554,044,575	73,343,971	499,172,809	
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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
REVENUES FROM SALES-23		6,617,533	
1 Revenue - Retail Sales ACE		2,724,514	484,578
2			
3			
4			
5 Revenues Residential		0	0
6 Revenues MGSS		0	0
7 Revenues MGSP		0	0
8 Revenues AGSS		0	0
9 Revenues AGSP		0	0
10 Revenues Lighting		0	0
11 Revenues GSST		0	0
12 Revenues GST		2,584,750	0
13 Revenues DDC		0	572,677
14 Net Income		2,584,750	572,677
15 Net Income	REVENUES	0.007615	0.001687
16			
17			
18			
19			
20			

REVENUE REQUIREMENTS INPUTS			
1 Claimed Rate of Return		7.83%	7.83%
2 Ave Number of Customers (12 Months)		17	719
3 KWH Sales @ Meter		380,597,516	13,220,236
4			
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM. GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
RATIO TABLE-24 CAPACITY-DISTRIBUTION RELATED									
1	Distribution Primary-Class ACED	DEMPRI	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
2	Distribution Secondary-Class ACED	DEMSEC	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
3	Dist Line Transformer	DEMTRNSF	1.000000	0.655890	0.145968	0.188510	0.000000	0.008889	0.000743
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	1.000000	0.625049	0.143065	0.222706	0.000000	0.008471	0.000708
5									
6	Class Maximum Diversified Dem NJ Pri	DEMPRI	1.000000	0.577587	0.132436	0.238734	0.046087	0.004062	0.001095
7	Class Maximum Diversified Dem NJ Sec	DEMSECS	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
8	Dist Line Transformer NJ	DEMTRNSFS	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
9	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSS	1.000000	0.606246	0.138730	0.249671	0.000000	0.004210	0.001143

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

RATIO TABLE-24 CAPACITY-DISTRIBUTION RELATED		ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISN (14)
1	Distribution Primary-Class ACED	DEMPRI	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
2	Distribution Secondary-Class ACED	DEMSEC	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
3	Dist Line Transformer	DEMTRNSF	0.655890	0.145968	0.000000	0.188510	0.000000	0.008889	0.000000
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	0.625049	0.139104	0.003961	0.179646	0.043060	0.008471	0.000000
5									
6	Class Maximum Diversified Dem NJ Pri	DEMPRI	0.577587	0.130280	0.002156	0.186993	0.051740	0.004062	0.046087
7	Class Maximum Diversified Dem NJ Sec	DEMSECS	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
8	Dist Line Transformer NJ	DEMTRNSFS	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
9	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSS	0.606246	0.136476	0.002254	0.195582	0.054088	0.004210	0.000000
10									

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
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RATIO TABLE-24
CAPACITY-DISTRIBUTION RELATED

1	Distribution Primary-Class ACED	DEMPRI	0.000000	0.000684
2	Distribution Secondary-Class ACED	DEMSEC	0.000000	0.000743
3	Dist Line Transformer	DEMTRNSF	0.000000	0.000743
4	Distr Pri-Class ACED - NONTGSS	DPRITGSS	0.000000	0.000708
5				
6	Class Maximum Diversified Dem NJ Pri	DEMPRI	0.000000	0.001095
7	Class Maximum Diversified Dem NJ Sec	DEMSECS	0.000000	0.001206
8	Dist Line Transformer NJ	DEMTRNSFS	0.000000	0.001206
9	Distr Pri-Class ACED - NONTGSS NJ	DPRITGSS	0.000000	0.001143
10				

ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
CUSTOMER RELATED-25								
1		1.000000	0.891447	0.101364	0.006984	0.000204	0.000000	0.000000
2		1.000000	0.872243	0.098173	0.006775	0.000114	0.021399	0.001297
3		1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
4	CSERV	1.000000	0.671332	0.119879	0.142600	0.049934	0.014857	0.001398
5	CSALES	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
6	CUST369	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
7	CUST370	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
8	CUST373	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
9	CUST902	1.000000	0.846119	0.123427	0.024636	0.005818	0.000272	0.001250
10	CUST903	1.000000	0.860413	0.108864	0.008567	0.000272	0.020633	0.000000
11	CUST372	1.000000	0.000000	0.000000	0.096057	0.903943	0.000000	0.000000
12	CUST372	1.000000	0.660230	0.133993	0.205778	0.000000	0.000000	0.000000
13	CUSPDEP	1.000000	0.584035	0.137598	0.211315	0.004467	0.061609	0.000976
14	CUST3711P	1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
15	DATGS	1.000000	0.584035	0.137598	0.211315	0.004467	0.061609	0.000976
16	CUST371	1.000000	0.872243	0.098173	0.006775	0.000114	0.021399	0.001297
17	CUST	1.000000						

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

AC

	ALLOC.	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
CUSTOMER RELATED-25								
1		0.891447	0.101153	0.000212	0.006739	0.000245	0.000000	0.000123
2		0.872243	0.098021	0.000152	0.006548	0.000227	0.021399	0.000083
3		0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
3	CSERV	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
4	CSALES	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857	0.028341
5	CUST369	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
6	CUST370	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
7	CUST373	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
8	CUST902	0.846119	0.119670	0.003757	0.015946	0.008690	0.000000	0.003512
9	CUST903	0.860413	0.108518	0.000347	0.007922	0.000646	0.020633	0.000188
10	CUST372	0.000000	0.000000	0.000000	0.000000	0.096057	0.000000	0.048735
11	CUSPDEP	0.660230	0.132535	0.001457	0.177414	0.028364	0.000000	0.000000
12	CUST3711P	0.584035	0.136101	0.001497	0.182187	0.029127	0.061609	0.003438
13	DATGS	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	CUST371	0.584035	0.136101	0.001497	0.182187	0.029127	0.061609	0.003438
15	CUST	0.872243	0.098021	0.000152	0.006548	0.000227	0.021399	0.000083
16								

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
<u>CUSTOMER RELATED-25</u>			
1		0.000081	0.000000
2		0.000031	0.001297
3	CSERV	0.021593	0.001398
4	CSALES	0.021593	0.001398
5	CUST369	0.000000	0.000375
6	CUST370	0.031168	0.000000
7	CUST373	0.000000	0.000000
8	CUST902	0.002306	0.000000
9	CUST903	0.000084	0.001250
10	CUST372	0.855208	0.000000
11	CUSPDEP	0.000000	0.000000
12	CUST3711P	0.001029	0.000976
13	DATGS	1.000000	0.000000
14	CUST371	0.001029	0.000976
15	CUST	0.000031	0.001297
16			

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)	
INTERNALLY DEVELOPED-26									
1	Acct 3620 Station Equipment	PLT362	1.000000	0.601819	0.137758	0.247981	0.007119	0.004187	0.001136
2	Accts 364 - 367 Distribution Plant	PLT3647	1.000000	0.609621	0.139105	0.242235	0.003664	0.004227	0.001149
3	Accts 364 & 365 Overhead Lines	PLTDOHNLN	1.000000	0.609910	0.139245	0.244182	0.001285	0.004228	0.001150
4	Accts 366 & 367 Underground Lines	PLTDUGLN	1.000000	0.608605	0.138610	0.235401	0.012015	0.004221	0.001147
5	Acct 3730 Street Lighting and Signal Systems	PLT373	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
6	Acct 3700 Meters	PLT370	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
7	Acct 369 Services	PLT369	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
8	Acct 3680 Line Transformers	PLT368	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
9	Acct 958100 Load dispatching	EXP581	1.000000	0.603347	0.138098	0.214974	0.034721	0.008177	0.000684
10	Acct 958200 Station expenses	EXP582	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
11	Acct 958300 Overhead line expenses	EXP583	1.000000	0.609910	0.139245	0.244182	0.001285	0.004228	0.001150
12	Acct 958400 Underground line expenses	EXP584	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
13	Acct 958500 Street lighting	EXP585	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 958600 Meter expenses	EXP586	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
15	Acct 958700 Customer installations expenses	EXP587	1.000000	0.662021	0.147332	0.190272	0.000000	0.000000	0.000375
16	Acct 958800 Miscellaneous distribution exp	EXP588	1.000000	0.594510	0.190691	0.186102	0.024715	0.003303	0.000678
17	Acct 958900 Rents	EXP589	1.000000	0.594510	0.190691	0.186102	0.024715	0.003303	0.000678
18	Acct 959200 Maintain equipment	EXP592	1.000000	0.601819	0.137758	0.247981	0.007119	0.004187	0.001136
19	Acct 959300 Maintain overhead lines	EXP593	1.000000	0.609910	0.139245	0.244182	0.001285	0.004228	0.001150
20	Acct 959400 Maintain underground line	EXP594	1.000000	0.608605	0.138610	0.235401	0.012015	0.004221	0.001147
21	Acct 959500 Maintain line transformers	EXP595	1.000000	0.643305	0.144464	0.206628	0.000000	0.004397	0.001206
22	Acct 959600 Maint street lighting & signal sys	EXP596	1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
23	Acct 959700 Maintain meters	EXP597	1.000000	0.563316	0.292843	0.087328	0.056513	0.000000	0.000000
24	Acct 959800 Maintain distribution plant	EXP598	1.000000	0.591769	0.137253	0.235427	0.003005	0.031445	0.001102
25	Total Distribution Plant	DISTPLT	1.000000	0.584035	0.137598	0.211315	0.004467	0.061609	0.000976
26	Total Operation & Maintenance Labor	LABOR	1.000000	0.613015	0.163407	0.172063	0.019317	0.031363	0.000835
27	Total General Plant	GENPLT	1.000000	0.613015	0.163407	0.172063	0.019317	0.031363	0.000835
28	Dist O&M Expense	DISTOMEXP	1.000000	0.669757	0.146566	0.147043	0.012068	0.023600	0.000967
29	Taxable Income	TAXINC	1.000000	0.805410	-0.015236	0.201862	-0.018762	0.028221	-0.001496
30	Acct 364 Poles	PLT364	1.000000	0.609713	0.139202	0.244106	0.001602	0.004227	0.001149
31	Other Taxes	OTHTAX	1.000000	0.614576	0.151212	0.181072	0.012728	0.039500	0.000912

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	
INTERNALLY DEVELOPED-26									
1	Acct 3620 Station Equipment	PLT362	0.601819	0.135519	0.002239	0.194256	0.053726	0.004187	0.007119
2	Accts 364 - 367 Distribution Plant	PLT3647	0.609621	0.137202	0.001903	0.196585	0.045650	0.004227	0.003664
3	Accts 364 & 365 Overhead Lines	PLTDOHNL	0.609910	0.137265	0.001980	0.196673	0.047508	0.004228	0.001285
4	Accts 366 & 367 Underground Lines	PLTDOUGLN	0.608605	0.136980	0.001631	0.196273	0.039128	0.004221	0.012015
5	Acct 3730 Street Lighting and Signal Systems	PLT373	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
6	Acct 3700 Meters	PLT370	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
7	Acct 369 Services	PLT369	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
8	Acct 3680 Line Transformers	PLT368	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
9	Acct 958100 Load dispatching	EXP581	0.603347	0.134274	0.003824	0.173408	0.041565	0.008177	0.034721
10	Acct 958200 Station expenses	EXP582	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
11	Acct 958300 Overhead line expenses	EXP583	0.609910	0.137265	0.001980	0.196673	0.047508	0.004228	0.001285
12	Acct 958400 Underground line expenses	EXP584	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
13	Acct 958500 Street lighting	EXP585	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 958600 Meter expenses	EXP586	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
15	Acct 958700 Customer installations expenses	EXP587	0.662021	0.147332	0.000000	0.190272	0.000000	0.000000	0.000000
16	Acct 958800 Miscellaneous distribution exp	EXP588	0.594510	0.186148	0.004543	0.150579	0.035523	0.003303	0.014279
17	Acct 958900 Rents	EXP589	0.594510	0.186148	0.004543	0.150579	0.035523	0.003303	0.014279
18	Acct 959200 Maintain equipment	EXP592	0.601819	0.135519	0.002239	0.194256	0.053726	0.004187	0.007119
19	Acct 959300 Maintain overhead lines	EXP593	0.609910	0.137265	0.001980	0.196673	0.047508	0.004228	0.001285
20	Acct 959400 Maintain underground line	EXP594	0.608605	0.136980	0.001631	0.196273	0.039128	0.004221	0.012015
21	Acct 959500 Maintain line transformers	EXP595	0.643305	0.144464	0.000000	0.206628	0.000000	0.004397	0.000000
22	Acct 959600 Maint street lighting & signal sys	EXP596	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
23	Acct 959700 Maintain meters	EXP597	0.563316	0.283893	0.008950	0.069770	0.017558	0.000000	0.025346
24	Acct 959800 Maintain distribution plant	EXP598	0.591769	0.135228	0.002025	0.189392	0.046035	0.031445	0.002600
25	Total Distribution Plant	DISTPLT	0.584035	0.136101	0.001497	0.182187	0.029127	0.061609	0.003438
26	Total Operation & Maintenance Labor	LABOR	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363	0.011371
27	Total General Plant	GENPLT	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363	0.011371
28	Dist O&M Expense	DISTOMEXP	0.669757	0.144071	0.002494	0.118503	0.028540	0.023600	0.007246
29	Taxable Income	TAXINC	0.805410	-0.011007	-0.004229	0.164718	0.037143	0.028221	-0.008023
30	Acct 364 Poles	PLT364	0.609713	0.137223	0.001979	0.196614	0.047492	0.004227	0.001602
31	Other Taxes	OTHTAX	0.614576	0.148637	0.002575	0.149683	0.031389	0.039500	0.007795

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
INTERNALLY DEVELOPED-26			
1 Acct 3620 Station Equipment	PLT362	0.000000	0.001136
2 Accts 364 - 367 Distribution Plant	PLT3647	0.000000	0.001149
3 Accts 364 & 365 Overhead Lines	PLTDOHLN	0.000000	0.001150
4 Accts 366 & 367 Underground Lines	PLTDUGLN	0.000000	0.001147
5 Acct 3730 Street Lighting and Signal Systems	PLT373	0.000000	0.000000
6 Acct 3700 Meters	PLT370	0.031168	0.000000
7 Acct 369 Services	PLT369	0.000000	0.000375
8 Acct 3680 Line Transformers	PLT368	0.000000	0.001206
9 Acct 958100 Load dispatching	EXP581	0.000000	0.000684
10 Acct 958200 Station expenses	EXP582	0.000000	0.000000
11 Acct 958300 Overhead line expenses	EXP583	0.000000	0.001150
12 Acct 958400 Underground line expenses	EXP584	0.000000	0.000000
13 Acct 958500 Street lighting	EXP585	0.000000	0.000000
14 Acct 958600 Meter expenses	EXP586	0.031168	0.000000
15 Acct 958700 Customer installations expenses	EXP587	0.000000	0.000375
16 Acct 958800 Miscellaneous distribution exp	EXP588	0.010437	0.000678
17 Acct 958900 Rents	EXP589	0.010437	0.000678
18 Acct 959200 Maintain equipment	EXP592	0.000000	0.001136
19 Acct 959300 Maintain overhead lines	EXP593	0.000000	0.001150
20 Acct 959400 Maintain underground line	EXP594	0.000000	0.001147
21 Acct 959500 Maintain line transformers	EXP595	0.000000	0.001206
22 Acct 959600 Maint street lighting & signal sys	EXP596	0.000000	0.000000
23 Acct 959700 Maintain meters	EXP597	0.031168	0.000000
24 Acct 959800 Maintain distribution plant	EXP598	0.000404	0.001102
25 Total Distribution Plant	DISTPLT	0.001029	0.000976
26 Total Operation & Maintenance Labor	LABOR	0.007946	0.000835
27 Total General Plant	GENPLT	0.007946	0.000835
28 Dist O&M Expense	DISTOMEXP	0.004822	0.000967
29 Taxable Income	TAXINC	-0.010739	-0.001496
30 Acct 364 Poles	PLT364	0.000000	0.001149
31 Other Taxes	OTHTAX	0.004933	0.000912

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

Schedule (EPT)-5

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	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
INTERNALLY DEVELOPED CONT-27								
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	1.000000	0.594510	0.190691	0.186102	0.024715	0.000678
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	1.000000	0.591769	0.137253	0.235427	0.003005	0.001102
3	Distribution Operating Labor Acct 581 - 589	LABDO	1.000000	0.593166	0.192953	0.185037	0.024939	0.000681
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	1.000000	0.548092	0.134077	0.212545	0.007799	0.000976
5	Total Distribution Operating Labor	TLABDO	1.000000	0.593166	0.192953	0.185037	0.024939	0.000681
6	Total Distribution Maintenance Labor	TLABDM	1.000000	0.548092	0.134077	0.212545	0.007799	0.000976
7	Acct 990200 Meter reading expenses	EXP902	1.000000	0.846119	0.123427	0.024636	0.005818	0.000000
8	Acct 990300 Cust records and collection exp	EXP903	1.000000	0.860413	0.108864	0.008567	0.000272	0.001250
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
10	Acct 990700 Supervision	EXP907	1.000000	0.671332	0.119879	0.142600	0.049934	0.001398
11	Acct 990800 Customer assistance expenses	EXP908	1.000000	0.671332	0.119879	0.142600	0.049934	0.001398
12	Acct 991000 Misc cust service & informat exp	EXP910	1.000000	0.671332	0.119879	0.142600	0.049934	0.001398
13	Acct 991200 Demonstrating & selling expenses	EXP912	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 991300 Advertising expense	EXP913	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15	Acct 992000 Administrative & General salaries	EXP920	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
16	Acct 992100 Office supplies & expenses	EXP921	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
17	Acct 992300 Outside services employed	EXP923	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
18	Acct 993020 Miscellaneous general expenses	EXP9302	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
19	Acct 993500 Maintenance of general plant	EXP935	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
20	Total Intangible Plant	INTPLT	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
23	Service Company Assets Reserve	SERVCO	1.000000	0.613015	0.163407	0.172063	0.019317	0.000835
24	Total System Electric Distribution	PLANT	1.000000	0.586706	0.139977	0.207697	0.005836	0.000963
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	1.000000	0.859115	0.110186	0.010026	0.000775	0.001137
26	Total Customer Deposits	CUSTDEP	1.000000	0.660230	0.133993	0.205778	0.000000	0.000000
27	Sales Revenue Required Claimed ROR	CLAIMREV	1.000000	0.629435	0.145838	0.172866	0.010182	0.001002
28	Residential Distribution Plant	RESDIST	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000
29	Non-Residential Distribution Plant	NRESDIST	1.000000	0.000000	0.330792	0.508010	0.010739	0.002347
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

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	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)
INTERNALLY DEVELOPED CON'T-27								
1	Distribution Operating Exp Acct 581 - 587	EXPDISTO	0.594510	0.186148	0.004543	0.150579	0.035523	0.014279
2	Distribution Maintenance Exp Acct 592 - 597	EXPDISTM	0.591769	0.135228	0.002025	0.189392	0.046035	0.031445
3	Distribution Operating Labor Acct 581 - 589	LABDO	0.593166	0.188310	0.004643	0.149171	0.035866	0.003224
4	Distribution Maintenance Labor Acct 592 - 598	LABDM	0.548092	0.131889	0.002188	0.170738	0.041807	0.096511
5	Total Distribution Operating Labor	TLABDO	0.593166	0.188310	0.004643	0.149171	0.035866	0.003224
6	Total Distribution Maintenance Labor	TLABDM	0.548092	0.131889	0.002188	0.170738	0.041807	0.096511
7	Acct 990200 Meter reading expenses	EXP902	0.846119	0.119670	0.003757	0.015946	0.008690	0.000000
8	Acct 990300 Cust records and collection exp	EXP903	0.860413	0.108518	0.000347	0.007922	0.000646	0.020633
9	Acct 990500 Miscellaneous cust accounts exp	EXP905	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
10	Acct 990700 Supervision	EXP907	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857
11	Acct 990800 Customer assistance expenses	EXP908	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857
12	Acct 991000 Misc cust service & informat exp	EXP910	0.671332	0.118222	0.001657	0.111076	0.031524	0.014857
13	Acct 991200 Demonstrating & selling expenses	EXP912	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
14	Acct 991300 Advertising expense	EXP913	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
15	Acct 992000 Administrative & General salaries	EXP920	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
16	Acct 992100 Office supplies & expenses	EXP921	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
17	Acct 992300 Outside services employed	EXP923	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
18	Acct 993020 Miscellaneous general expenses	EXP9302	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
19	Acct 993500 Maintenance of general plant	EXP935	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
20	Total Intangible Plant	INTPLT	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
23	Service Company Assets Reserve	SERVCO	0.613015	0.160000	0.003407	0.138267	0.033796	0.031363
24	Total System Electric Distribution	PLANT	0.586706	0.138304	0.001673	0.178140	0.029557	0.058821
25	Accts 902 & 903 Mtr Read & Cust Rec	EXP9023	0.859115	0.109530	0.000656	0.008650	0.001376	0.018760
26	Total Customer Deposits	CUSTDEP	0.660230	0.132535	0.001457	0.177414	0.028364	0.000000
27	Sales Revenue Required Claimed ROR	CLAIMREV	0.629435	0.143621	0.002217	0.144331	0.028535	0.040677
28	Residential Distribution Plant	RESDIST	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
29	Non-Residential Distribution Plant	NRESDIST	0.000000	0.327194	0.003598	0.437987	0.070023	0.148111
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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
INTERNALLY DEVELOPED CON'T-27			
1		EXPDISTO	0.010437
2		EXPDISTM	0.000678
3		LABDO	0.000404
4		LABDM	0.010915
5		TLABDO	0.000681
6		TLABDM	0.000976
7		EXP902	0.000681
8		EXP903	0.000976
9		EXP905	0.000000
10		EXP907	0.001250
11		EXP908	0.000084
12		EXP910	0.000000
13		EXP912	0.001593
14		EXP913	0.001593
15		EXP920	0.000000
16		EXP921	0.000000
17		EXP923	0.000835
18		EXP9302	0.000835
19		EXP935	0.000835
20		INTPLT	0.000835
21		SERVCO	0.000835
22		PLANT	0.000963
23		EXP9023	0.001667
24		CUSTDEP	0.000286
25		CLAIMREV	0.000000
26		RESDIST	0.003751
27		NRESDIST	0.001002
28			0.000000
29			0.000000
30			0.002474
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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	TOTAL ACE DISTRIBUTION (1)	TOTAL RESIDENTIAL SERVICE (2)	MONTHLY GENERAL SERVICE (3)	ANNUAL GENERAL SERVICE (4)	TRANSM GENERAL SERVICE (5)	STREET LIGHTING SERVICE (6)	DIRECT DISTRIBUTION CONNECTION (7)
REVENUES FROM SALES-28								
1 Revenue - Retail Sales ACE	REVENUEI	1.000000	0.572862	0.189944	0.171058	0.019625	0.045056	0.001454
2								
3 Residential		196,389,676	196,389,676	0	0	0	0	0
4 MGSS		63,358,727	0	63,358,727	0	0	0	0
5 MGSP		1,356,811	0	1,356,811	0	0	0	0
6 AGSS		47,725,725	0	0	47,725,725	0	0	0
7 AGSP		8,940,092	0	0	8,940,092	0	0	0
8 Lighting		15,104,371	0	0	0	0	15,104,371	0
9 TGSST		3,405,571	0	0	0	3,405,571	0	0
10 TGST		2,584,750	0	0	0	2,584,750	0	0
11 DDC		572,677	0	0	0	0	0	572,677
12 Total Revenue		339,438,401	196,389,676	64,715,538	56,665,818	5,990,321	15,104,371	572,677
13 Revenue - Retail Sales ACE	REVENUE	1.00000	0.57857	0.19065	0.16694	0.01765	0.04450	0.00169
14 Revenue - Settlement Retail Sales	REVENUES	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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ATLANTIC CITY ELECTRIC
ACE RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)
REVENUES FROM SALES-28								
1 Revenue - Retail Sales ACE	REVENUEI	0.572862	0.185954	0.003991	0.142072	0.028987	0.045056	0.011451
2								
3 Residential		196,389,676	0	0	0	0	0	0
4 MGSS		0	63,358,727	0	0	0	0	0
5 MGSP		0	0	1,356,811	0	0	0	0
6 AGSS		0	0	0	47,725,725	0	0	0
7 AGSP		0	0	0	0	8,940,092	0	0
8 Lighting		0	0	0	0	0	15,104,371	0
9 TGSST		0	0	0	0	0	0	3,405,571
10 TGST		0	0	0	0	0	0	0
11 DDC		0	0	0	0	0	0	0
12 Total Revenue		196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571
13 Revenue - Retail Sales ACE	REVENUE	0.57857	0.18666	0.00400	0.14060	0.02634	0.04450	0.01003
14 Revenue - Settlement Retail Sales	REVENUES	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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ATLANTIC CITY ELECTRIC
RETAIL COST OF SERVICE STUDY NJBPU
12 MONTHS ENDED DECEMBER 31, 2016
ELECTRIC DISTRIBUTION

	ALLOC	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
REVENUES FROM SALES-28			
1 Revenue - Retail Sales ACE	REVENUEI	0.008174	0.001454
2			
3 Residential		0	0
4 MGSS		0	0
5 MGSP		0	0
6 AGSS		0	0
7 AGSP		0	0
8 Lighting		0	0
9 TGSST		0	0
10 TGST		2,584,750	0
11 DDC		0	572,677
12 Total Revenue		2,584,750	572,677
13 Revenue - Retail Sales ACE	REVENUE	0.00761	0.00169
14 Revenue - Settlement Retail Sales	REVENUES	0.00000	0.00000

Schedule (EPT)-6

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY NJBPU
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

Schedule (EPT)-6
 Page 1 of 4

	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
PRESENT RATE OF RETURN SUMMARY										
SCHEDULE - COMPONENT FORMAT										
RATE OF RETURN	3.77%	2.09%	8.55%	19.18%	4.16%	2.65%	6.07%	14.12%	31.56%	14.67%
REVENUES REQUIRED										
1 DEMAND DISTRIBUTION	201,604,970	107,316,537	40,530,757	835,339	41,667,828	7,953,936	1,100,082	1,739,153	0	461,338
2 DEMAND DISTRIBUTION PRIMARY	201,604,970	107,316,537	40,530,757	835,339	41,667,828	7,953,936	1,100,082	1,739,153	0	461,338
3 DEMAND DISTRIBUTION SECONDARY	0	0	0	0	0	0	0	0	0	0
4 DEMAND DISTRIBUTION TRANSFORMERS	0	0	0	0	0	0	0	0	0	0
5 CUSTOMER COMPONENTS	137,833,432	89,073,139	22,827,970	521,472	6,057,897	986,157	14,004,289	1,666,418	2,584,750	111,340
6 CUSTOMER METERS COMPONENT	36,552,227	18,458,030	11,216,130	458,985	2,427,943	583,615	0	1,243,013	2,164,510	0
7 CUSTOMER SERVICES COMPONENT	10,334,036	5,032,170	3,054,611	0	2,234,815	0	0	0	0	12,439
8 ACCT 902 - METER READING COMP	7,846,444	6,580,382	980,823	33,903	125,731	67,700	0	32,781	25,124	(0)
9 ACCT 903 - CUST RECORDS & COLL COMP	62,637,280	53,656,967	7,008,719	24,051	497,993	40,272	1,305,453	13,618	6,917	83,291
10 CUSTOMER SALES EXPENSE COMP	0	0	0	0	0	0	0	0	0	0
11 CUSTOMER SERVICES EXP COMP	10,988,335	7,159,998	1,356,360	21,532	1,209,253	337,417	164,634	375,678	346,378	17,087
12 CUSTOMER OTHER COMPONENT	9,475,110	(1,814,408)	(788,673)	(16,999)	(437,837)	(42,847)	12,534,203	1,328	41,821	(1,478)
13 TOTAL ACE DISTRIBUTION	339,438,401	196,389,676	63,358,727	1,356,811	47,725,725	8,940,092	15,104,371	3,405,571	2,584,750	572,677
	100.00%	57.86%	18.67%	0.40%	14.06%	2.63%	4.45%	1.00%	0.76%	0.17%
14 AVG. NUMBER OF CUSTOMER	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
15 CUSTOMER \$/MONTH/CUSTOMER	\$20.73	\$15.36	\$35.03	\$516.82	\$139.15	\$654.82	\$98.44	\$3,018.87	\$12,670.34	\$12.91

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY NJBPU
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
PRESENT RATE OF RETURN SUMMARY										
SCHEDULE - COMPONENT FORMAT										
RATE OF RETURN	3.77%	2.09%	8.55%	19.18%	4.16%	2.65%	6.07%	14.12%	31.56%	14.67%
\$/KWH										
1 DEMAND DISTRIBUTION	\$0.0229	\$0.0259	\$0.0332	\$0.0300	\$0.0219	\$0.0144	\$0.0150	\$0.0035	\$0.0000	\$0.0349
2 DEMAND DISTRIBUTION PRIMARY	\$0.0229	\$0.0259	\$0.0332	\$0.0300	\$0.0219	\$0.0144	\$0.0150	\$0.0035	\$0.0000	\$0.0349
3 DEMAND DISTRIBUTION SECONDARY	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
4 DEMAND DISTRIBUTION TRANSFORMERS	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
5 CUSTOMER COMPONENTS	\$0.0156	\$0.0215	\$0.0187	\$0.0187	\$0.0032	\$0.0018	\$0.1909	\$0.0033	\$0.0068	\$0.0084
6 CUSTOMER METERS COMPONENT	\$0.0041	\$0.0044	\$0.0092	\$0.0165	\$0.0013	\$0.0011	\$0.0000	\$0.0025	\$0.0057	\$0.0000
7 CUSTOMER SERVICES COMPONENT	\$0.0012	\$0.0012	\$0.0025	\$0.0000	\$0.0012	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0009
8 ACCT 902 - METER READING COMP	\$0.0009	\$0.0016	\$0.0008	\$0.0012	\$0.0001	\$0.0001	\$0.0000	\$0.0001	\$0.0001	\$0.0000
9 ACCT 903 - CUST RECORDS & COLL COMP	\$0.0071	\$0.0129	\$0.0057	\$0.0009	\$0.0003	\$0.0001	\$0.0178	\$0.0000	\$0.0000	\$0.0063
10 CUSTOMER SERVICES EXP COMP	\$0.0012	\$0.0017	\$0.0011	\$0.0008	\$0.0006	\$0.0006	\$0.0022	\$0.0008	\$0.0009	\$0.0013
11 CUSTOMER OTHER COMPONENT	\$0.0011	-\$0.0004	-\$0.0006	-\$0.0006	-\$0.0002	-\$0.0001	\$0.1709	\$0.0000	\$0.0001	-\$0.0001
12 TOTAL ACE DISTRIBUTION	\$0.0385	\$0.0473	\$0.0519	\$0.0487	\$0.0251	\$0.0161	\$0.2059	\$0.0068	\$0.0068	\$0.0433

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY NJBPU
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMN (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CLAIMED RATE OF RETURN SUMMARY SCHEDULE - COMPONENT FORMAT RATE OF RETURN	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
REVENUES REQUIRED										
1 DEMAND DISTRIBUTION	276,053,118	168,554,872	38,780,738	525,155	54,178,783	11,147,864	1,231,018	1,310,268	0	324,421
2 DEMAND DISTRIBUTION PRIMARY	276,053,118	168,554,872	38,780,738	525,155	54,178,783	11,147,864	1,231,018	1,310,268	0	324,421
3 DEMAND DISTRIBUTION SECONDARY	0	0	0	0	0	0	0	0	0	0
4 DEMAND DISTRIBUTION TRANSFORMERS	0	0	0	0	0	0	0	0	0	0
5 CUSTOMER COMPONENTS	150,136,714	99,704,109	22,429,218	419,559	7,333,593	1,013,378	16,105,110	1,430,791	1,598,545	102,411
6 CUSTOMER METERS COMPONENT	38,696,352	21,637,178	11,011,078	354,494	2,676,116	671,503	0	1,045,419	1,300,564	0
7 CUSTOMER SERVICES COMPONENT	18,767,354	12,339,030	2,848,376	0	3,572,464	0	0	0	0	7,484
8 ACCT 902 - METER READING COMP	8,129,017	6,873,316	975,365	30,946	129,090	70,247	0	30,275	19,779	(0)
9 ACCT 903 - CUST RECORDS & COLL COMP	64,190,714	55,224,167	6,982,151	22,523	506,552	41,234	1,315,176	12,750	5,694	80,467
10 CUSTOMER SERVICES EXP COMP	11,370,906	7,610,310	1,346,029	19,095	1,255,231	355,655	167,462	341,580	259,597	15,947
11 CUSTOMER OTHER COMPONENT	8,982,371	(3,979,892)	(733,780)	(7,498)	(805,861)	(125,260)	14,622,472	767	12,911	(1,487)
12 TOTAL ACE DISTRIBUTION	426,189,832	268,258,981	61,209,956	944,714	61,512,376	12,161,242	17,336,128	2,741,059	1,598,545	426,832
13 AVG. NUMBER OF CUSTOMER	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
14 CUSTOMER \$/MONTH/CUSTOMER	\$22.58	\$17.19	\$34.42	\$415.82	\$168.45	\$672.89	\$113.21	\$2,592.01	\$7,836.00	\$11.88

ATLANTIC CITY ELECTRIC
 ACE RETAIL COST OF SERVICE STUDY NJBPU
 12 MONTHS ENDED DECEMBER 31, 2016
 ELECTRIC DISTRIBUTION

	TOTAL ACE DISTRIBUTION (1)	RESIDENTIAL (8)-2	MONTHLY GENERAL SERV SECONDARY (9)	MONTHLY GENERAL SERV PRIMARY (10)	ANNUAL GENERAL SERV SECONDARY (11)	ANNUAL GENERAL SERV PRIMARY (12)	STREET AND PRIVATE LIGHTING (13)	GENERAL SERVICE SUBTRANSMISSION (14)	GENERAL SERVICE TRANSMISSION (15)	DIRECT DISTRIBUTION CONNECTION (16)
CLAIMED RATE OF RETURN SUMMARY										
SCHEDULE - COMPONENT FORMAT										
RATE OF RETURN	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
Ave Number of Customers (12 Months)	554,017	483,238	54,305	84	3,628	126	11,855	46	17	719
\$/MONTH/CUSTOMER	\$22.58	\$17.19	\$34.42	\$415.82	\$168.45	\$672.89	\$113.21	\$2,592.01	\$7,836.00	\$11.88
\$/KWH										
1 DEMAND DISTRIBUTION	0.0313	0.0406	0.0318	0.0188	0.0285	0.0201	0.0168	0.0028	0.0000	0.0245
2 DEMAND DISTRIBUTION PRIMARY	0.0313	0.0406	0.0318	0.0188	0.0285	0.0201	0.0168	0.0028	0.0000	0.0245
3 DEMAND DISTRIBUTION SECONDARY	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4 DEMAND DISTRIBUTION TRANSFORMERS	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 CUSTOMER COMPONENTS	0.0170	0.0240	0.0184	0.0150	0.0039	0.0018	0.2198	0.0029	0.0042	0.0077
6 CUSTOMER METERS COMPONENT	0.0044	0.0052	0.0090	0.0127	0.0014	0.0012	0.0000	0.0021	0.0034	0.0000
7 CUSTOMER SERVICES COMPONENT	0.0021	0.0030	0.0023	0.0000	0.0019	0.0000	0.0000	0.0000	0.0000	0.0005
8 ACCT 902 - METER READING COMP	0.0009	0.0017	0.0008	0.0011	0.0001	0.0001	0.0000	0.0001	0.0001	(0.0000)
9 ACCT 903 - CUST RECORDS & COLL COMP	0.0073	0.0133	0.0057	0.0008	0.0003	0.0001	0.0179	0.0000	0.0000	0.0061
10 CUSTOMER SERVICES EXP COMP	0.0013	0.0018	0.0011	0.0007	0.0007	0.0006	0.0023	0.0007	0.0007	0.0012
11 CUSTOMER SALES EXP COMP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12 CUSTOMER OTHER COMPONENT	0.0010	(0.0010)	(0.0006)	(0.0003)	(0.0004)	(0.0002)	0.1994	0.0000	0.0000	(0.0001)
13 TOTAL ACE DISTRIBUTION	0.0483	0.0647	0.0501	0.0339	0.0323	0.0219	0.2364	0.0055	0.0042	0.0323

Schedule (EPT)-7

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Class Allocation of Distribution Revenue Requirements

TABLE 1 Allocation of Operating Income Based on Per Books Cost of Service Study Results

	TOTAL ACE RETAIL	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Cost of Service Study Results (Schedule EPT-6)										
Operating Income	\$ 47,442,314	\$ 14,187,516	\$ 14,785,711	\$ 308,654	\$ 10,377,804	\$ 1,628,681	\$ 926,463	\$ 773,716	\$ 4,238,366	\$ 215,403
Distribution Rate Base	\$ 1,259,487,385	\$ 755,691,691	\$ 176,916,305	\$ 3,193,055	\$ 206,118,728	\$ 29,858,327	\$ 5,446,176	\$ 2,451,386	\$ 78,980,642	\$ 831,075
ROR	3.77%	1.88%	8.36%	9.67%	5.03%	5.45%	17.01%	31.56%	5.37%	25.92%
Unitized ROR	1.00	0.50	2.22	2.57	1.34	1.45	4.52	8.38	1.42	6.88
Revenue Requirements Results (Schedule JMZ-2)										
Pro-Forma Operating Income	\$ 65,939,159	\$ 19,718,955.78	\$ 20,550,376	\$ 428,992	\$ 14,423,911	\$ 2,263,672	\$ 1,287,672.85	\$ 1,075,372	\$ 5,890,824	\$ 299,384
Adjusted Net Distribution Rate Base	\$ 1,370,621,016	\$ 822,371,804.06	\$ 192,526,903	\$ 3,474,801	\$ 224,306,066	\$ 32,492,942	\$ 5,926,731.57	\$ 2,667,689	\$ 85,949,672	\$ 904,407
ROR	4.81%	2.40%	10.67%	12.35%	6.43%	6.97%	21.73%	40.31%	6.85%	33.10%
Unitized ROR	1.00	0.50	2.22	2.57	1.34	1.45	4.52	8.38	1.42	6.88

TABLE 2 Cost of Service Class Revenue Increase Allocation

Revenue Requirement (Schedule JMZ-2)	70,160,580									
Operating Income Deficiency (Schedule JMZ-2)	41,380,466									
ROR (Schedule JMZ-2)	7.83%									
Proposed Revenue Allocation										
	TOTAL ACE RETAIL	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
UROR Adjustment Factor		0.5	0.5	0.5	0.5	0.5	0.5	0.4	1.0	0.5
Target UROR		0.77	1.61	1.78	1.17	1.22	2.77	5.15	1.00	4.23
ROR	7.83%	6.02%	12.60%	13.96%	9.15%	9.58%	21.73%	40.31%	7.83%	33.10%
Incremental Income	\$ 41,380,466	\$ 29,828,712	\$ 3,710,489	\$ 56,151	\$ 6,095,528	\$ 850,552	\$ -	\$ -	\$ 839,035	\$ (0)
Revenue Conversion Factor	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955
Revenue Requirement	\$ 70,160,580	\$ 50,574,581	\$ 6,291,133	\$ 95,203	\$ 10,334,967	\$ 1,442,111	\$ -	\$ -	\$ 1,422,585	\$ (0)
Final Unitized ROR	1.00	0.77	1.61	1.78	1.17	1.22	2.77	5.15	1.00	4.23

TABLE 3 Rate Schedule Specific Revenue Increase Allocation

Rate Schedule	Total	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Annualized Current Distribution Revenue	\$ 373,872,525	\$ 217,473,872	\$ 66,419,143	\$ 1,475,810	\$ 53,647,635	\$ 10,181,006	\$ 4,383,004	\$ 2,953,080	\$ 16,775,396	\$ 563,579
Revenue Change (\$)	\$ 70,160,580	\$ 50,574,581	\$ 6,291,133	\$ 95,203	\$ 10,334,967	\$ 1,442,111	\$ -	\$ -	\$ 1,422,585	\$ (0)
Proposed Revenue	\$ 444,033,105	\$ 268,048,453	\$ 72,710,276	\$ 1,571,013	\$ 63,982,602	\$ 11,623,118	\$ 4,383,004	\$ 2,953,080	\$ 18,197,980	\$ 563,579
Revenue Change based on Annualized Current Revenue (%)	18.8%	23.3%	9.5%	6.5%	19.3%	14.2%	0.0%	0.0%	8.5%	0.0%
Rate Class Revenue Allocation Ratio		1.24	0.50	0.34	1.03	0.75	0.00	0.00	0.45	0.00

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule		RS
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	268,048,453
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	286,476,784

1	2	3	4	5	6	7	8	9	10
Blocks	Billing Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	5,798,856	\$ 4.44	\$ 4.15	\$ 24,065,252	\$ 6.03	\$ 34,942,346	\$ 6.44	\$ 37,344,633	45%
SUM 'First 750 KWh	1,190,352,866	\$ 0.050245	\$ 0.047013	\$ 55,962,059	\$ 0.056663	\$ 67,448,964	\$ 0.060559	\$ 72,086,579	21%
SUM '> 750 KWh	852,095,745	\$ 0.057764	\$ 0.054048	\$ 46,054,071	\$ 0.065141	\$ 55,506,369	\$ 0.069619	\$ 59,322,054	21%
WIN	2,106,837,177	\$ 0.046361	\$ 0.043379	\$ 91,392,490	\$ 0.052283	\$ 110,151,768	\$ 0.055877	\$ 117,723,741	21%
TOTAL ENERGY	4,149,285,788			\$ 193,408,620		\$ 233,107,101		\$ 249,132,374	
TOTAL REVENUE				<u>\$ 217,473,872</u>		<u>\$ 268,049,448</u>		<u>\$ 286,477,006</u>	
							\$	(222)	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS SECONDARY	
Distribution Functional Revenue Requirements Total (w/o SUT)		\$ 72,710,276
Distribution Functional Revenue Requirements Total (w/ SUT)		\$ 77,709,107

BLOCK	Billing Determinants	1	2	3	4	5	6	7	8	9	10
				Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER											
Single Phase Service	493,423	\$		5.64	5.28	2,605,273	8.08	3,988,935	8.64	4,263,175	53.2%
3 Phase Service	158,240	\$		7.05	6.60	1,044,384	9.40	1,488,011	10.05	1,590,312	42.6%
DEMAND CHARGE - All kW's											
Summer	2,116,772	\$		1.90	1.78	3,767,853	2.16	4,572,226	2.31	4,889,742	21.6%
Winter	3,129,025	\$		1.56	1.46	4,568,377	1.77	5,538,375	1.89	5,913,858	21.2%
REACTIVE DEMAND	90,776	\$		0.46	0.43	39,034	0.49	44,580	0.52	47,204	13.0%
ENERGY CHARGE											
Summer	516,041,303	\$		0.050434	0.047190	24,351,989	0.049518	25,553,301	0.052922	27,309,938	4.9%
Winter	704,770,026	\$		0.045558	0.042627	30,042,232	0.044730	31,524,251	0.047805	33,691,531	4.9%
TOTAL	1,220,811,328					66,419,143		72,709,680		77,705,760	
								\$ 596		\$ 3,348	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	6.31
Proposed Distribution Rate Increase		14.2%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	2.16
Winter	\$	1.77

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.044556
Ratio of Summer Rate to Average		1.059116617
Ratio of Winter Rate to Average		0.956706168
Proposed Volumetric Distribution Revenue	\$	57,078,148 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.046754
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.049518 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.044730 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS PRIMARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	1,571,013
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	1,679,020

BLOCK	1 Billing Determinants	2	3 Current Distribution Rates	4 Current Distribution Rates (w/o SUT)	5 Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	6 Proposed Distribution Rates (w/o SUT)	7 Recovery under Proposed Distribution Rates (w/o SUT)	8 Proposed Rate (including SUT)	9 Recovery under Proposed Distribution Rates (including SUT)	10 Distribution Rate Change %
CUSTOMER										
Single Phase Service	314	\$	5.32	\$	1,564	\$	4,501	\$	4,810	188.0%
3 Phase Service	433	\$	6.64	\$	2,689	\$	6,742	\$	7,205	150.6%
DEMAND CHARGE										
SUM > 3 KW	42,238	\$	1.53	\$	60,401	\$	69,271	\$	73,917	14.4%
WIN > 3 KW	75,799	\$	1.19	\$	84,137	\$	96,265	\$	103,087	14.3%
REACTIVE DEMAND	42,543	\$	0.43	\$	17,017	\$	18,719	\$	19,995	9.3%
ENERGY CHARGE										
SUM < 300KWh	11,900,565	\$	0.045258	\$	503,953	\$	529,145	\$	565,527	5.0%
WIN < 300 KWh	19,598,554	\$	0.043956	\$	806,049	\$	846,343	\$	904,532	5.0%
TOTAL	31,499,119				\$ 1,475,810		\$ 1,570,986		\$ 1,679,073	
							\$ 28		\$ (53)	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	6.00
Proposed Distribution Rate Increase		9.7%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	1.64
Winter	\$	1.27

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.041589
Ratio of Summer Rate to Average		1.018225973
Ratio of Winter Rate to Average		0.988915338
Proposed Volumetric Distribution Revenue	\$	1,375,516 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.043668
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.044464 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.043184 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule **AGS SECONDARY**
 Distribution Functional Revenue Requirements Total (w/o SUT) \$ 63,982,602
 Distribution Functional Revenue Requirements Total (w/ SUT) \$ 68,381,406

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER	43,535	\$ 151.25	\$ 141.52	\$ 6,161,073	\$ 159.23	\$ 6,932,078	\$ 170.18	\$ 7,408,786	12.5%	
DEMAND CHARGE	5,718,258	\$ 8.82	\$ 8.25	\$ 47,175,629	\$ 9.91	\$ 56,667,937	\$ 10.59	\$ 60,556,352	20.1%	
REACTIVE DEMAND	493,545	\$ 0.67	\$ 0.63	\$ 310,933	\$ 0.76	\$ 375,094	\$ 0.81	\$ 399,771	20.9%	
TOTAL REVENUE				\$ 53,647,635		\$ 63,975,109		\$ 68,364,910		
						\$ (7,493)		\$ (16,496)		

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 159.23
Proposed Distribution Rate Increase	19.3%
Customer Charge at Proposed Increase %	\$ 168.78
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)	\$ 159.23
Proposed Customer Charge Revenue	\$ 6,932,078
Proposed Demand Related Revenue	\$ 57,050,524
Demand Related Revenue Increase (\$)	\$ 9,563,962
Demand Related Revenue Increase (%)	20.1%

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	AGS PRIMARY
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 11,623,118
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 12,422,207

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER	1,506	\$ 560.25	\$ 524.21	\$ 789,460	\$ 598.46	\$ 901,281	\$ 639.60	\$ 963,238	14.2%	
DEMAND CHARGE	1,364,315	\$ 7.24	\$ 6.77	\$ 9,236,415	\$ 7.73	\$ 10,546,158	\$ 8.26	\$ 11,269,245	14.1%	
REACTIVE DEMAND	310,262	\$ 0.53	\$ 0.50	\$ 155,131	\$ 0.57	\$ 176,849	\$ 0.61	\$ 189,259.85	15.1%	
TOTAL REVENUE				\$ 10,181,006		\$ 11,624,288		\$ 12,421,742		
						\$ 1,170		\$ (465)		

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 680.95
Proposed Distribution Rate Increase	14.2%
Customer Charge at Proposed Increase %	\$ 598.46
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)	\$ 598.46
Proposed Customer Charge Revenue	\$ 901,281
Proposed Demand Related Revenue	\$ 10,721,837
Demand Related Revenue Increase (\$)	\$ 1,330,291
Demand Related Revenue Increase (%)	14.2%

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	TGS SUB TRANSMISSION	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	4,383,004
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	4,684,335

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER										
<5000 KW	336	\$ 137.29	\$ 128.46	\$ 43,163	\$ 128.46	\$ 43,163	\$ 137.29	\$ 46,129	0.0%	
5000 - 9000 KW	108	\$ 4,546.92	\$ 4,254.43	\$ 459,478	\$ 4,254.43	\$ 459,478	\$ 4,546.92	\$ 491,067	0.0%	
>9000 KW	108	\$ 8,253.86	\$ 7,722.91	\$ 834,074	\$ 7,722.91	\$ 834,074	\$ 8,253.86	\$ 891,417	0.0%	
DEMAND CHARGE										
<5000 KW	343,901	\$ 3.94	\$ 3.69	\$ 1,268,995	\$ 3.69	\$ 1,268,995	\$ 3.94	\$ 1,354,970	0.0%	
5000 - 9000 KW	313,157	\$ 3.03	\$ 2.84	\$ 889,366	\$ 2.84	\$ 889,366	\$ 3.03	\$ 948,866	0.0%	
>9000 KW	532,394	\$ 1.52	\$ 1.42	\$ 755,999	\$ 1.42	\$ 755,999	\$ 1.52	\$ 809,239	0.0%	
REACTIVE DEMAND										
<5000 KW	89,562	\$ 0.54	\$ 0.51	\$ 45,677	\$ 0.51	\$ 45,677	\$ 0.54	\$ 48,363.48	0.0%	
5000 - 9000 KW	61,804	\$ 0.54	\$ 0.51	\$ 31,520	\$ 0.51	\$ 31,520	\$ 0.54	\$ 33,374.16	0.0%	
>9000 KW	107,317	\$ 0.54	\$ 0.51	\$ 54,732	\$ 0.51	\$ 54,732	\$ 0.54	\$ 57,951.18	0.0%	
TOTAL REVENUE				\$ 4,383,004		\$ 4,383,004		\$ 4,681,377		

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	TGS TRANSMISSION	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	2,953,080
Proposed Customer Charge Recovery	\$	2,953,080
Proposed Demand/Energy Charge Recovery	\$	-
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	3,156,104

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER										
<5000 KW	84	\$ 133.60	\$ 125.01	\$ 10,501	\$ 125.01	\$ 10,501	\$ 133.60	\$ 11,222	0.0%	
5000 - 9000 KW	48	\$ 4,424.86	\$ 4,140.22	\$ 198,731	\$ 4,140.22	\$ 198,731	\$ 4,424.86	\$ 212,393	0.0%	
>9000 KW	72	\$ 20,080.75	\$ 18,789.01	\$ 1,352,809	\$ 18,789.01	\$ 1,352,809	\$ 20,080.75	\$ 1,445,814	0.0%	
DEMAND CHARGE										
<5000 KW	157,631	\$ 3.07	\$ 2.87	\$ 452,401	\$ 2.87	\$ 452,401	\$ 3.07	\$ 483,927	0.0%	
5000 - 9000 KW	272,124	\$ 2.36	\$ 2.21	\$ 601,394	\$ 2.21	\$ 601,394	\$ 2.36	\$ 642,213	0.0%	
>9000 KW	1,111,326	\$ 0.15	\$ 0.14	\$ 155,586	\$ 0.14	\$ 155,586	\$ 0.15	\$ 166,699	0.0%	
REACTIVE DEMAND										
<5000 KW	65,134	\$ 0.52	\$ 0.49	\$ 31,916	\$ 0.49	\$ 31,916	\$ 0.52	\$ 33,870	0.0%	
5000 - 9000 KW	87,334	\$ 0.52	\$ 0.49	\$ 42,794	\$ 0.49	\$ 42,794	\$ 0.52	\$ 45,414	0.0%	
>9000 KW	218,265	\$ 0.52	\$ 0.49	\$ 106,950	\$ 0.49	\$ 106,950	\$ 0.52	\$ 113,498	0.0%	
TOTAL REVENUE				\$ 2,953,080		\$ 2,953,080		\$ 3,155,050		

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	SPL CSL DDC	
Distribution Functional Revenue Requirements Total	w/o SUT	w/ SUT
SPL	\$ 15,756,088	\$ 16,839,319
CSL	\$ 2,441,892	\$ 2,609,772
DDC	\$ 563,579	\$ 602,325

Rate Schedule SPL (Street and Private Lighting)				Current Rate	Current Rate	Current Annualized Revenue	Proposed Rate	Proposed Rate	Proposed Annualized Revenue		
Lamp Code	Watts	Type	Style	(w/ SUT)	(w/o SUT)	Number of Lights	(w/o SUT)	(w/ SUT)	Number of Lights	Revenue	
10	100	INCANDESCENT	Standard	\$ 8.20	\$ 5.30	1,043	\$ 72,592.80	\$ 6.30	6.34	1,043	\$ 76,939.61
50	202	INCANDESCENT	Standard	\$ 10.80	\$ 10.11	168	\$ 20,381.76	\$ 10.99	11.75	168	\$ 22,155.32
160	327	INCANDESCENT	Standard	\$ 15.03	\$ 14.06	27	\$ 4,555.44	\$ 15.28	16.33	27	\$ 4,951.84
210	448	INCANDESCENT	Standard	\$ 20.11	\$ 18.82	10	\$ 2,258.40	\$ 20.46	21.86	10	\$ 2,454.92
100	100	MERCURY VAPOR	Standard	\$ 10.43	\$ 9.76	7,076	\$ 828,741.12	\$ 10.61	11.34	7,076	\$ 900,855.73
300	175	MERCURY VAPOR	Standard	\$ 13.96	\$ 13.06	1,077	\$ 168,787.44	\$ 14.20	15.17	1,077	\$ 183,474.83
400	250	MERCURY VAPOR	Standard	\$ 17.71	\$ 16.57	378	\$ 75,161.52	\$ 18.01	19.25	378	\$ 81,701.85
510	400	MERCURY VAPOR	Standard	\$ 25.51	\$ 23.27	283	\$ 81,962.52	\$ 25.95	27.73	283	\$ 86,116.34
730	700	MERCURY VAPOR	Standard	\$ 40.75	\$ 38.13	2	\$ 915.12	\$ 41.45	44.30	2	\$ 994.75
881	1000	MERCURY VAPOR	Standard	\$ 70.40	\$ 65.87	37	\$ 29,246.28	\$ 71.60	76.52	37	\$ 31,791.21
450	150	HPS	Retrofit	\$ 12.79	\$ 11.97	8,892	\$ 1,277,246.88	\$ 13.01	13.91	8,892	\$ 1,388,389.15
630	360	HPS	Retrofit	\$ 23.87	\$ 22.33	1,048	\$ 280,822.08	\$ 24.27	25.94	1,048	\$ 305,258.39
14	50	HPS OH	Cobra Head	\$ 11.37	\$ 10.64	18,378	\$ 2,346,503.04	\$ 11.57	12.36	18,378	\$ 2,550,688.83
15	70	HPS OH	Cobra Head	\$ 11.79	\$ 11.03	9,870	\$ 1,306,393.20	\$ 11.99	12.81	9,870	\$ 1,420,071.69
16	100	HPS OH	Cobra Head	\$ 12.43	\$ 11.63	8,203	\$ 1,144,810.68	\$ 12.64	13.51	8,203	\$ 1,244,428.74
17	150	HPS OH	Cobra Head	\$ 13.53	\$ 12.66	6,130	\$ 931,269.60	\$ 13.76	14.71	6,130	\$ 1,012,305.94
18	250	HPS OH	Cobra Head	\$ 19.20	\$ 17.96	2,083	\$ 448,928.16	\$ 19.52	20.87	2,083	\$ 487,992.57
19	400	HPS OH	Cobra Head	\$ 22.25	\$ 20.82	1,189	\$ 297,059.76	\$ 22.63	24.19	1,189	\$ 322,909.03
26	150	HPS OH	Shoe Box	\$ 16.52	\$ 15.46	80	\$ 14,841.60	\$ 16.81	17.96	80	\$ 16,133.07
27	250	HPS OH	Shoe Box	\$ 21.43	\$ 20.05	59	\$ 14,195.40	\$ 21.79	23.29	59	\$ 15,430.64
28	400	HPS OH	Shoe Box	\$ 24.80	\$ 23.20	46	\$ 12,806.40	\$ 25.22	26.95	46	\$ 13,920.78
63	50	HPS OH	Post Top	\$ 12.65	\$ 11.84	125	\$ 17,760.00	\$ 12.87	13.76	125	\$ 19,305.42
64	100	HPS OH	Post Top	\$ 13.78	\$ 12.89	374	\$ 57,850.32	\$ 14.01	14.97	374	\$ 62,884.28
65	150	HPS OH	Post Top	\$ 16.24	\$ 15.20	47	\$ 8,572.80	\$ 16.52	17.66	47	\$ 9,318.78
69	150	HPS OH	Flood/Profile	\$ 13.25	\$ 12.40	1,419	\$ 211,147.20	\$ 13.48	14.41	1,419	\$ 229,520.61
70	250	HPS OH	Flood/Profile	\$ 16.76	\$ 15.68	2,338	\$ 439,918.08	\$ 17.04	18.22	2,338	\$ 478,198.46
71	400	HPS OH	Flood/Profile	\$ 21.45	\$ 20.07	3,529	\$ 849,924.36	\$ 21.82	23.32	3,529	\$ 923,882.28
800	50/70	HPS OH	Decorative 50/70 OH	\$ 15.61	\$ 14.61	2	\$ 350.64	\$ 15.88	16.97	2	\$ 381.15
801	100	HPS OH	Decorative 100 OH	\$ 17.60	\$ 16.47	52	\$ 10,277.28	\$ 17.90	19.13	52	\$ 11,171.59
802	150	HPS OH	Decorative 150 OH	\$ 19.40	\$ 18.15	9	\$ 175.65	\$ 19.73	21.09	9	\$ 213.00.77
106	400	METAL HALIDE	Flood/Profile	\$ 26.37	\$ 24.67	686	\$ 203,083.44	\$ 26.82	28.66	686	\$ 220,755.16
107	1000	METAL HALIDE	Flood/Profile	\$ 45.02	\$ 42.12	654	\$ 330,557.76	\$ 45.79	48.93	654	\$ 359,321.92
1	50	HPS UG	Cobra Head	\$ 17.53	\$ 16.40	911	\$ 179,284.80	\$ 17.83	19.05	911	\$ 194,885.64
2	70	HPS UG	Cobra Head	\$ 17.93	\$ 16.78	460	\$ 92,625.60	\$ 18.24	19.49	460	\$ 100,685.61
3	100	HPS UG	Cobra Head	\$ 18.53	\$ 17.34	315	\$ 65,545.20	\$ 18.85	20.14	315	\$ 71,248.75
4	150	HPS UG	Cobra Head	\$ 19.67	\$ 18.40	947	\$ 209,097.60	\$ 20.00	21.38	947	\$ 227,292.66
5	250	HPS UG	Cobra Head	\$ 23.83	\$ 22.30	693	\$ 185,446.80	\$ 24.24	25.91	693	\$ 201,583.83
6	400	HPS UG	Cobra Head	\$ 26.84	\$ 25.11	541	\$ 163,014.12	\$ 27.29	29.17	541	\$ 177,199.13
51	150	HPS UG	Shoe Box	\$ 22.68	\$ 21.22	477	\$ 121,463.28	\$ 23.07	24.65	477	\$ 132,032.66
52	250	HPS UG	Shoe Box	\$ 27.56	\$ 25.79	395	\$ 122,244.60	\$ 28.03	29.96	395	\$ 132,881.97
53	400	HPS UG	Shoe Box	\$ 30.94	\$ 28.95	519	\$ 180,300.60	\$ 31.47	33.63	519	\$ 195,989.83
66	50	HPS UG	Post Top	\$ 15.51	\$ 14.51	703	\$ 122,406.36	\$ 15.77	16.86	703	\$ 133,057.80
67	100	HPS UG	Post Top	\$ 16.65	\$ 15.58	2,397	\$ 448,143.12	\$ 16.94	18.10	2,397	\$ 487,139.22
68	150	HPS UG	Post Top	\$ 22.73	\$ 21.27	782	\$ 199,597.68	\$ 23.12	24.71	782	\$ 216,966.08
93	150	HPS UG	Flood/Profile	\$ 20.74	\$ 19.41	115	\$ 26,785.80	\$ 21.10	22.55	115	\$ 29,116.62
94	250	HPS UG	Flood/Profile	\$ 24.26	\$ 22.70	201	\$ 54,752.40	\$ 24.68	26.37	201	\$ 59,516.79
95	400	HPS UG	Flood/Profile	\$ 27.62	\$ 25.84	513	\$ 159,071.04	\$ 28.09	30.02	513	\$ 172,912.93
115	400	HPS UG	Flood/Profile	\$ 32.67	\$ 30.57	115	\$ 42,186.60	\$ 33.23	35.51	115	\$ 45,857.55
116	1000	HPS UG	Flood/Profile	\$ 51.29	\$ 47.99	136	\$ 78,319.68	\$ 52.17	55.75	136	\$ 85,134.83
811	50/70	HPS UG	Decorative 50/70 UG	\$ 20.82	\$ 19.48	67	\$ 15,661.92	\$ 21.18	22.63	67	\$ 17,024.77
812	100	HPS UG	Decorative 100 UG	\$ 22.79	\$ 21.32	294	\$ 75,216.96	\$ 23.18	24.77	294	\$ 81,762.12
813	150	HPS UG	Decorative 150 UG	\$ 29.81	\$ 27.89	369	\$ 123,496.92	\$ 30.32	32.40	369	\$ 134,243.26
			Wood/Decorative Poles			86,264	\$ 14,154,642.36				\$ 15,386,337.69
						53,770	\$ 369,750.52				\$ 369,750.52
							\$ 14,524,392.88				\$ 15,756,088.22

Rate Schedule CSL (Contributed Street Lighting)				Current Rate	Current Rate	Annualized Revenue	Proposed Rate	Proposed Rate	Annualized Revenue		
Lamp Code	Watts	Type	Style	(w/ SUT)	(w/o SUT)	Number of Lights	(w/o SUT)	(w/ SUT)	Number of Lights	Revenue	
201	50	HPS	All	\$ 4.78	\$ 4.47	13,135	\$ 704,561.40	\$ 4.85	5.18	13,135	\$ 764,309.51
202	70	HPS	All	\$ 5.21	\$ 4.87	5,875	\$ 343,335.00	\$ 5.28	5.65	5,875	\$ 372,450.44
203	100	HPS	All	\$ 5.81	\$ 5.44	7,441	\$ 485,748.48	\$ 5.90	6.31	7,441	\$ 526,940.85
204	150	HPS	All	\$ 6.95	\$ 6.50	5,253	\$ 409,734.00	\$ 7.05	7.54	5,253	\$ 444,480.20
205	250	HPS	All	\$ 9.47	\$ 8.86	710	\$ 75,487.20	\$ 9.61	10.27	710	\$ 81,888.65
206	400	HPS	All	\$ 12.54	\$ 11.73	520	\$ 73,195.20	\$ 12.72	13.60	520	\$ 79,402.29
271	1000	MH	Flood	\$ 9.47	\$ 8.92	2	\$ 212.64	\$ 9.61	\$ 10.27	2	\$ 230.67
286	175	MH	Flood	\$ 8.93	\$ 8.36	45	\$ 4,514.40	\$ 9.07	\$ 9.69	45	\$ 4,897.23
308	175	MH	Decorative - Two Lights	\$ 30.36	\$ 28.41	446	\$ 152,050.32	\$ 30.82	\$ 32.94	446	\$ 164,944.47
309	175	MH	Decorative	\$ 21.42	\$ 20.04	9	\$ 2,164.32	\$ 21.74	\$ 23.23	9	\$ 2,347.86
							\$ 2,251,002.96				\$ 2,441,892.17
							\$ 16,775,395.84				\$ 18,197,980.38

DDC	Current Rate (w/ SUT)	Current Rate (w/o SUT)	Proposed Rate (w/o SUT)	Proposed Rate (w/ SUT)
Service and Demand (per day per connection)	975,280	\$ 0.167902	\$ 0.157101	\$ 153,217
Energy (per day for each kW of effective load)	542,308	\$ 0.808718	\$ 0.756695	\$ 410,362
			\$ 563,579	\$ 563,579

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet
Stand By Rate

Rate Schedule	Demand Rates (\$/kW)		Standby Rates (\$/kW)		Distribution
		Distribution		Distribution	Standby Factor
MGS Secondary	\$	2.06	\$	0.13	0.060975610
MGS Primary	\$	1.50	\$	0.15	0.101604278
AGS Secondary	\$	10.59	\$	1.08	0.101604278
AGS Primary	\$	8.26	\$	0.84	0.101604278
TGS - Sub Transmission	\$	-	\$	-	0.101604278
TGS Transmission	\$	-	\$	-	

Schedule (EPT)-8

Atlantic City Electric Company
LED Street Lighting Rate Design

SPL

	Cobra Head					Decorative	Post Top			Shoe Box			Tear Drop		Floodlighting			
	50 W	Equivalent Light Size (Watts)				150 W	Equivalent Light Size (Watts)		Equivalent Light Size (Watts)			100 W	150 W	150 W	250 W	400 W	1000 W	
		70 W	100 W	150 W	250 W		70 W	100 W	100 W	150 W	250 W							
Distribution System Fixed Charge	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.85	
Monthly Light Fixture Fixed Charge	\$ 5.88	\$ 6.21	\$ 6.47	\$ 7.06	\$ 8.56	\$ 18.73	\$ 8.85	\$ 9.43	\$ 7.46	\$ 8.45	\$ 8.98	\$ 17.03	\$ 17.03	\$ 11.50	\$ 12.09	\$ 14.36	\$ 15.06	
Monthly O&M Charge - Non-Luminaire Overhead/Underground	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	
Total Charge - Overhead	\$ 8.98	\$ 9.31	\$ 9.57	\$ 10.16	\$ 11.66	\$ 21.83	\$ 11.95	\$ 12.53	\$ 10.56	\$ 11.55	\$ 12.08	\$ 20.13	\$ 20.13	\$ 14.60	\$ 15.19	\$ 17.46	\$ 18.16	
Regulatory Assessment	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.06	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05	
Total Rate without SUT	\$ 9.00	\$ 9.34	\$ 9.60	\$ 10.19	\$ 11.70	\$ 21.90	\$ 11.98	\$ 12.57	\$ 10.59	\$ 11.58	\$ 12.11	\$ 20.18	\$ 20.18	\$ 14.64	\$ 15.24	\$ 17.51	\$ 18.21	
Total Rate with SUT (6.875%)	\$ 9.62	\$ 9.98	\$ 10.25	\$ 10.89	\$ 12.50	\$ 23.40	\$ 12.80	\$ 13.43	\$ 11.31	\$ 12.37	\$ 12.94	\$ 21.57	\$ 21.57	\$ 15.65	\$ 16.28	\$ 18.71	\$ 19.46	

Atlantic City Electric Company
LED Street Lighting Rate Design
Development of LED Installation Charge

	<u>Cobra Head</u>					<u>Decorative</u>	<u>Post Top</u>		<u>Shoe Box</u>			<u>Tear Drop</u>		<u>Floodlighting</u>				
	50 W	Equivalent Light Size (Watts)			250 W		150 W	70 W	100 W	100 W	Equivalent Light Size (Watts)		100 W	150 W	150 W	250 W	400 W	1000 W
<u>Labor</u>																		
Replace Fixture & Photocell	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00	\$ 304.00
<u>Material Costs</u>																		
Replace Fixture	\$ 208.00	\$ 236.00	\$ 258.00	\$ 308.00	\$ 436.00	\$ 1,300.00	\$ 460.00	\$ 510.00	\$ 342.00	\$ 426.00	\$ 471.00	\$ 1,155.00	\$ 1,155.00	\$ 756.00	\$ 808.00	\$ 1,008.00	\$ 1,080.00	\$ 1,080.00
Replace Photocell	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Subtotal Material	\$ 228.00	\$ 256.00	\$ 278.00	\$ 328.00	\$ 456.00	\$ 1,320.00	\$ 480.00	\$ 530.00	\$ 362.00	\$ 446.00	\$ 491.00	\$ 1,175.00	\$ 1,175.00	\$ 776.00	\$ 828.00	\$ 1,028.00	\$ 1,100.00	\$ 1,100.00
Stock Stores Charge (12%)	\$ 27.36	\$ 30.72	\$ 33.36	\$ 39.36	\$ 54.72	\$ 158.40	\$ 57.60	\$ 63.60	\$ 43.44	\$ 53.52	\$ 58.92	\$ 141.00	\$ 141.00	\$ 93.12	\$ 99.36	\$ 123.36	\$ 132.00	\$ 132.00
Labor & Material Installed Cost	\$ 559.36	\$ 590.72	\$ 615.36	\$ 671.36	\$ 814.72	\$ 1,782.40	\$ 841.60	\$ 897.60	\$ 709.44	\$ 803.52	\$ 853.92	\$ 1,620.00	\$ 1,620.00	\$ 1,173.12	\$ 1,231.36	\$ 1,455.36	\$ 1,536.00	\$ 1,536.00

Atlantic City Electric Company
Street Lighting Rate Design
Non Luminaire Related O&M Unit Costs
FERC Account 396 Data
12 ME March 2011

Non Luminaire O&M Unit Costs

	<u>April - Dec 2010</u>	<u>Jan - Mar 2011</u>	<u>Total 12 ME Mar 2011</u>
Total Non Lamp Related	\$ 261,100.67	\$ 73,350.18	\$ 334,450.85
Total 2011 Light Count			113,402
Annual per Unit Cost			\$ 2.95
Monthly per unit Cost			\$ 0.25

Distribution Infrastructure Per Unit Cost

Distribution System Revenue Requirement	\$ 3,883,036.81
Total 2011 Light Count	113,402
Annual per Unit Cost	\$ 34.24
Monthly per unit Cost	\$ 2.85

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Cobra Head
50

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36	\$ 559.36
Accumulated Depreciation	\$ 34.96	\$ 69.92	\$ 104.88	\$ 139.84	\$ 174.80	\$ 209.76	\$ 244.72	\$ 279.68	\$ 314.64	\$ 349.60	\$ 384.56	\$ 419.52	\$ 454.48	\$ 489.44	\$ 524.40	\$ 559.36
Deferred Taxes	\$ 2.86	\$ (4.57)	\$ (9.83)	\$ (13.14)	\$ (14.69)	\$ (14.65)	\$ (13.85)	\$ (9.83)	\$ (13.05)	\$ (12.27)	\$ (11.47)	\$ (10.69)	\$ (9.89)	\$ (9.12)	\$ (8.32)	\$ (7.54)
Net Rate Base	\$ 521.54	\$ 494.01	\$ 464.31	\$ 432.66	\$ 399.25	\$ 364.25	\$ 328.49	\$ 292.73	\$ 256.99	\$ 221.23	\$ 185.49	\$ 149.73	\$ 114.00	\$ 78.24	\$ 42.50	\$ 0.00
Operating Income:																
Depreciation	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96
Subtotal	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96
SIT-Current	\$ (3.17)	\$ (6.05)	\$ (5.50)	\$ (4.99)	\$ (4.53)	\$ (4.09)	\$ (3.83)	\$ (3.74)	\$ (3.66)	\$ (3.57)	\$ (3.48)	\$ (3.39)	\$ (3.30)	\$ (3.21)	\$ (3.13)	\$ (1.54)
FIT-Current	\$ (11.21)	\$ (21.40)	\$ (19.46)	\$ (17.67)	\$ (16.02)	\$ (14.47)	\$ (13.57)	\$ (13.25)	\$ (12.95)	\$ (12.62)	\$ (12.32)	\$ (11.99)	\$ (11.69)	\$ (11.36)	\$ (11.06)	\$ (5.44)
Deferred Taxes	\$ (2.86)	\$ 7.43	\$ 5.26	\$ 3.31	\$ 1.55	\$ (0.05)	\$ (0.80)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (7.54)
Required Oper. Inc.	\$ 17.73	\$ 14.93	\$ 15.26	\$ 15.60	\$ 15.97	\$ 16.36	\$ 16.76	\$ 17.16	\$ 17.57	\$ 17.97	\$ 18.38	\$ 18.78	\$ 19.19	\$ 19.59	\$ 20.00	\$ 20.44
Return Required	\$ 20.42	\$ 39.76	\$ 37.52	\$ 35.12	\$ 32.57	\$ 29.89	\$ 27.12	\$ 24.32	\$ 21.52	\$ 18.72	\$ 15.92	\$ 13.12	\$ 10.33	\$ 7.53	\$ 4.73	\$ 1.66
Revenue Requirement	\$ 64.49	\$ 92.46	\$ 89.22	\$ 85.75	\$ 82.06	\$ 78.19	\$ 74.18	\$ 70.13	\$ 66.09	\$ 62.04	\$ 57.99	\$ 53.94	\$ 49.89	\$ 45.84	\$ 41.80	\$ 37.37

Income Statement Check

Revenue	\$ 64.49	\$ 92.46	\$ 89.22	\$ 85.75	\$ 82.06	\$ 78.19	\$ 74.18	\$ 70.13	\$ 66.09	\$ 62.04	\$ 57.99	\$ 53.94	\$ 49.89	\$ 45.84	\$ 41.80	\$ 37.37
Depreciation	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96	\$ 34.96
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 7.22	\$ 14.07	\$ 13.27	\$ 12.42	\$ 11.52	\$ 10.57	\$ 9.59	\$ 8.60	\$ 7.61	\$ 6.62	\$ 5.63	\$ 4.64	\$ 3.65	\$ 2.66	\$ 1.67	\$ 0.59
Net income before Taxes	\$ 22.31	\$ 43.44	\$ 40.99	\$ 38.37	\$ 35.58	\$ 32.66	\$ 29.63	\$ 26.57	\$ 23.51	\$ 20.45	\$ 17.40	\$ 14.34	\$ 11.28	\$ 8.22	\$ 5.16	\$ 1.82
Income Tax - Current	\$ 11.97	\$ 10.32	\$ 11.49	\$ 12.36	\$ 12.98	\$ 13.39	\$ 12.90	\$ 11.65	\$ 10.38	\$ 9.16	\$ 7.88	\$ 6.66	\$ 5.38	\$ 4.16	\$ 2.89	\$ 8.28
Income Tax - Deferred	\$ (2.86)	\$ 7.43	\$ 5.26	\$ 3.31	\$ 1.55	\$ (0.05)	\$ (0.80)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (0.80)	\$ (0.78)	\$ (7.54)
Earnings	\$ 13.20	\$ 25.69	\$ 24.25	\$ 22.69	\$ 21.05	\$ 19.32	\$ 17.53	\$ 15.72	\$ 13.91	\$ 12.10	\$ 10.29	\$ 8.48	\$ 6.67	\$ 4.86	\$ 3.05	\$ 1.08
Return on Equity per WACC	\$ 13.20	\$ 25.69	\$ 24.25	\$ 22.69	\$ 21.05	\$ 19.32	\$ 17.53	\$ 15.72	\$ 13.91	\$ 12.10	\$ 10.29	\$ 8.48	\$ 6.67	\$ 4.86	\$ 3.05	\$ 1.08
MACRS	\$ 27.97	\$ 53.14	\$ 47.83	\$ 43.07	\$ 38.76	\$ 34.85	\$ 33.00	\$ 33.00	\$ 33.06	\$ 33.00	\$ 33.06	\$ 33.00	\$ 33.06	\$ 33.00	\$ 33.06	\$ 16.50

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$631.31
el Annual Revenue Requirement	\$70.55
Monthly Charge	\$ 5.88

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Cobra Head
70

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72	\$ 590.72
Accumulated Depreciation	\$ 36.92	\$ 73.84	\$ 110.76	\$ 147.68	\$ 184.60	\$ 221.52	\$ 258.44	\$ 295.36	\$ 332.28	\$ 369.20	\$ 406.12	\$ 443.04	\$ 479.96	\$ 516.88	\$ 553.80	\$ 590.72
Deferred Taxes	\$ 3.02	\$ (4.83)	\$ (10.38)	\$ (13.88)	\$ (15.52)	\$ (15.47)	\$ (14.62)	\$ (13.78)	\$ (12.96)	\$ (12.11)	\$ (11.29)	\$ (10.45)	\$ (9.63)	\$ (8.78)	\$ (7.96)	\$ 0.00
Net Rate Base	\$ 550.78	\$ 521.71	\$ 490.34	\$ 456.92	\$ 421.64	\$ 384.67	\$ 346.90	\$ 309.14	\$ 271.40	\$ 233.63	\$ 195.89	\$ 158.13	\$ 120.39	\$ 82.62	\$ 44.88	\$ (0.00)
Operating Income:																
Depreciation	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92
Subtotal	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92
SIT-Current	\$ (3.34)	\$ (6.39)	\$ (5.81)	\$ (5.27)	\$ (4.78)	\$ (4.32)	\$ (4.05)	\$ (3.95)	\$ (3.87)	\$ (3.77)	\$ (3.68)	\$ (3.58)	\$ (3.49)	\$ (3.39)	\$ (3.30)	\$ (1.62)
FIT-Current	\$ (11.84)	\$ (22.60)	\$ (20.55)	\$ (18.67)	\$ (16.91)	\$ (15.28)	\$ (14.33)	\$ (13.99)	\$ (13.68)	\$ (13.33)	\$ (13.01)	\$ (12.66)	\$ (12.35)	\$ (12.00)	\$ (11.68)	\$ (5.75)
Deferred Taxes	\$ (3.02)	\$ 7.84	\$ 5.55	\$ 3.50	\$ 1.64	\$ (0.05)	\$ (0.84)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (7.96)
Required Oper. Inc.	\$ 18.72	\$ 15.77	\$ 16.11	\$ 16.48	\$ 16.87	\$ 17.28	\$ 17.70	\$ 18.13	\$ 18.55	\$ 18.98	\$ 19.41	\$ 19.84	\$ 20.26	\$ 20.69	\$ 21.12	\$ 21.58
Return Required	\$ 21.56	\$ 41.99	\$ 39.62	\$ 37.08	\$ 34.40	\$ 31.57	\$ 28.64	\$ 25.68	\$ 22.73	\$ 19.77	\$ 16.82	\$ 13.86	\$ 10.90	\$ 7.95	\$ 4.99	\$ 1.76
Revenue Requirement	\$ 68.11	\$ 97.65	\$ 94.22	\$ 90.56	\$ 86.67	\$ 82.58	\$ 78.34	\$ 74.07	\$ 69.79	\$ 65.52	\$ 61.24	\$ 56.97	\$ 52.69	\$ 48.42	\$ 44.14	\$ 39.46

Income Statement Check

Revenue	\$ 68.11	\$ 97.65	\$ 94.22	\$ 90.56	\$ 86.67	\$ 82.58	\$ 78.34	\$ 74.07	\$ 69.79	\$ 65.52	\$ 61.24	\$ 56.97	\$ 52.69	\$ 48.42	\$ 44.14	\$ 39.46
Depreciation	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92	\$ 36.92
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 7.63	\$ 14.85	\$ 14.02	\$ 13.12	\$ 12.17	\$ 11.17	\$ 10.13	\$ 9.09	\$ 8.04	\$ 6.99	\$ 5.95	\$ 4.90	\$ 3.86	\$ 2.81	\$ 1.77	\$ 0.62
Net income before Taxes	\$ 23.56	\$ 45.87	\$ 43.29	\$ 40.52	\$ 37.58	\$ 34.49	\$ 31.29	\$ 28.06	\$ 24.83	\$ 21.60	\$ 18.37	\$ 15.14	\$ 11.91	\$ 8.68	\$ 5.45	\$ 1.92
Income Tax - Current	\$ 12.64	\$ 10.90	\$ 12.13	\$ 13.05	\$ 13.71	\$ 14.14	\$ 13.63	\$ 12.31	\$ 10.96	\$ 9.67	\$ 8.33	\$ 7.03	\$ 5.69	\$ 4.39	\$ 3.05	\$ 8.75
Income Tax - Deferred	\$ (3.02)	\$ 7.84	\$ 5.55	\$ 3.50	\$ 1.64	\$ (0.05)	\$ (0.84)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (0.84)	\$ (0.82)	\$ (7.96)
Earnings	\$ 13.93	\$ 27.13	\$ 25.60	\$ 23.97	\$ 22.23	\$ 20.40	\$ 18.51	\$ 16.60	\$ 14.69	\$ 12.78	\$ 10.87	\$ 8.96	\$ 7.05	\$ 5.14	\$ 3.23	\$ 1.14
Return on Equity per WACC	\$ 13.93	\$ 27.13	\$ 25.60	\$ 23.97	\$ 22.23	\$ 20.40	\$ 18.51	\$ 16.60	\$ 14.69	\$ 12.78	\$ 10.87	\$ 8.96	\$ 7.05	\$ 5.14	\$ 3.23	\$ 1.14
MACRS	\$ 29.54	\$ 56.12	\$ 50.51	\$ 45.49	\$ 40.94	\$ 36.80	\$ 34.85	\$ 34.85	\$ 34.91	\$ 34.85	\$ 34.91	\$ 34.85	\$ 34.91	\$ 34.85	\$ 34.91	\$ 17.43

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$666.70
el Annual Revenue Requirement	\$74.51
Monthly Charge	\$ 6.21

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Cobra Head
100

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36	\$ 615.36
Accumulated Depreciation	\$ 38.46	\$ 76.92	\$ 115.38	\$ 153.84	\$ 192.30	\$ 230.76	\$ 269.22	\$ 307.68	\$ 346.14	\$ 384.60	\$ 423.06	\$ 461.52	\$ 499.98	\$ 538.44	\$ 576.90	\$ 615.36
Deferred Taxes	\$ 3.14	\$ (5.03)	\$ (10.81)	\$ (14.45)	\$ (16.16)	\$ (16.11)	\$ (15.23)	\$ (14.35)	\$ (13.50)	\$ (12.62)	\$ (11.76)	\$ (10.88)	\$ (10.03)	\$ (9.15)	\$ (8.30)	\$ 0.00
Net Rate Base	\$ 573.76	\$ 543.47	\$ 510.79	\$ 475.97	\$ 439.22	\$ 400.71	\$ 361.37	\$ 322.03	\$ 282.72	\$ 243.38	\$ 204.06	\$ 164.72	\$ 125.41	\$ 86.07	\$ 46.76	\$ (0.00)
Operating Income:																
Depreciation	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46
Subtotal	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46
SIT-Current	\$ (3.48)	\$ (6.65)	\$ (6.05)	\$ (5.49)	\$ (4.98)	\$ (4.50)	\$ (4.22)	\$ (4.12)	\$ (4.03)	\$ (3.92)	\$ (3.83)	\$ (3.73)	\$ (3.63)	\$ (3.53)	\$ (3.44)	\$ (1.69)
FIT-Current	\$ (12.33)	\$ (23.55)	\$ (21.41)	\$ (19.44)	\$ (17.62)	\$ (15.92)	\$ (14.93)	\$ (14.58)	\$ (14.25)	\$ (13.88)	\$ (13.56)	\$ (13.19)	\$ (12.86)	\$ (12.50)	\$ (12.17)	\$ (5.99)
Deferred Taxes	\$ (3.14)	\$ 8.17	\$ 5.78	\$ 3.64	\$ 1.71	\$ (0.05)	\$ (0.88)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (8.30)
Required Oper. Inc.	\$ 19.50	\$ 16.43	\$ 16.78	\$ 17.17	\$ 17.57	\$ 18.00	\$ 18.44	\$ 18.88	\$ 19.33	\$ 19.77	\$ 20.22	\$ 20.66	\$ 21.11	\$ 21.55	\$ 22.00	\$ 22.48
Return Required	\$ 22.46	\$ 43.74	\$ 41.27	\$ 38.63	\$ 35.83	\$ 32.88	\$ 29.84	\$ 26.76	\$ 23.68	\$ 20.60	\$ 17.52	\$ 14.44	\$ 11.36	\$ 8.28	\$ 5.20	\$ 1.83
Revenue Requirement	\$ 70.95	\$ 101.72	\$ 98.15	\$ 94.33	\$ 90.28	\$ 86.02	\$ 81.61	\$ 77.16	\$ 72.70	\$ 68.25	\$ 63.80	\$ 59.34	\$ 54.89	\$ 50.43	\$ 45.98	\$ 41.11

Income Statement Check

Revenue	\$ 70.95	\$ 101.72	\$ 98.15	\$ 94.33	\$ 90.28	\$ 86.02	\$ 81.61	\$ 77.16	\$ 72.70	\$ 68.25	\$ 63.80	\$ 59.34	\$ 54.89	\$ 50.43	\$ 45.98	\$ 41.11
Depreciation	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46	\$ 38.46
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 7.95	\$ 15.47	\$ 14.60	\$ 13.67	\$ 12.68	\$ 11.63	\$ 10.55	\$ 9.47	\$ 8.38	\$ 7.29	\$ 6.20	\$ 5.11	\$ 4.02	\$ 2.93	\$ 1.84	\$ 0.65
Net income before Taxes	\$ 24.54	\$ 47.79	\$ 45.09	\$ 42.21	\$ 39.15	\$ 35.93	\$ 32.60	\$ 29.23	\$ 25.87	\$ 22.50	\$ 19.14	\$ 15.77	\$ 12.41	\$ 9.05	\$ 5.68	\$ 2.00
Income Tax - Current	\$ 13.17	\$ 11.35	\$ 12.64	\$ 13.60	\$ 14.28	\$ 14.73	\$ 14.20	\$ 12.82	\$ 11.42	\$ 10.07	\$ 8.67	\$ 7.32	\$ 5.92	\$ 4.57	\$ 3.18	\$ 9.11
Income Tax - Deferred	\$ (3.14)	\$ 8.17	\$ 5.78	\$ 3.64	\$ 1.71	\$ (0.05)	\$ (0.88)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (0.88)	\$ (0.85)	\$ (8.30)
Earnings	\$ 14.52	\$ 28.27	\$ 26.67	\$ 24.97	\$ 23.15	\$ 21.25	\$ 19.28	\$ 17.29	\$ 15.30	\$ 13.31	\$ 11.32	\$ 9.33	\$ 7.34	\$ 5.35	\$ 3.36	\$ 1.18
Return on Equity per WACC	\$ 14.52	\$ 28.27	\$ 26.67	\$ 24.97	\$ 23.15	\$ 21.25	\$ 19.28	\$ 17.29	\$ 15.30	\$ 13.31	\$ 11.32	\$ 9.33	\$ 7.34	\$ 5.35	\$ 3.36	\$ 1.18
MACRS	\$ 30.77	\$ 58.46	\$ 52.61	\$ 47.38	\$ 42.64	\$ 38.34	\$ 36.31	\$ 36.31	\$ 36.37	\$ 36.31	\$ 36.37	\$ 36.31	\$ 36.37	\$ 36.31	\$ 36.37	\$ 18.15

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$694.51
el Annual Revenue Requirement	\$77.61
Monthly Charge	\$ 6.47

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Cobra Head
150

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36	\$ 671.36
Accumulated Depreciation	\$ 41.96	\$ 83.92	\$ 125.88	\$ 167.84	\$ 209.80	\$ 251.76	\$ 293.72	\$ 335.68	\$ 377.64	\$ 419.60	\$ 461.56	\$ 503.52	\$ 545.48	\$ 587.44	\$ 629.40	\$ 671.36
Deferred Taxes	\$ 3.43	\$ (5.49)	\$ (11.79)	\$ (15.77)	\$ (17.63)	\$ (17.58)	\$ (16.62)	\$ (15.66)	\$ (14.73)	\$ (13.77)	\$ (12.83)	\$ (11.88)	\$ (10.94)	\$ (9.98)	\$ (9.05)	\$ (0.00)
Net Rate Base	\$ 625.97	\$ 592.93	\$ 557.27	\$ 519.29	\$ 479.19	\$ 437.18	\$ 394.26	\$ 351.34	\$ 308.45	\$ 265.53	\$ 222.63	\$ 179.72	\$ 136.82	\$ 93.90	\$ 51.01	\$ 0.00

Operating Income:																
Depreciation	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96
Subtotal	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96
SIT-Current	\$ (3.80)	\$ (7.26)	\$ (6.60)	\$ (5.99)	\$ (5.43)	\$ (4.91)	\$ (4.60)	\$ (4.49)	\$ (4.39)	\$ (4.28)	\$ (4.18)	\$ (4.07)	\$ (3.97)	\$ (3.85)	\$ (3.75)	\$ (1.85)
FIT-Current	\$ (13.45)	\$ (25.69)	\$ (23.36)	\$ (21.21)	\$ (19.22)	\$ (17.36)	\$ (16.28)	\$ (15.90)	\$ (15.55)	\$ (15.15)	\$ (14.79)	\$ (14.39)	\$ (14.03)	\$ (13.63)	\$ (13.28)	\$ (6.53)
Deferred Taxes	\$ (3.43)	\$ 8.91	\$ 6.31	\$ 3.98	\$ 1.86	\$ (0.05)	\$ (0.96)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (9.05)
Required Oper. Inc.	\$ 21.28	\$ 17.92	\$ 18.31	\$ 18.73	\$ 19.17	\$ 19.63	\$ 20.12	\$ 20.60	\$ 21.09	\$ 21.57	\$ 22.06	\$ 22.54	\$ 23.03	\$ 23.51	\$ 24.00	\$ 24.53
Return Required	\$ 24.51	\$ 47.72	\$ 45.03	\$ 42.15	\$ 39.09	\$ 35.88	\$ 32.55	\$ 29.19	\$ 25.83	\$ 22.47	\$ 19.11	\$ 15.75	\$ 12.39	\$ 9.03	\$ 5.67	\$ 2.00
Revenue Requirement	\$ 77.40	\$ 110.98	\$ 107.09	\$ 102.92	\$ 98.50	\$ 93.85	\$ 89.04	\$ 84.18	\$ 79.32	\$ 74.46	\$ 69.60	\$ 64.74	\$ 59.88	\$ 55.02	\$ 50.17	\$ 44.85

Income Statement Check

Revenue	\$ 77.40	\$ 110.98	\$ 107.09	\$ 102.92	\$ 98.50	\$ 93.85	\$ 89.04	\$ 84.18	\$ 79.32	\$ 74.46	\$ 69.60	\$ 64.74	\$ 59.88	\$ 55.02	\$ 50.17	\$ 44.85
Depreciation	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96	\$ 41.96
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 8.67	\$ 16.88	\$ 15.93	\$ 14.91	\$ 13.83	\$ 12.69	\$ 11.52	\$ 10.33	\$ 9.14	\$ 7.95	\$ 6.76	\$ 5.57	\$ 4.38	\$ 3.20	\$ 2.01	\$ 0.71
Net income before Taxes	\$ 26.77	\$ 52.14	\$ 49.20	\$ 46.05	\$ 42.71	\$ 39.20	\$ 35.56	\$ 31.89	\$ 28.22	\$ 24.55	\$ 20.88	\$ 17.21	\$ 13.54	\$ 9.87	\$ 6.20	\$ 2.18

Income Tax - Current	\$ 14.37	\$ 12.38	\$ 13.79	\$ 14.83	\$ 15.58	\$ 16.07	\$ 15.49	\$ 13.99	\$ 12.46	\$ 10.99	\$ 9.46	\$ 7.99	\$ 6.46	\$ 4.99	\$ 3.46	\$ 9.94
Income Tax - Deferred	\$ (3.43)	\$ 8.91	\$ 6.31	\$ 3.98	\$ 1.86	\$ (0.05)	\$ (0.96)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (0.96)	\$ (0.93)	\$ (9.05)

Earnings	\$ 15.84	\$ 30.84	\$ 29.10	\$ 27.24	\$ 25.26	\$ 23.18	\$ 21.04	\$ 18.86	\$ 16.69	\$ 14.52	\$ 12.35	\$ 10.18	\$ 8.01	\$ 5.84	\$ 3.67	\$ 1.29
Return on Equity per WACC	\$ 15.84	\$ 30.84	\$ 29.10	\$ 27.24	\$ 25.26	\$ 23.18	\$ 21.04	\$ 18.86	\$ 16.69	\$ 14.52	\$ 12.35	\$ 10.18	\$ 8.01	\$ 5.84	\$ 3.67	\$ 1.29

MACRS	\$ 33.57	\$ 63.78	\$ 57.40	\$ 51.69	\$ 46.53	\$ 41.83	\$ 39.61	\$ 39.61	\$ 39.68	\$ 39.61	\$ 39.68	\$ 39.61	\$ 39.68	\$ 39.61	\$ 39.68	\$ 19.81
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$757.72
Annual Revenue Requirement	\$84.68
Monthly Charge	\$ 7.06

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Utility Grade
250

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72	\$ 814.72
Accumulated Depreciation	\$ 50.92	\$ 101.84	\$ 152.76	\$ 203.68	\$ 254.60	\$ 305.52	\$ 356.44	\$ 407.36	\$ 458.28	\$ 509.20	\$ 560.12	\$ 611.04	\$ 661.96	\$ 712.88	\$ 763.80	\$ 814.72
Deferred Taxes	\$ 4.16	\$ (6.66)	\$ (14.31)	\$ (19.14)	\$ (21.40)	\$ (21.33)	\$ (20.17)	\$ (19.00)	\$ (17.87)	\$ (16.71)	\$ (15.58)	\$ (14.41)	\$ (13.28)	\$ (12.11)	\$ (10.98)	\$ 0.00
Net Rate Base	\$ 759.64	\$ 719.54	\$ 676.27	\$ 630.18	\$ 581.52	\$ 530.53	\$ 478.45	\$ 426.36	\$ 374.31	\$ 322.23	\$ 270.18	\$ 218.09	\$ 166.04	\$ 113.95	\$ 61.90	\$ 0.00
Operating Income:																
Depreciation	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92
Subtotal	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92
SIT-Current	\$ (4.61)	\$ (8.81)	\$ (8.01)	\$ (7.27)	\$ (6.59)	\$ (5.95)	\$ (5.58)	\$ (5.45)	\$ (5.33)	\$ (5.19)	\$ (5.07)	\$ (4.93)	\$ (4.81)	\$ (4.68)	\$ (4.55)	\$ (2.24)
FIT-Current	\$ (16.33)	\$ (31.18)	\$ (28.34)	\$ (25.74)	\$ (23.33)	\$ (21.07)	\$ (19.76)	\$ (19.30)	\$ (18.87)	\$ (18.38)	\$ (17.95)	\$ (17.46)	\$ (17.03)	\$ (16.54)	\$ (16.11)	\$ (7.93)
Deferred Taxes	\$ (4.16)	\$ 10.82	\$ 7.65	\$ 4.83	\$ 2.26	\$ (0.07)	\$ (1.16)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (10.98)
Required Oper. Inc.	\$ 25.82	\$ 21.75	\$ 22.22	\$ 22.73	\$ 23.26	\$ 23.83	\$ 24.41	\$ 25.00	\$ 25.59	\$ 26.18	\$ 26.77	\$ 27.36	\$ 27.95	\$ 28.54	\$ 29.12	\$ 29.77
Return Required	\$ 29.74	\$ 57.91	\$ 54.65	\$ 51.15	\$ 47.44	\$ 43.54	\$ 39.50	\$ 35.42	\$ 31.35	\$ 27.27	\$ 23.19	\$ 19.12	\$ 15.04	\$ 10.96	\$ 6.88	\$ 2.42
Revenue Requirement	\$ 93.93	\$ 134.67	\$ 129.95	\$ 124.89	\$ 119.53	\$ 113.89	\$ 108.05	\$ 102.15	\$ 96.26	\$ 90.36	\$ 84.46	\$ 78.57	\$ 72.67	\$ 66.77	\$ 60.88	\$ 54.43

Income Statement Check

Revenue	\$ 93.93	\$ 134.67	\$ 129.95	\$ 124.89	\$ 119.53	\$ 113.89	\$ 108.05	\$ 102.15	\$ 96.26	\$ 90.36	\$ 84.46	\$ 78.57	\$ 72.67	\$ 66.77	\$ 60.88	\$ 54.43
Depreciation	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92	\$ 50.92
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 10.52	\$ 20.49	\$ 19.33	\$ 18.09	\$ 16.78	\$ 15.40	\$ 13.97	\$ 12.53	\$ 11.09	\$ 9.65	\$ 8.20	\$ 6.76	\$ 5.32	\$ 3.88	\$ 2.44	\$ 0.86
Net income before Taxes	\$ 32.49	\$ 63.27	\$ 59.70	\$ 55.88	\$ 51.83	\$ 47.57	\$ 43.16	\$ 38.70	\$ 34.25	\$ 29.79	\$ 25.34	\$ 20.88	\$ 16.43	\$ 11.98	\$ 7.52	\$ 2.65
Income Tax - Current	\$ 17.43	\$ 15.03	\$ 16.73	\$ 18.00	\$ 18.91	\$ 19.50	\$ 18.79	\$ 16.97	\$ 15.12	\$ 13.34	\$ 11.48	\$ 9.70	\$ 7.84	\$ 6.06	\$ 4.20	\$ 12.06
Income Tax - Deferred	\$ (4.16)	\$ 10.82	\$ 7.65	\$ 4.83	\$ 2.26	\$ (0.07)	\$ (1.16)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (1.16)	\$ (1.13)	\$ (10.98)
Earnings	\$ 19.22	\$ 37.42	\$ 35.31	\$ 33.05	\$ 30.66	\$ 28.13	\$ 25.53	\$ 22.89	\$ 20.26	\$ 17.62	\$ 14.99	\$ 12.35	\$ 9.72	\$ 7.08	\$ 4.45	\$ 1.57
Return on Equity per WACC	\$ 19.22	\$ 37.42	\$ 35.31	\$ 33.05	\$ 30.66	\$ 28.13	\$ 25.53	\$ 22.89	\$ 20.26	\$ 17.62	\$ 14.99	\$ 12.35	\$ 9.72	\$ 7.08	\$ 4.45	\$ 1.57
MACRS	\$ 40.74	\$ 77.40	\$ 69.66	\$ 62.73	\$ 56.46	\$ 50.76	\$ 48.07	\$ 48.07	\$ 48.15	\$ 48.07	\$ 48.15	\$ 48.07	\$ 48.15	\$ 48.07	\$ 48.15	\$ 24.03

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$919.52
el Annual Revenue Requirement	\$102.76
Monthly Charge	\$ 8.56

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Tear Drop	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
100																
Rate Base:																
Gross Plant	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
Accumulated Depreciation	\$ 101.25	\$ 202.50	\$ 303.75	\$ 405.00	\$ 506.25	\$ 607.50	\$ 708.75	\$ 810.00	\$ 911.25	\$ 1,012.50	\$ 1,113.75	\$ 1,215.00	\$ 1,316.25	\$ 1,417.50	\$ 1,518.75	\$ 1,620.00
Deferred Taxes	\$ 8.27	\$ (13.24)	\$ (28.46)	\$ (38.05)	\$ (42.55)	\$ (42.42)	\$ (40.10)	\$ (37.79)	\$ (35.54)	\$ (33.22)	\$ (30.97)	\$ (28.65)	\$ (26.40)	\$ (24.09)	\$ (21.84)	\$ (0.00)
Net Rate Base	\$ 1,510.48	\$ 1,430.74	\$ 1,344.71	\$ 1,253.05	\$ 1,156.30	\$ 1,054.92	\$ 951.35	\$ 847.79	\$ 744.29	\$ 640.72	\$ 537.22	\$ 433.65	\$ 330.15	\$ 226.59	\$ 123.09	\$ 0.00
Operating Income:																
Depreciation	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
Subtotal	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
SIT-Current	\$ (9.17)	\$ (17.52)	\$ (15.93)	\$ (14.46)	\$ (13.11)	\$ (11.84)	\$ (11.10)	\$ (10.84)	\$ (10.60)	\$ (10.33)	\$ (10.09)	\$ (9.81)	\$ (9.57)	\$ (9.30)	\$ (9.05)	\$ (4.45)
FIT-Current	\$ (32.46)	\$ (61.99)	\$ (56.36)	\$ (51.19)	\$ (46.38)	\$ (41.90)	\$ (39.29)	\$ (38.38)	\$ (37.52)	\$ (36.55)	\$ (35.69)	\$ (34.72)	\$ (33.86)	\$ (32.90)	\$ (32.04)	\$ (15.76)
Deferred Taxes	\$ (8.27)	\$ 21.51	\$ 15.22	\$ 9.60	\$ 4.50	\$ (0.13)	\$ (2.32)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (21.84)
Required Oper. Inc.	\$ 51.34	\$ 43.25	\$ 44.19	\$ 45.19	\$ 46.26	\$ 47.38	\$ 48.54	\$ 49.71	\$ 50.88	\$ 52.05	\$ 53.22	\$ 54.40	\$ 55.57	\$ 56.74	\$ 57.91	\$ 59.19
Return Required	\$ 59.14	\$ 115.15	\$ 108.66	\$ 101.70	\$ 94.33	\$ 86.57	\$ 78.55	\$ 70.44	\$ 62.33	\$ 54.22	\$ 46.12	\$ 38.01	\$ 29.90	\$ 21.80	\$ 13.69	\$ 4.82
Revenue Requirement	\$ 186.78	\$ 267.79	\$ 258.40	\$ 248.34	\$ 237.67	\$ 226.46	\$ 214.85	\$ 203.12	\$ 191.40	\$ 179.67	\$ 167.95	\$ 156.22	\$ 144.50	\$ 132.77	\$ 121.05	\$ 108.22

Income Statement Check

Revenue	\$ 186.78	\$ 267.79	\$ 258.40	\$ 248.34	\$ 237.67	\$ 226.46	\$ 214.85	\$ 203.12	\$ 191.40	\$ 179.67	\$ 167.95	\$ 156.22	\$ 144.50	\$ 132.77	\$ 121.05	\$ 108.22
Depreciation	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 20.92	\$ 40.74	\$ 38.44	\$ 35.98	\$ 33.37	\$ 30.63	\$ 27.79	\$ 24.92	\$ 22.05	\$ 19.18	\$ 16.31	\$ 13.45	\$ 10.58	\$ 7.71	\$ 4.84	\$ 1.70
Net income before Taxes	\$ 64.61	\$ 125.80	\$ 118.71	\$ 111.11	\$ 103.05	\$ 94.58	\$ 85.81	\$ 76.95	\$ 68.10	\$ 59.24	\$ 50.38	\$ 41.53	\$ 32.67	\$ 23.81	\$ 14.96	\$ 5.26
Income Tax - Current	\$ 34.66	\$ 29.88	\$ 33.27	\$ 35.79	\$ 37.60	\$ 38.77	\$ 37.37	\$ 33.75	\$ 30.07	\$ 26.52	\$ 22.83	\$ 19.28	\$ 15.60	\$ 12.04	\$ 8.36	\$ 23.99
Income Tax - Deferred	\$ (8.27)	\$ 21.51	\$ 15.22	\$ 9.60	\$ 4.50	\$ (0.13)	\$ (2.32)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (21.84)
Earnings	\$ 38.22	\$ 74.41	\$ 70.22	\$ 65.72	\$ 60.96	\$ 55.94	\$ 50.76	\$ 45.52	\$ 40.28	\$ 35.04	\$ 29.80	\$ 24.56	\$ 19.32	\$ 14.09	\$ 8.85	\$ 3.11
Return on Equity per WACC	\$ 38.22	\$ 74.41	\$ 70.22	\$ 65.72	\$ 60.96	\$ 55.94	\$ 50.76	\$ 45.52	\$ 40.28	\$ 35.04	\$ 29.80	\$ 24.56	\$ 19.32	\$ 14.09	\$ 8.85	\$ 3.11
MACRS	\$ 81.00	\$ 153.90	\$ 138.51	\$ 124.74	\$ 112.27	\$ 100.93	\$ 95.58	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 47.79

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,828.38
el Annual Revenue Requirement	\$204.33
Monthly Charge	\$ 17.03

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Tear Drop																
150																
Rate Base:																
Gross Plant	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
Accumulated Depreciation	\$ 101.25	\$ 202.50	\$ 303.75	\$ 405.00	\$ 506.25	\$ 607.50	\$ 708.75	\$ 810.00	\$ 911.25	\$ 1,012.50	\$ 1,113.75	\$ 1,215.00	\$ 1,316.25	\$ 1,417.50	\$ 1,518.75	\$ 1,620.00
Deferred Taxes	\$ 8.27	\$ (13.24)	\$ (28.46)	\$ (38.05)	\$ (42.55)	\$ (42.42)	\$ (40.10)	\$ (37.79)	\$ (35.54)	\$ (33.22)	\$ (30.97)	\$ (28.65)	\$ (26.40)	\$ (24.09)	\$ (21.84)	\$ (0.00)
Net Rate Base	\$ 1,510.48	\$ 1,430.74	\$ 1,344.71	\$ 1,253.05	\$ 1,156.30	\$ 1,054.92	\$ 951.35	\$ 847.79	\$ 744.29	\$ 640.72	\$ 537.22	\$ 433.65	\$ 330.15	\$ 226.59	\$ 123.09	\$ 0.00
Operating Income:																
Depreciation	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
Subtotal	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
SIT-Current	\$ (9.17)	\$ (17.52)	\$ (15.93)	\$ (14.46)	\$ (13.11)	\$ (11.84)	\$ (11.10)	\$ (10.84)	\$ (10.60)	\$ (10.33)	\$ (10.09)	\$ (9.81)	\$ (9.57)	\$ (9.30)	\$ (9.05)	\$ (4.45)
FIT-Current	\$ (32.46)	\$ (61.99)	\$ (56.36)	\$ (51.19)	\$ (46.38)	\$ (41.90)	\$ (39.29)	\$ (38.38)	\$ (37.52)	\$ (36.55)	\$ (35.69)	\$ (34.72)	\$ (33.86)	\$ (32.90)	\$ (32.04)	\$ (15.76)
Deferred Taxes	\$ (8.27)	\$ 21.51	\$ 15.22	\$ 9.60	\$ 4.50	\$ (0.13)	\$ (2.32)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (21.84)
Required Oper. Inc.	\$ 51.34	\$ 43.25	\$ 44.19	\$ 45.19	\$ 46.26	\$ 47.38	\$ 48.54	\$ 49.71	\$ 50.88	\$ 52.05	\$ 53.22	\$ 54.40	\$ 55.57	\$ 56.74	\$ 57.91	\$ 59.19
Return Required	\$ 59.14	\$ 115.15	\$ 108.66	\$ 101.70	\$ 94.33	\$ 86.57	\$ 78.55	\$ 70.44	\$ 62.33	\$ 54.22	\$ 46.12	\$ 38.01	\$ 29.90	\$ 21.80	\$ 13.69	\$ 4.82
Revenue Requirement	\$ 186.78	\$ 267.79	\$ 258.40	\$ 248.34	\$ 237.67	\$ 226.46	\$ 214.85	\$ 203.12	\$ 191.40	\$ 179.67	\$ 167.95	\$ 156.22	\$ 144.50	\$ 132.77	\$ 121.05	\$ 108.22

Income Statement Check

Revenue	\$ 186.78	\$ 267.79	\$ 258.40	\$ 248.34	\$ 237.67	\$ 226.46	\$ 214.85	\$ 203.12	\$ 191.40	\$ 179.67	\$ 167.95	\$ 156.22	\$ 144.50	\$ 132.77	\$ 121.05	\$ 108.22
Depreciation	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25	\$ 101.25
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 20.92	\$ 40.74	\$ 38.44	\$ 35.98	\$ 33.37	\$ 30.63	\$ 27.79	\$ 24.92	\$ 22.05	\$ 19.18	\$ 16.31	\$ 13.45	\$ 10.58	\$ 7.71	\$ 4.84	\$ 1.70
Net income before Taxes	\$ 64.61	\$ 125.80	\$ 118.71	\$ 111.11	\$ 103.05	\$ 94.58	\$ 85.81	\$ 76.95	\$ 68.10	\$ 59.24	\$ 50.38	\$ 41.53	\$ 32.67	\$ 23.81	\$ 14.96	\$ 5.26
Income Tax - Current	\$ 34.66	\$ 29.88	\$ 33.27	\$ 35.79	\$ 37.60	\$ 38.77	\$ 37.37	\$ 33.75	\$ 30.07	\$ 26.52	\$ 22.83	\$ 19.28	\$ 15.60	\$ 12.04	\$ 8.36	\$ 23.99
Income Tax - Deferred	\$ (8.27)	\$ 21.51	\$ 15.22	\$ 9.60	\$ 4.50	\$ (0.13)	\$ (2.32)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (2.32)	\$ (2.25)	\$ (21.84)
Earnings	\$ 38.22	\$ 74.41	\$ 70.22	\$ 65.72	\$ 60.96	\$ 55.94	\$ 50.76	\$ 45.52	\$ 40.28	\$ 35.04	\$ 29.80	\$ 24.56	\$ 19.32	\$ 14.09	\$ 8.85	\$ 3.11
Return on Equity per WACC	\$ 38.22	\$ 74.41	\$ 70.22	\$ 65.72	\$ 60.96	\$ 55.94	\$ 50.76	\$ 45.52	\$ 40.28	\$ 35.04	\$ 29.80	\$ 24.56	\$ 19.32	\$ 14.09	\$ 8.85	\$ 3.11
MACRS	\$ 81.00	\$ 153.90	\$ 138.51	\$ 124.74	\$ 112.27	\$ 100.93	\$ 95.58	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 95.58	\$ 95.74	\$ 47.79

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,828.38
el Annual Revenue Requirement	\$204.33
Monthly Charge	\$ 17.03

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Post Top
150

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40	\$ 1,782.40
Accumulated Depreciation	\$ 111.40	\$ 222.80	\$ 334.20	\$ 445.60	\$ 557.00	\$ 668.40	\$ 779.80	\$ 891.20	\$ 1,002.60	\$ 1,114.00	\$ 1,225.40	\$ 1,336.80	\$ 1,448.20	\$ 1,559.60	\$ 1,671.00	\$ 1,782.40
Deferred Taxes	\$ 9.10	\$ (14.56)	\$ (31.31)	\$ (41.87)	\$ (46.82)	\$ (46.67)	\$ (44.12)	\$ (41.58)	\$ (39.10)	\$ (36.55)	\$ (34.08)	\$ (31.53)	\$ (29.05)	\$ (26.50)	\$ (24.03)	\$ 0.00
Net Rate Base	\$ 1,661.90	\$ 1,574.16	\$ 1,479.51	\$ 1,378.67	\$ 1,272.22	\$ 1,160.67	\$ 1,046.72	\$ 932.78	\$ 818.90	\$ 704.95	\$ 591.08	\$ 477.13	\$ 363.25	\$ 249.30	\$ 135.43	\$ (0.00)
Operating Income:																
Depreciation	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40
Subtotal	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40
SIT-Current	\$ (10.09)	\$ (19.27)	\$ (17.52)	\$ (15.91)	\$ (14.42)	\$ (13.03)	\$ (12.22)	\$ (11.93)	\$ (11.66)	\$ (11.36)	\$ (11.10)	\$ (10.80)	\$ (10.53)	\$ (10.23)	\$ (9.96)	\$ (4.90)
FIT-Current	\$ (35.72)	\$ (68.21)	\$ (62.01)	\$ (56.32)	\$ (51.03)	\$ (46.10)	\$ (43.23)	\$ (42.23)	\$ (41.28)	\$ (40.22)	\$ (39.27)	\$ (38.21)	\$ (37.26)	\$ (36.20)	\$ (35.25)	\$ (17.34)
Deferred Taxes	\$ (9.10)	\$ 23.66	\$ 16.75	\$ 10.56	\$ 4.95	\$ (0.15)	\$ (2.55)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (24.03)
Required Oper. Inc.	\$ 56.49	\$ 47.58	\$ 48.62	\$ 49.72	\$ 50.90	\$ 52.13	\$ 53.40	\$ 54.69	\$ 55.98	\$ 57.27	\$ 58.56	\$ 59.85	\$ 61.14	\$ 62.43	\$ 63.72	\$ 65.13
Return Required	\$ 65.06	\$ 126.69	\$ 119.55	\$ 111.90	\$ 103.78	\$ 95.25	\$ 86.42	\$ 77.50	\$ 68.58	\$ 59.66	\$ 50.74	\$ 41.82	\$ 32.90	\$ 23.98	\$ 15.06	\$ 5.30
Revenue Requirement	\$ 205.50	\$ 294.63	\$ 284.31	\$ 273.24	\$ 261.50	\$ 249.16	\$ 236.39	\$ 223.48	\$ 210.58	\$ 197.68	\$ 184.78	\$ 171.88	\$ 158.98	\$ 146.08	\$ 133.18	\$ 119.07

Income Statement Check

Revenue	\$ 205.50	\$ 294.63	\$ 284.31	\$ 273.24	\$ 261.50	\$ 249.16	\$ 236.39	\$ 223.48	\$ 210.58	\$ 197.68	\$ 184.78	\$ 171.88	\$ 158.98	\$ 146.08	\$ 133.18	\$ 119.07
Depreciation	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40	\$ 111.40
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 23.02	\$ 44.82	\$ 42.29	\$ 39.59	\$ 36.71	\$ 33.70	\$ 30.57	\$ 27.42	\$ 24.26	\$ 21.11	\$ 17.95	\$ 14.79	\$ 11.64	\$ 8.48	\$ 5.33	\$ 1.88
Net income before Taxes	\$ 71.08	\$ 138.41	\$ 130.61	\$ 122.25	\$ 113.39	\$ 104.06	\$ 94.42	\$ 84.67	\$ 74.92	\$ 65.18	\$ 55.43	\$ 45.69	\$ 35.95	\$ 26.20	\$ 16.46	\$ 5.79
Income Tax - Current	\$ 38.14	\$ 32.88	\$ 36.61	\$ 39.38	\$ 41.37	\$ 42.65	\$ 41.12	\$ 37.14	\$ 33.08	\$ 29.17	\$ 25.12	\$ 21.21	\$ 17.16	\$ 13.25	\$ 9.20	\$ 26.39
Income Tax - Deferred	\$ (9.10)	\$ 23.66	\$ 16.75	\$ 10.56	\$ 4.95	\$ (0.15)	\$ (2.55)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (2.55)	\$ (2.48)	\$ (24.03)
Earnings	\$ 42.05	\$ 81.87	\$ 77.26	\$ 72.31	\$ 67.07	\$ 61.55	\$ 55.85	\$ 50.08	\$ 44.32	\$ 38.55	\$ 32.79	\$ 27.03	\$ 21.26	\$ 15.50	\$ 9.73	\$ 3.43
Return on Equity per WACC	\$ 42.05	\$ 81.87	\$ 77.26	\$ 72.31	\$ 67.07	\$ 61.55	\$ 55.85	\$ 50.08	\$ 44.32	\$ 38.55	\$ 32.79	\$ 27.03	\$ 21.26	\$ 15.50	\$ 9.73	\$ 3.43
MACRS	\$ 89.12	\$ 169.33	\$ 152.40	\$ 137.24	\$ 123.52	\$ 111.04	\$ 105.16	\$ 105.16	\$ 105.34	\$ 105.16	\$ 105.34	\$ 105.16	\$ 105.34	\$ 105.16	\$ 105.34	\$ 52.58

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$2,011.67
el Annual Revenue Requirement	\$224.81
Monthly Charge	\$ 18.73

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Colonial Post Top 70	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60	\$ 841.60
Accumulated Depreciation	\$ 52.60	\$ 105.20	\$ 157.80	\$ 210.40	\$ 263.00	\$ 315.60	\$ 368.20	\$ 420.80	\$ 473.40	\$ 526.00	\$ 578.60	\$ 631.20	\$ 683.80	\$ 736.40	\$ 789.00	\$ 841.60
Deferred Taxes	\$ 4.30	\$ (6.88)	\$ (14.78)	\$ (19.77)	\$ (22.11)	\$ (22.04)	\$ (20.83)	\$ (19.63)	\$ (18.46)	\$ (17.26)	\$ (16.09)	\$ (14.89)	\$ (13.72)	\$ (12.51)	\$ (11.35)	\$ 0.00
Net Rate Base	\$ 784.70	\$ 743.28	\$ 698.58	\$ 650.97	\$ 600.71	\$ 548.04	\$ 494.23	\$ 440.43	\$ 386.66	\$ 332.86	\$ 279.09	\$ 225.29	\$ 171.52	\$ 117.71	\$ 63.95	\$ (0.00)
Operating Income:																
Depreciation	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60
Subtotal	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60
SIT-Current	\$ (4.77)	\$ (9.10)	\$ (8.27)	\$ (7.51)	\$ (6.81)	\$ (6.15)	\$ (5.77)	\$ (5.63)	\$ (5.51)	\$ (5.37)	\$ (5.24)	\$ (5.10)	\$ (4.97)	\$ (4.83)	\$ (4.70)	\$ (2.31)
FIT-Current	\$ (16.86)	\$ (32.20)	\$ (29.28)	\$ (26.59)	\$ (24.10)	\$ (21.77)	\$ (20.41)	\$ (19.94)	\$ (19.49)	\$ (18.99)	\$ (18.54)	\$ (18.04)	\$ (17.59)	\$ (17.09)	\$ (16.64)	\$ (8.19)
Deferred Taxes	\$ (4.30)	\$ 11.17	\$ 7.91	\$ 4.99	\$ 2.34	\$ (0.07)	\$ (1.20)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (11.35)
Required Oper. Inc.	\$ 26.67	\$ 22.47	\$ 22.96	\$ 23.48	\$ 24.03	\$ 24.61	\$ 25.22	\$ 25.82	\$ 26.43	\$ 27.04	\$ 27.65	\$ 28.26	\$ 28.87	\$ 29.48	\$ 30.09	\$ 30.75
Return Required	\$ 30.72	\$ 59.82	\$ 56.45	\$ 52.83	\$ 49.00	\$ 44.97	\$ 40.80	\$ 36.59	\$ 32.38	\$ 28.17	\$ 23.96	\$ 19.75	\$ 15.53	\$ 11.32	\$ 7.11	\$ 2.50
Revenue Requirement	\$ 97.03	\$ 139.12	\$ 134.24	\$ 129.02	\$ 123.47	\$ 117.64	\$ 111.62	\$ 105.52	\$ 99.43	\$ 93.34	\$ 87.25	\$ 81.16	\$ 75.07	\$ 68.98	\$ 62.89	\$ 56.22

Income Statement Check

Revenue	\$ 97.03	\$ 139.12	\$ 134.24	\$ 129.02	\$ 123.47	\$ 117.64	\$ 111.62	\$ 105.52	\$ 99.43	\$ 93.34	\$ 87.25	\$ 81.16	\$ 75.07	\$ 68.98	\$ 62.89	\$ 56.22
Depreciation	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60	\$ 52.60
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 10.87	\$ 21.16	\$ 19.97	\$ 18.69	\$ 17.34	\$ 15.91	\$ 14.44	\$ 12.95	\$ 11.46	\$ 9.97	\$ 8.48	\$ 6.99	\$ 5.50	\$ 4.01	\$ 2.52	\$ 0.89
Net income before Taxes	\$ 33.56	\$ 65.36	\$ 61.67	\$ 57.72	\$ 53.54	\$ 49.13	\$ 44.58	\$ 39.98	\$ 35.38	\$ 30.78	\$ 26.17	\$ 21.57	\$ 16.97	\$ 12.37	\$ 7.77	\$ 2.74
Income Tax - Current	\$ 18.01	\$ 15.52	\$ 17.29	\$ 18.60	\$ 19.53	\$ 20.14	\$ 19.41	\$ 17.53	\$ 15.62	\$ 13.78	\$ 11.86	\$ 10.02	\$ 8.10	\$ 6.26	\$ 4.34	\$ 12.46
Income Tax - Deferred	\$ (4.30)	\$ 11.17	\$ 7.91	\$ 4.99	\$ 2.34	\$ (0.07)	\$ (1.20)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (1.20)	\$ (1.17)	\$ (11.35)
Earnings	\$ 19.85	\$ 38.66	\$ 36.48	\$ 34.14	\$ 31.67	\$ 29.06	\$ 26.37	\$ 23.65	\$ 20.93	\$ 18.20	\$ 15.48	\$ 12.76	\$ 10.04	\$ 7.32	\$ 4.60	\$ 1.62
Return on Equity per WACC	\$ 19.85	\$ 38.66	\$ 36.48	\$ 34.14	\$ 31.67	\$ 29.06	\$ 26.37	\$ 23.65	\$ 20.93	\$ 18.20	\$ 15.48	\$ 12.76	\$ 10.04	\$ 7.32	\$ 4.60	\$ 1.62
MACRS	\$ 42.08	\$ 79.95	\$ 71.96	\$ 64.80	\$ 58.32	\$ 52.43	\$ 49.65	\$ 49.65	\$ 49.74	\$ 49.65	\$ 49.74	\$ 49.65	\$ 49.74	\$ 49.65	\$ 49.74	\$ 24.83

Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$949.85
el Annual Revenue Requirement	\$106.15
Monthly Charge	\$ 8.85

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Colonial Post Top 100	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60	\$ 897.60
Accumulated Depreciation	\$ 56.10	\$ 112.20	\$ 168.30	\$ 224.40	\$ 280.50	\$ 336.60	\$ 392.70	\$ 448.80	\$ 504.90	\$ 561.00	\$ 617.10	\$ 673.20	\$ 729.30	\$ 785.40	\$ 841.50	\$ 897.60
Deferred Taxes	\$ 4.58	\$ (7.33)	\$ (15.77)	\$ (21.08)	\$ (23.58)	\$ (23.50)	\$ (22.22)	\$ (20.94)	\$ (19.69)	\$ (18.41)	\$ (17.16)	\$ (15.88)	\$ (14.63)	\$ (13.35)	\$ (12.10)	\$ 0.00
Net Rate Base	\$ 836.92	\$ 792.73	\$ 745.07	\$ 694.28	\$ 640.68	\$ 584.50	\$ 527.12	\$ 469.74	\$ 412.39	\$ 355.01	\$ 297.66	\$ 240.28	\$ 182.93	\$ 125.55	\$ 68.20	\$ (0.00)
Operating Income:																
Depreciation	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10
Subtotal	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10
SIT-Current	\$ (5.08)	\$ (9.71)	\$ (8.82)	\$ (8.01)	\$ (7.26)	\$ (6.56)	\$ (6.15)	\$ (6.01)	\$ (5.87)	\$ (5.72)	\$ (5.59)	\$ (5.44)	\$ (5.30)	\$ (5.15)	\$ (5.02)	\$ (2.47)
FIT-Current	\$ (17.99)	\$ (34.35)	\$ (31.23)	\$ (28.36)	\$ (25.70)	\$ (23.22)	\$ (21.77)	\$ (21.26)	\$ (20.79)	\$ (20.25)	\$ (19.77)	\$ (19.24)	\$ (18.76)	\$ (18.23)	\$ (17.75)	\$ (8.73)
Deferred Taxes	\$ (4.58)	\$ 11.92	\$ 8.43	\$ 5.32	\$ 2.49	\$ (0.07)	\$ (1.28)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (12.10)
Required Oper. Inc.	\$ 28.45	\$ 23.96	\$ 24.48	\$ 25.04	\$ 25.63	\$ 26.25	\$ 26.89	\$ 27.54	\$ 28.19	\$ 28.84	\$ 29.49	\$ 30.14	\$ 30.79	\$ 31.44	\$ 32.09	\$ 32.80
Return Required	\$ 32.77	\$ 63.80	\$ 60.20	\$ 56.35	\$ 52.26	\$ 47.97	\$ 43.52	\$ 39.03	\$ 34.54	\$ 30.04	\$ 25.55	\$ 21.06	\$ 16.57	\$ 12.08	\$ 7.59	\$ 2.67
Revenue Requirement	\$ 103.49	\$ 148.38	\$ 143.17	\$ 137.60	\$ 131.69	\$ 125.47	\$ 119.04	\$ 112.54	\$ 106.05	\$ 99.55	\$ 93.06	\$ 86.56	\$ 80.06	\$ 73.57	\$ 67.07	\$ 59.96

Income Statement Check

Revenue	\$ 103.49	\$ 148.38	\$ 143.17	\$ 137.60	\$ 131.69	\$ 125.47	\$ 119.04	\$ 112.54	\$ 106.05	\$ 99.55	\$ 93.06	\$ 86.56	\$ 80.06	\$ 73.57	\$ 67.07	\$ 59.96
Depreciation	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10	\$ 56.10
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 11.59	\$ 22.57	\$ 21.30	\$ 19.94	\$ 18.49	\$ 16.97	\$ 15.40	\$ 13.81	\$ 12.22	\$ 10.63	\$ 9.04	\$ 7.45	\$ 5.86	\$ 4.27	\$ 2.68	\$ 0.94
Net income before Taxes	\$ 35.80	\$ 69.70	\$ 65.78	\$ 61.56	\$ 57.10	\$ 52.40	\$ 47.55	\$ 42.64	\$ 37.73	\$ 32.82	\$ 27.92	\$ 23.01	\$ 18.10	\$ 13.19	\$ 8.29	\$ 2.92
Income Tax - Current	\$ 19.21	\$ 16.56	\$ 18.44	\$ 19.83	\$ 20.83	\$ 21.48	\$ 20.71	\$ 18.70	\$ 16.66	\$ 14.69	\$ 12.65	\$ 10.68	\$ 8.64	\$ 6.67	\$ 4.63	\$ 13.29
Income Tax - Deferred	\$ (4.58)	\$ 11.92	\$ 8.43	\$ 5.32	\$ 2.49	\$ (0.07)	\$ (1.28)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (1.28)	\$ (1.25)	\$ (12.10)
Earnings	\$ 21.17	\$ 41.23	\$ 38.91	\$ 36.42	\$ 33.77	\$ 31.00	\$ 28.12	\$ 25.22	\$ 22.32	\$ 19.42	\$ 16.51	\$ 13.61	\$ 10.71	\$ 7.80	\$ 4.90	\$ 1.73
Return on Equity per WACC	\$ 21.17	\$ 41.23	\$ 38.91	\$ 36.42	\$ 33.77	\$ 31.00	\$ 28.12	\$ 25.22	\$ 22.32	\$ 19.42	\$ 16.51	\$ 13.61	\$ 10.71	\$ 7.80	\$ 4.90	\$ 1.73

MACRS	\$ 44.88	\$ 85.27	\$ 76.74	\$ 69.12	\$ 62.20	\$ 55.92	\$ 52.96	\$ 52.96	\$ 53.05	\$ 52.96	\$ 53.05	\$ 52.96	\$ 53.05	\$ 52.96	\$ 53.05	\$ 26.48
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,013.06
el Annual Revenue Requirement	\$113.21
Monthly Charge	\$ 9.43

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Shoe Box 100	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44	\$ 709.44
Accumulated Depreciation	\$ 44.34	\$ 88.68	\$ 133.02	\$ 177.36	\$ 221.70	\$ 266.04	\$ 310.38	\$ 354.72	\$ 399.06	\$ 443.40	\$ 487.74	\$ 532.08	\$ 576.42	\$ 620.76	\$ 665.10	\$ 709.44
Deferred Taxes	\$ 3.62	\$ (5.80)	\$ (12.46)	\$ (16.66)	\$ (18.63)	\$ (18.58)	\$ (17.56)	\$ (16.55)	\$ (15.56)	\$ (14.55)	\$ (13.56)	\$ (12.55)	\$ (11.56)	\$ (10.55)	\$ (9.56)	\$ -
Net Rate Base	\$ 661.48	\$ 626.56	\$ 588.88	\$ 548.74	\$ 506.37	\$ 461.98	\$ 416.62	\$ 371.27	\$ 325.94	\$ 280.59	\$ 235.26	\$ 189.91	\$ 144.58	\$ 99.23	\$ 53.90	\$ (0.00)
Operating Income:																
Depreciation	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34
Subtotal	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34
SIT-Current	\$ (4.02)	\$ (7.67)	\$ (6.97)	\$ (6.33)	\$ (5.74)	\$ (5.18)	\$ (4.86)	\$ (4.75)	\$ (4.64)	\$ (4.52)	\$ (4.42)	\$ (4.30)	\$ (4.19)	\$ (4.07)	\$ (3.96)	\$ (1.95)
FIT-Current	\$ (14.22)	\$ (27.15)	\$ (24.68)	\$ (22.42)	\$ (20.31)	\$ (18.35)	\$ (17.21)	\$ (16.81)	\$ (16.43)	\$ (16.01)	\$ (15.63)	\$ (15.21)	\$ (14.83)	\$ (14.41)	\$ (14.03)	\$ (6.90)
Deferred Taxes	\$ (3.62)	\$ 9.42	\$ 6.67	\$ 4.20	\$ 1.97	\$ (0.06)	\$ (1.01)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (9.56)
Required Oper. Inc.	\$ 22.48	\$ 18.94	\$ 19.35	\$ 19.79	\$ 20.26	\$ 20.75	\$ 21.26	\$ 21.77	\$ 22.28	\$ 22.80	\$ 23.31	\$ 23.82	\$ 24.33	\$ 24.85	\$ 25.36	\$ 25.92
Return Required	\$ 25.90	\$ 50.43	\$ 47.58	\$ 44.54	\$ 41.31	\$ 37.91	\$ 34.40	\$ 30.85	\$ 27.30	\$ 23.75	\$ 20.20	\$ 16.65	\$ 13.10	\$ 9.55	\$ 6.00	\$ 2.11
Revenue Requirement	\$ 81.79	\$ 117.27	\$ 113.16	\$ 108.76	\$ 104.08	\$ 99.17	\$ 94.09	\$ 88.95	\$ 83.82	\$ 78.68	\$ 73.55	\$ 68.41	\$ 63.28	\$ 58.15	\$ 53.01	\$ 47.39

Income Statement Check

Revenue	\$ 81.79	\$ 117.27	\$ 113.16	\$ 108.76	\$ 104.08	\$ 99.17	\$ 94.09	\$ 88.95	\$ 83.82	\$ 78.68	\$ 73.55	\$ 68.41	\$ 63.28	\$ 58.15	\$ 53.01	\$ 47.39
Depreciation	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34	\$ 44.34
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 9.16	\$ 17.84	\$ 16.83	\$ 15.76	\$ 14.61	\$ 13.41	\$ 12.17	\$ 10.91	\$ 9.66	\$ 8.40	\$ 7.14	\$ 5.89	\$ 4.63	\$ 3.38	\$ 2.12	\$ 0.75
Net income before Taxes	\$ 28.29	\$ 55.09	\$ 51.99	\$ 48.66	\$ 45.13	\$ 41.42	\$ 37.58	\$ 33.70	\$ 29.82	\$ 25.94	\$ 22.06	\$ 18.19	\$ 14.31	\$ 10.43	\$ 6.55	\$ 2.31
Income Tax - Current	\$ 15.18	\$ 13.09	\$ 14.57	\$ 15.68	\$ 16.46	\$ 16.98	\$ 16.37	\$ 14.78	\$ 13.17	\$ 11.61	\$ 10.00	\$ 8.44	\$ 6.83	\$ 5.27	\$ 3.66	\$ 10.51
Income Tax - Deferred	\$ (3.62)	\$ 9.42	\$ 6.67	\$ 4.20	\$ 1.97	\$ (0.06)	\$ (1.01)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (1.01)	\$ (0.99)	\$ (9.56)
Earnings	\$ 16.74	\$ 32.59	\$ 30.75	\$ 28.78	\$ 26.69	\$ 24.50	\$ 22.23	\$ 19.93	\$ 17.64	\$ 15.35	\$ 13.05	\$ 10.76	\$ 8.46	\$ 6.17	\$ 3.87	\$ 1.36
Return on Equity per WACC	\$ 16.74	\$ 32.59	\$ 30.75	\$ 28.78	\$ 26.69	\$ 24.50	\$ 22.23	\$ 19.93	\$ 17.64	\$ 15.35	\$ 13.05	\$ 10.76	\$ 8.46	\$ 6.17	\$ 3.87	\$ 1.36

MACRS	\$ 35.47	\$ 67.40	\$ 60.66	\$ 54.63	\$ 49.16	\$ 44.20	\$ 41.86	\$ 41.86	\$ 41.93	\$ 41.86	\$ 41.93	\$ 41.86	\$ 41.93	\$ 41.86	\$ 41.93	\$ 20.93
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$800.69
el Annual Revenue Requirement	\$89.48
Monthly Charge	\$ 7.46

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Shoe Box 150	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92	\$ 853.92
Accumulated Depreciation	\$ 53.37	\$ 106.74	\$ 160.11	\$ 213.48	\$ 266.85	\$ 320.22	\$ 373.59	\$ 426.96	\$ 480.33	\$ 533.70	\$ 587.07	\$ 640.44	\$ 693.81	\$ 747.18	\$ 800.55	\$ 853.92
Deferred Taxes	\$ 4.36	\$ (6.98)	\$ (15.00)	\$ (20.06)	\$ (22.43)	\$ (22.36)	\$ (21.14)	\$ (19.92)	\$ (18.73)	\$ (17.51)	\$ (16.33)	\$ (15.10)	\$ (13.92)	\$ (12.70)	\$ (11.51)	\$ (0.00)
Net Rate Base	\$ 796.19	\$ 754.16	\$ 708.81	\$ 660.50	\$ 609.50	\$ 556.06	\$ 501.47	\$ 446.88	\$ 392.32	\$ 337.73	\$ 283.18	\$ 228.58	\$ 174.03	\$ 119.44	\$ 64.88	\$ 0.00
Operating Income:																
Depreciation	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37
Subtotal	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37
SIT-Current	\$ (4.84)	\$ (9.23)	\$ (8.39)	\$ (7.62)	\$ (6.91)	\$ (6.24)	\$ (5.85)	\$ (5.72)	\$ (5.59)	\$ (5.44)	\$ (5.32)	\$ (5.17)	\$ (5.04)	\$ (4.90)	\$ (4.77)	\$ (2.35)
FIT-Current	\$ (17.11)	\$ (32.68)	\$ (29.71)	\$ (26.98)	\$ (24.45)	\$ (22.09)	\$ (20.71)	\$ (20.23)	\$ (19.78)	\$ (19.27)	\$ (18.81)	\$ (18.30)	\$ (17.85)	\$ (17.34)	\$ (16.89)	\$ (8.31)
Deferred Taxes	\$ (4.36)	\$ 11.34	\$ 8.02	\$ 5.06	\$ 2.37	\$ (0.07)	\$ (1.22)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (11.51)
Required Oper. Inc.	\$ 27.06	\$ 22.80	\$ 23.29	\$ 23.82	\$ 24.38	\$ 24.97	\$ 25.59	\$ 26.20	\$ 26.82	\$ 27.44	\$ 28.06	\$ 28.67	\$ 29.29	\$ 29.91	\$ 30.53	\$ 31.20
Return Required	\$ 31.17	\$ 60.70	\$ 57.28	\$ 53.61	\$ 49.72	\$ 45.63	\$ 41.40	\$ 37.13	\$ 32.85	\$ 28.58	\$ 24.31	\$ 20.04	\$ 15.76	\$ 11.49	\$ 7.22	\$ 2.54
Revenue Requirement	\$ 98.45	\$ 141.15	\$ 136.21	\$ 130.90	\$ 125.28	\$ 119.37	\$ 113.25	\$ 107.07	\$ 100.89	\$ 94.71	\$ 88.53	\$ 82.35	\$ 76.17	\$ 69.99	\$ 63.81	\$ 57.04

Income Statement Check

Revenue	\$ 98.45	\$ 141.15	\$ 136.21	\$ 130.90	\$ 125.28	\$ 119.37	\$ 113.25	\$ 107.07	\$ 100.89	\$ 94.71	\$ 88.53	\$ 82.35	\$ 76.17	\$ 69.99	\$ 63.81	\$ 57.04
Depreciation	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37	\$ 53.37
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 11.03	\$ 21.47	\$ 20.26	\$ 18.96	\$ 17.59	\$ 16.14	\$ 14.65	\$ 13.13	\$ 11.62	\$ 10.11	\$ 8.60	\$ 7.09	\$ 5.58	\$ 4.06	\$ 2.55	\$ 0.90
Net income before Taxes	\$ 34.06	\$ 66.31	\$ 62.57	\$ 58.57	\$ 54.32	\$ 49.85	\$ 45.23	\$ 40.56	\$ 35.89	\$ 31.23	\$ 26.56	\$ 21.89	\$ 17.22	\$ 12.55	\$ 7.88	\$ 2.78
Income Tax - Current	\$ 18.27	\$ 15.75	\$ 17.54	\$ 18.87	\$ 19.82	\$ 20.44	\$ 19.70	\$ 17.79	\$ 15.85	\$ 13.98	\$ 12.03	\$ 10.16	\$ 8.22	\$ 6.35	\$ 4.41	\$ 12.64
Income Tax - Deferred	\$ (4.36)	\$ 11.34	\$ 8.02	\$ 5.06	\$ 2.37	\$ (0.07)	\$ (1.22)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (1.22)	\$ (1.19)	\$ (11.51)
Earnings	\$ 20.14	\$ 39.22	\$ 37.01	\$ 34.64	\$ 32.13	\$ 29.49	\$ 26.76	\$ 23.99	\$ 21.23	\$ 18.47	\$ 15.71	\$ 12.95	\$ 10.19	\$ 7.42	\$ 4.66	\$ 1.64
Return on Equity per WACC	\$ 20.14	\$ 39.22	\$ 37.01	\$ 34.64	\$ 32.13	\$ 29.49	\$ 26.76	\$ 23.99	\$ 21.23	\$ 18.47	\$ 15.71	\$ 12.95	\$ 10.19	\$ 7.42	\$ 4.66	\$ 1.64

MACRS	\$ 42.70	\$ 81.12	\$ 73.01	\$ 65.75	\$ 59.18	\$ 53.20	\$ 50.38	\$ 50.38	\$ 50.47	\$ 50.38	\$ 50.47	\$ 50.38	\$ 50.47	\$ 50.38	\$ 50.47	\$ 25.19
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$963.76
el Annual Revenue Requirement	\$107.70
Monthly Charge	\$ 8.98

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Floodlighting 150	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45	\$ 1,081.45
Accumulated Depreciation	\$ 67.59	\$ 135.18	\$ 202.77	\$ 270.36	\$ 337.95	\$ 405.54	\$ 473.13	\$ 540.72	\$ 608.31	\$ 675.90	\$ 743.50	\$ 811.09	\$ 878.68	\$ 946.27	\$ 1,013.86	\$ 1,081.45
Deferred Taxes	\$ 5.52	\$ (8.84)	\$ (19.00)	\$ (25.40)	\$ (28.41)	\$ (28.32)	\$ (26.77)	\$ (25.23)	\$ (23.72)	\$ (22.18)	\$ (20.67)	\$ (19.13)	\$ (17.63)	\$ (16.08)	\$ (14.58)	\$ (0.00)
Net Rate Base	\$ 1,008.33	\$ 955.10	\$ 897.67	\$ 836.49	\$ 771.90	\$ 704.22	\$ 635.09	\$ 565.95	\$ 496.86	\$ 427.72	\$ 358.63	\$ 289.49	\$ 220.40	\$ 151.26	\$ 82.17	\$ 0.00
Operating Income:																
Depreciation	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59
Subtotal	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59
SIT-Current	\$ (6.17)	\$ (11.79)	\$ (10.72)	\$ (9.74)	\$ (8.83)	\$ (7.98)	\$ (7.48)	\$ (7.30)	\$ (7.13)	\$ (6.94)	\$ (6.77)	\$ (6.58)	\$ (6.41)	\$ (6.22)	\$ (6.05)	\$ (2.98)
FIT-Current	\$ (21.85)	\$ (41.73)	\$ (37.95)	\$ (34.48)	\$ (31.25)	\$ (28.23)	\$ (26.46)	\$ (25.83)	\$ (25.23)	\$ (24.56)	\$ (23.96)	\$ (23.29)	\$ (22.70)	\$ (22.03)	\$ (21.43)	\$ (10.54)
Deferred Taxes	\$ (5.52)	\$ 14.36	\$ 10.16	\$ 6.41	\$ 3.00	\$ (0.09)	\$ (1.55)	\$ (1.55)	\$ (1.50)	\$ (1.55)	\$ (1.55)	\$ (1.55)	\$ (1.50)	\$ (1.55)	\$ (1.50)	\$ (14.58)
Required Oper. Inc.	\$ 34.05	\$ 28.43	\$ 29.08	\$ 29.78	\$ 30.52	\$ 31.30	\$ 32.10	\$ 32.91	\$ 33.73	\$ 34.54	\$ 35.35	\$ 36.17	\$ 36.98	\$ 37.79	\$ 38.61	\$ 39.50
Return Required	\$ 40.38	\$ 78.64	\$ 74.20	\$ 69.45	\$ 64.42	\$ 59.12	\$ 53.64	\$ 48.10	\$ 42.57	\$ 37.03	\$ 31.49	\$ 25.96	\$ 20.42	\$ 14.88	\$ 9.35	\$ 3.29
Revenue Requirement	\$ 125.84	\$ 181.01	\$ 174.61	\$ 167.76	\$ 160.50	\$ 152.86	\$ 144.95	\$ 136.97	\$ 128.98	\$ 121.00	\$ 113.01	\$ 105.03	\$ 97.04	\$ 89.06	\$ 81.07	\$ 72.34

Income Statement Check

Revenue	\$ 125.84	\$ 181.01	\$ 174.61	\$ 167.76	\$ 160.50	\$ 152.86	\$ 144.95	\$ 136.97	\$ 128.98	\$ 121.00	\$ 113.01	\$ 105.03	\$ 97.04	\$ 89.06	\$ 81.07	\$ 72.34
Depreciation	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59	\$ 67.59
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 14.52	\$ 28.27	\$ 26.68	\$ 24.97	\$ 23.16	\$ 21.26	\$ 19.29	\$ 17.29	\$ 15.30	\$ 13.31	\$ 11.32	\$ 9.33	\$ 7.34	\$ 5.35	\$ 3.36	\$ 1.18
Net income before Taxes	\$ 43.73	\$ 85.14	\$ 80.34	\$ 75.20	\$ 69.75	\$ 64.01	\$ 58.08	\$ 52.08	\$ 46.09	\$ 40.09	\$ 34.10	\$ 28.11	\$ 22.11	\$ 16.12	\$ 10.12	\$ 3.56
Income Tax - Current	\$ 23.38	\$ 20.42	\$ 22.66	\$ 24.31	\$ 25.49	\$ 26.24	\$ 25.27	\$ 22.82	\$ 20.33	\$ 17.92	\$ 15.43	\$ 13.03	\$ 10.53	\$ 8.13	\$ 5.64	\$ 16.03
Income Tax - Deferred	\$ (5.52)	\$ 14.36	\$ 10.16	\$ 6.41	\$ 3.00	\$ (0.09)	\$ (1.55)	\$ (1.55)	\$ (1.50)	\$ (1.55)	\$ (1.50)	\$ (1.55)	\$ (1.50)	\$ (1.55)	\$ (1.50)	\$ (14.58)
Earnings	\$ 25.86	\$ 50.36	\$ 47.52	\$ 44.48	\$ 41.26	\$ 37.86	\$ 34.35	\$ 30.81	\$ 27.26	\$ 23.72	\$ 20.17	\$ 16.62	\$ 13.08	\$ 9.53	\$ 5.99	\$ 2.11
Return on Equity per WACC	\$ 25.86	\$ 50.36	\$ 47.52	\$ 44.48	\$ 41.26	\$ 37.86	\$ 34.35	\$ 30.81	\$ 27.26	\$ 23.72	\$ 20.17	\$ 16.62	\$ 13.08	\$ 9.53	\$ 5.99	\$ 2.11

MACRS	\$ 54.07	\$ 102.74	\$ 92.46	\$ 83.27	\$ 74.94	\$ 67.37	\$ 63.81	\$ 63.81	\$ 63.91	\$ 63.81	\$ 63.91	\$ 63.81	\$ 63.91	\$ 63.81	\$ 63.91	\$ 31.90
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,220.50
el Annual Revenue Requirement	\$137.98
Monthly Charge	\$ 11.50

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Floodlighting
250

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45	\$ 1,137.45
Accumulated Depreciation	\$ 71.09	\$ 142.18	\$ 213.27	\$ 284.36	\$ 355.45	\$ 426.54	\$ 497.63	\$ 568.72	\$ 639.81	\$ 710.90	\$ 782.00	\$ 853.09	\$ 924.18	\$ 995.27	\$ 1,066.36	\$ 1,137.45
Deferred Taxes	\$ 5.81	\$ (9.29)	\$ (19.98)	\$ (26.72)	\$ (29.88)	\$ (29.78)	\$ (28.16)	\$ (26.53)	\$ (24.95)	\$ (23.33)	\$ (21.75)	\$ (20.12)	\$ (18.54)	\$ (16.91)	\$ (15.33)	\$ 0.00
Net Rate Base	\$ 1,066.55	\$ 1,004.56	\$ 944.16	\$ 879.80	\$ 811.87	\$ 740.69	\$ 667.97	\$ 595.26	\$ 522.58	\$ 449.87	\$ 377.20	\$ 304.48	\$ 231.81	\$ 159.09	\$ 86.42	\$ 0.00

Operating Income:																
Depreciation	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09
Subtotal	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09
SIT-Current	\$ (6.49)	\$ (12.40)	\$ (11.28)	\$ (10.25)	\$ (9.29)	\$ (8.39)	\$ (7.87)	\$ (7.68)	\$ (7.50)	\$ (7.30)	\$ (7.12)	\$ (6.92)	\$ (6.75)	\$ (6.55)	\$ (6.37)	\$ (3.13)
FIT-Current	\$ (22.98)	\$ (43.89)	\$ (39.91)	\$ (36.26)	\$ (32.86)	\$ (29.69)	\$ (27.84)	\$ (27.17)	\$ (26.54)	\$ (25.83)	\$ (25.20)	\$ (24.50)	\$ (23.87)	\$ (23.17)	\$ (22.54)	\$ (11.08)
Deferred Taxes	\$ (5.81)	\$ 15.10	\$ 10.69	\$ 6.74	\$ 3.16	\$ (0.09)	\$ (1.63)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (15.33)
Required Oper. Inc.	\$ 35.81	\$ 29.90	\$ 30.59	\$ 31.32	\$ 32.10	\$ 32.92	\$ 33.76	\$ 34.62	\$ 35.47	\$ 36.33	\$ 37.18	\$ 38.04	\$ 38.90	\$ 39.75	\$ 40.61	\$ 41.54
Return Required	\$ 42.47	\$ 82.71	\$ 78.05	\$ 73.05	\$ 67.75	\$ 62.18	\$ 56.42	\$ 50.59	\$ 44.77	\$ 38.95	\$ 33.12	\$ 27.30	\$ 21.48	\$ 15.66	\$ 9.83	\$ 3.46
Revenue Requirement	\$ 132.35	\$ 190.38	\$ 183.66	\$ 176.45	\$ 168.81	\$ 160.77	\$ 152.46	\$ 144.06	\$ 135.66	\$ 127.26	\$ 118.87	\$ 110.47	\$ 102.07	\$ 93.67	\$ 85.27	\$ 76.08

Income Statement Check

Revenue	\$ 132.35	\$ 190.38	\$ 183.66	\$ 176.45	\$ 168.81	\$ 160.77	\$ 152.46	\$ 144.06	\$ 135.66	\$ 127.26	\$ 118.87	\$ 110.47	\$ 102.07	\$ 93.67	\$ 85.27	\$ 76.08
Depreciation	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09	\$ 71.09
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 15.27	\$ 29.74	\$ 28.06	\$ 26.27	\$ 24.36	\$ 22.36	\$ 20.28	\$ 18.19	\$ 16.10	\$ 14.00	\$ 11.91	\$ 9.82	\$ 7.72	\$ 5.63	\$ 3.54	\$ 1.24
Net income before Taxes	\$ 45.99	\$ 89.55	\$ 84.50	\$ 79.09	\$ 73.36	\$ 67.33	\$ 61.09	\$ 54.78	\$ 48.47	\$ 42.17	\$ 35.87	\$ 29.56	\$ 23.26	\$ 16.95	\$ 10.65	\$ 3.75
Income Tax - Current	\$ 24.60	\$ 21.48	\$ 23.83	\$ 25.57	\$ 26.81	\$ 27.60	\$ 26.58	\$ 24.00	\$ 21.38	\$ 18.85	\$ 16.23	\$ 13.70	\$ 11.08	\$ 8.55	\$ 5.93	\$ 16.86
Income Tax - Deferred	\$ (5.81)	\$ 15.10	\$ 10.69	\$ 6.74	\$ 3.16	\$ (0.09)	\$ (1.63)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (1.63)	\$ (1.58)	\$ (15.33)
Earnings	\$ 27.20	\$ 52.97	\$ 49.98	\$ 46.78	\$ 43.39	\$ 39.82	\$ 36.13	\$ 32.40	\$ 28.67	\$ 24.94	\$ 21.21	\$ 17.49	\$ 13.76	\$ 10.03	\$ 6.30	\$ 2.22
Return on Equity per WACC	\$ 27.20	\$ 52.97	\$ 49.98	\$ 46.78	\$ 43.39	\$ 39.82	\$ 36.13	\$ 32.40	\$ 28.67	\$ 24.94	\$ 21.21	\$ 17.49	\$ 13.76	\$ 10.03	\$ 6.30	\$ 2.22

MACRS	\$ 56.87	\$ 108.06	\$ 97.25	\$ 87.58	\$ 78.83	\$ 70.86	\$ 67.11	\$ 67.11	\$ 67.22	\$ 67.11	\$ 67.22	\$ 67.11	\$ 67.22	\$ 67.11	\$ 67.22	\$ 33.55
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,283.70
el Annual Revenue Requirement	\$145.12
Monthly Charge	\$ 12.09

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Floodlighting
400

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25	\$ 1,350.25
Accumulated Depreciation	\$ 84.39	\$ 168.78	\$ 253.17	\$ 337.56	\$ 421.95	\$ 506.34	\$ 590.73	\$ 675.12	\$ 759.51	\$ 843.90	\$ 928.30	\$ 1,012.69	\$ 1,097.08	\$ 1,181.47	\$ 1,265.86	\$ 1,350.25
Deferred Taxes	\$ 6.89	\$ (11.03)	\$ (23.72)	\$ (31.72)	\$ (35.47)	\$ (35.36)	\$ (33.43)	\$ (31.49)	\$ (29.62)	\$ (27.69)	\$ (25.81)	\$ (23.88)	\$ (22.01)	\$ (20.08)	\$ (18.20)	\$ (0.00)
Net Rate Base	\$ 1,258.96	\$ 1,192.50	\$ 1,120.79	\$ 1,044.40	\$ 963.76	\$ 879.26	\$ 792.94	\$ 706.62	\$ 620.35	\$ 534.03	\$ 447.77	\$ 361.45	\$ 275.18	\$ 188.86	\$ 102.59	\$ 0.00

Operating Income:																
Depreciation	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39
Subtotal	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39
SIT-Current	\$ (7.71)	\$ (14.72)	\$ (13.39)	\$ (12.16)	\$ (11.02)	\$ (9.96)	\$ (9.34)	\$ (9.11)	\$ (8.90)	\$ (8.67)	\$ (8.45)	\$ (8.22)	\$ (8.01)	\$ (7.77)	\$ (7.56)	\$ (3.72)
FIT-Current	\$ (27.28)	\$ (52.10)	\$ (47.38)	\$ (43.04)	\$ (39.01)	\$ (35.25)	\$ (33.04)	\$ (32.25)	\$ (31.50)	\$ (30.67)	\$ (29.92)	\$ (29.08)	\$ (28.34)	\$ (27.50)	\$ (26.75)	\$ (13.16)
Deferred Taxes	\$ (6.89)	\$ 17.93	\$ 12.69	\$ 8.00	\$ 3.75	\$ (0.11)	\$ (1.93)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (18.20)
Required Oper. Inc.	\$ 42.51	\$ 35.50	\$ 36.31	\$ 37.18	\$ 38.10	\$ 39.08	\$ 40.08	\$ 41.10	\$ 42.11	\$ 43.13	\$ 44.14	\$ 45.16	\$ 46.17	\$ 47.19	\$ 48.20	\$ 49.31
Return Required	\$ 50.42	\$ 98.18	\$ 92.65	\$ 86.72	\$ 80.43	\$ 73.81	\$ 66.97	\$ 60.06	\$ 53.15	\$ 46.23	\$ 39.32	\$ 32.41	\$ 25.50	\$ 18.58	\$ 11.67	\$ 4.11
Revenue Requirement	\$ 157.11	\$ 226.00	\$ 218.02	\$ 209.46	\$ 200.39	\$ 190.85	\$ 180.98	\$ 171.01	\$ 161.04	\$ 151.07	\$ 141.10	\$ 131.13	\$ 121.16	\$ 111.20	\$ 101.23	\$ 90.32

Income Statement Check

Revenue	\$ 157.11	\$ 226.00	\$ 218.02	\$ 209.46	\$ 200.39	\$ 190.85	\$ 180.98	\$ 171.01	\$ 161.04	\$ 151.07	\$ 141.10	\$ 131.13	\$ 121.16	\$ 111.20	\$ 101.23	\$ 90.32
Depreciation	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39	\$ 84.39
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 18.13	\$ 35.30	\$ 33.31	\$ 31.18	\$ 28.92	\$ 26.54	\$ 24.08	\$ 21.59	\$ 19.11	\$ 16.62	\$ 14.14	\$ 11.65	\$ 9.17	\$ 6.68	\$ 4.20	\$ 1.48
Net income before Taxes	\$ 54.59	\$ 106.31	\$ 100.31	\$ 93.89	\$ 87.08	\$ 79.92	\$ 72.51	\$ 65.03	\$ 57.54	\$ 50.06	\$ 42.58	\$ 35.09	\$ 27.61	\$ 20.12	\$ 12.64	\$ 4.45

Income Tax - Current	\$ 29.20	\$ 25.50	\$ 28.29	\$ 30.36	\$ 31.82	\$ 32.76	\$ 31.55	\$ 28.49	\$ 25.38	\$ 22.38	\$ 19.27	\$ 16.27	\$ 13.15	\$ 10.15	\$ 7.04	\$ 20.02
Income Tax - Deferred	\$ (6.89)	\$ 17.93	\$ 12.69	\$ 8.00	\$ 3.75	\$ (0.11)	\$ (1.93)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (1.93)	\$ (1.88)	\$ (18.20)

Earnings	\$ 32.29	\$ 62.88	\$ 59.34	\$ 55.54	\$ 51.51	\$ 47.27	\$ 42.89	\$ 38.46	\$ 34.04	\$ 29.61	\$ 25.18	\$ 20.76	\$ 16.33	\$ 11.90	\$ 7.48	\$ 2.63
Return on Equity per WACC	\$ 32.29	\$ 62.88	\$ 59.34	\$ 55.54	\$ 51.51	\$ 47.27	\$ 42.89	\$ 38.46	\$ 34.04	\$ 29.61	\$ 25.18	\$ 20.76	\$ 16.33	\$ 11.90	\$ 7.48	\$ 2.63

MACRS	\$ 67.51	\$ 128.27	\$ 115.45	\$ 103.97	\$ 93.57	\$ 84.12	\$ 79.66	\$ 79.66	\$ 79.80	\$ 79.66	\$ 79.80	\$ 79.66	\$ 79.80	\$ 79.66	\$ 79.80	\$ 39.83
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Revenue Requirement Summary

Period (years)	16.00
NPV of Cost Rev Req.	\$1,523.86
el Annual Revenue Requirement	\$172.27
Monthly Charge	\$ 14.36

Atlantic City Electric Company
LED Street Lighting Rate Design
Monthly SPL Fixed Charge Development

Floodlighting 1000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Rate Base:																
Gross Plant	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33	\$ 1,416.33
Accumulated Depreciation	\$ 88.52	\$ 177.04	\$ 265.56	\$ 354.08	\$ 442.60	\$ 531.12	\$ 619.64	\$ 708.16	\$ 796.68	\$ 885.20	\$ 973.73	\$ 1,062.25	\$ 1,150.77	\$ 1,239.29	\$ 1,327.81	\$ 1,416.33
Deferred Taxes	\$ 7.23	\$ (11.57)	\$ (24.88)	\$ (33.27)	\$ (37.20)	\$ (37.09)	\$ (35.06)	\$ (33.04)	\$ (31.07)	\$ (29.04)	\$ (27.08)	\$ (25.05)	\$ (23.08)	\$ (21.06)	\$ (19.09)	\$ (0.00)
Net Rate Base	\$ 1,320.58	\$ 1,250.86	\$ 1,175.64	\$ 1,095.51	\$ 1,010.93	\$ 922.29	\$ 831.75	\$ 741.20	\$ 650.71	\$ 560.17	\$ 469.68	\$ 379.13	\$ 288.65	\$ 198.10	\$ 107.61	\$ (0.00)

Operating Income:																
Depreciation	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52
Subtotal	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52
SIT-Current	\$ (8.08)	\$ (15.44)	\$ (14.04)	\$ (12.76)	\$ (11.56)	\$ (10.45)	\$ (9.79)	\$ (9.56)	\$ (9.34)	\$ (9.09)	\$ (8.87)	\$ (8.62)	\$ (8.40)	\$ (8.15)	\$ (7.93)	\$ (3.90)
FIT-Current	\$ (28.61)	\$ (54.65)	\$ (49.70)	\$ (45.15)	\$ (40.92)	\$ (36.97)	\$ (34.66)	\$ (33.83)	\$ (33.04)	\$ (32.17)	\$ (31.38)	\$ (30.51)	\$ (29.72)	\$ (28.85)	\$ (28.06)	\$ (13.80)
Deferred Taxes	\$ (7.23)	\$ 18.80	\$ 13.31	\$ 8.39	\$ 3.93	\$ (0.12)	\$ (2.02)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (19.09)
Required Oper. Inc.	\$ 44.59	\$ 37.23	\$ 38.09	\$ 39.00	\$ 39.97	\$ 40.99	\$ 42.04	\$ 43.11	\$ 44.17	\$ 45.24	\$ 46.30	\$ 47.37	\$ 48.43	\$ 49.50	\$ 50.56	\$ 51.73
Return Required	\$ 52.89	\$ 102.99	\$ 97.18	\$ 90.96	\$ 84.36	\$ 77.43	\$ 70.25	\$ 63.00	\$ 55.75	\$ 48.50	\$ 41.25	\$ 33.99	\$ 26.74	\$ 19.49	\$ 12.24	\$ 4.31
Revenue Requirement	\$ 164.80	\$ 237.06	\$ 228.69	\$ 219.71	\$ 210.20	\$ 200.19	\$ 189.84	\$ 179.38	\$ 168.92	\$ 158.47	\$ 148.01	\$ 137.55	\$ 127.09	\$ 116.64	\$ 106.18	\$ 94.74

Income Statement Check	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Revenue	\$ 164.80	\$ 237.06	\$ 228.69	\$ 219.71	\$ 210.20	\$ 200.19	\$ 189.84	\$ 179.38	\$ 168.92	\$ 158.47	\$ 148.01	\$ 137.55	\$ 127.09	\$ 116.64	\$ 106.18	\$ 94.74
Depreciation	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52	\$ 88.52
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 19.02	\$ 37.03	\$ 34.94	\$ 32.70	\$ 30.33	\$ 27.84	\$ 25.26	\$ 22.65	\$ 20.04	\$ 17.44	\$ 14.83	\$ 12.22	\$ 9.62	\$ 7.01	\$ 4.40	\$ 1.55
Net income before Taxes	\$ 57.27	\$ 111.51	\$ 105.22	\$ 98.49	\$ 91.34	\$ 83.83	\$ 76.06	\$ 68.21	\$ 60.36	\$ 52.51	\$ 44.66	\$ 36.81	\$ 28.96	\$ 21.11	\$ 13.26	\$ 4.67

Income Tax - Current	\$ 30.63	\$ 26.75	\$ 29.68	\$ 31.84	\$ 33.38	\$ 34.36	\$ 33.10	\$ 29.89	\$ 26.62	\$ 23.47	\$ 20.21	\$ 17.06	\$ 13.80	\$ 10.65	\$ 7.38	\$ 21.00
Income Tax - Deferred	\$ (7.23)	\$ 18.80	\$ 13.31	\$ 8.39	\$ 3.93	\$ (0.12)	\$ (2.02)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (2.02)	\$ (1.97)	\$ (19.09)

Earnings	\$ 33.87	\$ 65.96	\$ 62.24	\$ 58.26	\$ 54.03	\$ 49.59	\$ 44.99	\$ 40.35	\$ 35.70	\$ 31.06	\$ 26.42	\$ 21.77	\$ 17.13	\$ 12.49	\$ 7.84	\$ 2.76
Return on Equity per WACC	\$ 33.87	\$ 65.96	\$ 62.24	\$ 58.26	\$ 54.03	\$ 49.59	\$ 44.99	\$ 40.35	\$ 35.70	\$ 31.06	\$ 26.42	\$ 21.77	\$ 17.13	\$ 12.49	\$ 7.84	\$ 2.76

MACRS	\$ 70.82	\$ 134.55	\$ 121.10	\$ 109.06	\$ 98.15	\$ 88.24	\$ 83.56	\$ 83.56	\$ 83.70	\$ 83.56	\$ 83.70	\$ 83.56	\$ 83.70	\$ 83.56	\$ 83.70	\$ 41.78
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Revenue Requirement Summary	Period (years)	NPV of Cost Rev Req.	Annual Revenue Requirement	Monthly Charge
	16.00	\$1,598.44	\$180.70	\$ 15.06

Atlantic City Electric Company
LED/Induction Street Lighting Rate Design
Monthly Distribution Infrastructure Fixed Charge Development

Rate Base:		
Gross Plant	\$	16,905,125
Accumulated Depreciation	\$	3,944,576
Deferred Taxes	\$	3,945,615
Net Rate Base	\$	<u>9,014,934</u>

Operating Income:		
O&M	\$	2,428,971
Depreciation	\$	393,701
Other Taxes	\$	39,467
Subtotal	\$	2,862,139
SIT-Current	\$	(280,067)
FIT-Current	\$	(991,125)
Required Oper. Inc.	\$	1,590,947
Return Required	\$	<u>705,869</u>
Revenue Requirement	\$	<u>3,883,037</u>

<u>Income Statement Check</u>		
Revenue	\$	3,883,037
Depreciation	\$	393,701
O&M	\$	2,428,971
Other Taxes	\$	39,467
Interest Expense	\$	<u>249,713.68</u>
Net income before Taxes	\$	771,185
Income Tax - Current	\$	315,029
Earnings	\$	456,156
Return on Equity per WACC	\$	456,156

Schedule (EPT)-9

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
8 WINTER MONTHS (October Through May)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	%
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Difference (\$)	
0	\$ 4.44	\$ -	\$ 4.44	\$ 6.44	\$ -	\$ 6.44	\$ 2.00	\$ -	\$ 2.00	45.05%
25	\$ 6.40	\$ 2.68	\$ 9.08	\$ 8.64	\$ 2.68	\$ 11.32	\$ 2.24	\$ -	\$ 2.24	24.67%
50	\$ 8.37	\$ 5.36	\$ 13.73	\$ 10.84	\$ 5.36	\$ 16.20	\$ 2.47	\$ -	\$ 2.47	17.99%
75	\$ 10.33	\$ 8.04	\$ 18.37	\$ 13.05	\$ 8.04	\$ 21.09	\$ 2.72	\$ -	\$ 2.72	14.81%
100	\$ 12.30	\$ 10.72	\$ 23.02	\$ 15.25	\$ 10.72	\$ 25.97	\$ 2.95	\$ -	\$ 2.95	12.81%
150	\$ 16.22	\$ 16.08	\$ 32.30	\$ 19.65	\$ 16.08	\$ 35.73	\$ 3.43	\$ -	\$ 3.43	10.62%
200	\$ 20.15	\$ 21.44	\$ 41.59	\$ 24.05	\$ 21.44	\$ 45.49	\$ 3.90	\$ -	\$ 3.90	9.38%
250	\$ 24.08	\$ 26.80	\$ 50.88	\$ 28.46	\$ 26.80	\$ 55.26	\$ 4.38	\$ -	\$ 4.38	8.61%
300	\$ 28.01	\$ 32.15	\$ 60.16	\$ 32.86	\$ 32.15	\$ 65.01	\$ 4.85	\$ -	\$ 4.85	8.06%
350	\$ 31.93	\$ 37.51	\$ 69.44	\$ 37.27	\$ 37.51	\$ 74.78	\$ 5.34	\$ -	\$ 5.34	7.69%
400	\$ 35.86	\$ 42.87	\$ 78.73	\$ 41.67	\$ 42.87	\$ 84.54	\$ 5.81	\$ -	\$ 5.81	7.38%
450	\$ 39.79	\$ 48.23	\$ 88.02	\$ 46.07	\$ 48.23	\$ 94.30	\$ 6.28	\$ -	\$ 6.28	7.13%
500	\$ 43.72	\$ 53.59	\$ 97.31	\$ 50.48	\$ 53.59	\$ 104.07	\$ 6.76	\$ -	\$ 6.76	6.95%
600	\$ 51.57	\$ 64.31	\$ 115.88	\$ 59.28	\$ 64.31	\$ 123.59	\$ 7.71	\$ -	\$ 7.71	6.65%
700	\$ 59.43	\$ 75.03	\$ 134.46	\$ 68.09	\$ 75.03	\$ 143.12	\$ 8.66	\$ -	\$ 8.66	6.44%
716	\$ 60.69	\$ 76.74	\$ 137.43	\$ 69.50	\$ 76.74	\$ 146.24	\$ 8.81	\$ -	\$ 8.81	6.41%
750	\$ 63.36	\$ 80.39	\$ 143.75	\$ 72.49	\$ 80.39	\$ 152.88	\$ 9.13	\$ -	\$ 9.13	6.35%
800	\$ 67.29	\$ 85.75	\$ 153.04	\$ 76.90	\$ 85.75	\$ 162.65	\$ 9.61	\$ -	\$ 9.61	6.28%
900	\$ 75.14	\$ 96.46	\$ 171.60	\$ 85.71	\$ 96.46	\$ 182.17	\$ 10.57	\$ -	\$ 10.57	6.16%
1000	\$ 83.00	\$ 107.18	\$ 190.18	\$ 94.51	\$ 107.18	\$ 201.69	\$ 11.51	\$ -	\$ 11.51	6.05%
1200	\$ 98.71	\$ 128.62	\$ 227.33	\$ 112.13	\$ 128.62	\$ 240.75	\$ 13.42	\$ -	\$ 13.42	5.90%
1500	\$ 122.28	\$ 160.77	\$ 283.05	\$ 138.55	\$ 160.77	\$ 299.32	\$ 16.27	\$ -	\$ 16.27	5.75%
2000	\$ 161.55	\$ 214.36	\$ 375.91	\$ 182.59	\$ 214.36	\$ 396.95	\$ 21.04	\$ -	\$ 21.04	5.60%
2500	\$ 200.83	\$ 267.96	\$ 468.79	\$ 226.62	\$ 267.96	\$ 494.58	\$ 25.79	\$ -	\$ 25.79	5.50%
3000	\$ 240.11	\$ 321.55	\$ 561.66	\$ 270.66	\$ 321.55	\$ 592.21	\$ 30.55	\$ -	\$ 30.55	5.44%
3500	\$ 279.39	\$ 375.14	\$ 654.53	\$ 314.70	\$ 375.14	\$ 689.84	\$ 35.31	\$ -	\$ 35.31	5.39%
4000	\$ 318.67	\$ 428.73	\$ 747.40	\$ 358.73	\$ 428.73	\$ 787.46	\$ 40.06	\$ -	\$ 40.06	5.36%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
4 SUMMER MONTHS (June Through September)**

**Present Rates
vs.
Proposed Rates**

Monthly <u>Usage</u> (kWh)	Present <u>Delivery</u> (\$)	Present <u>Supply+T</u> (\$)	Present <u>Total</u> (\$)	New <u>Delivery</u> (\$)	New <u>Supply+T</u> (\$)	New <u>Total</u> (\$)	<u>Difference</u>		<u>Total</u>	
							<u>Delivery</u> (\$)	<u>Supply+T</u> (\$)	<u>Difference</u> (\$)	<u>Difference</u> (%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 6.44	\$ -	\$ 6.44	\$ 2.00	\$ -	\$ 2.00	45.05%
25	\$ 6.50	\$ 2.53	\$ 9.03	\$ 8.76	\$ 2.53	\$ 11.29	\$ 2.26	\$ -	\$ 2.26	25.03%
50	\$ 8.56	\$ 5.05	\$ 13.61	\$ 11.08	\$ 5.05	\$ 16.13	\$ 2.52	\$ -	\$ 2.52	18.52%
75	\$ 10.62	\$ 7.58	\$ 18.20	\$ 13.40	\$ 7.58	\$ 20.98	\$ 2.78	\$ -	\$ 2.78	15.27%
100	\$ 12.68	\$ 10.10	\$ 22.78	\$ 15.72	\$ 10.10	\$ 25.82	\$ 3.04	\$ -	\$ 3.04	13.35%
150	\$ 16.81	\$ 15.16	\$ 31.97	\$ 20.35	\$ 15.16	\$ 35.51	\$ 3.54	\$ -	\$ 3.54	11.07%
200	\$ 20.93	\$ 20.21	\$ 41.14	\$ 24.99	\$ 20.21	\$ 45.20	\$ 4.06	\$ -	\$ 4.06	9.87%
250	\$ 25.05	\$ 25.26	\$ 50.31	\$ 29.63	\$ 25.26	\$ 54.89	\$ 4.58	\$ -	\$ 4.58	9.10%
300	\$ 29.17	\$ 30.31	\$ 59.48	\$ 34.27	\$ 30.31	\$ 64.58	\$ 5.10	\$ -	\$ 5.10	8.57%
350	\$ 33.29	\$ 35.37	\$ 68.66	\$ 38.90	\$ 35.37	\$ 74.27	\$ 5.61	\$ -	\$ 5.61	8.17%
400	\$ 37.42	\$ 40.42	\$ 77.84	\$ 43.54	\$ 40.42	\$ 83.96	\$ 6.12	\$ -	\$ 6.12	7.86%
450	\$ 41.54	\$ 45.47	\$ 87.01	\$ 48.18	\$ 45.47	\$ 93.65	\$ 6.64	\$ -	\$ 6.64	7.63%
500	\$ 45.66	\$ 50.52	\$ 96.18	\$ 52.82	\$ 50.52	\$ 103.34	\$ 7.16	\$ -	\$ 7.16	7.44%
600	\$ 53.90	\$ 60.63	\$ 114.53	\$ 62.09	\$ 60.63	\$ 122.72	\$ 8.19	\$ -	\$ 8.19	7.15%
700	\$ 62.15	\$ 70.73	\$ 132.88	\$ 71.37	\$ 70.73	\$ 142.10	\$ 9.22	\$ -	\$ 9.22	6.94%
716	\$ 63.47	\$ 72.35	\$ 135.82	\$ 72.85	\$ 72.35	\$ 145.20	\$ 9.38	\$ -	\$ 9.38	6.91%
750	\$ 66.27	\$ 75.78	\$ 142.05	\$ 76.01	\$ 75.78	\$ 151.79	\$ 9.74	\$ -	\$ 9.74	6.86%
800	\$ 70.77	\$ 81.33	\$ 152.10	\$ 81.10	\$ 81.33	\$ 162.43	\$ 10.33	\$ -	\$ 10.33	6.79%
900	\$ 79.76	\$ 92.42	\$ 172.18	\$ 91.28	\$ 92.42	\$ 183.70	\$ 11.52	\$ -	\$ 11.52	6.69%
1000	\$ 88.76	\$ 103.52	\$ 192.28	\$ 101.46	\$ 103.52	\$ 204.98	\$ 12.70	\$ -	\$ 12.70	6.60%
1200	\$ 106.75	\$ 125.70	\$ 232.45	\$ 121.82	\$ 125.70	\$ 247.52	\$ 15.07	\$ -	\$ 15.07	6.48%
1500	\$ 133.74	\$ 158.98	\$ 292.72	\$ 152.37	\$ 158.98	\$ 311.35	\$ 18.63	\$ -	\$ 18.63	6.36%
2000	\$ 178.72	\$ 214.45	\$ 393.17	\$ 203.28	\$ 214.45	\$ 417.73	\$ 24.56	\$ -	\$ 24.56	6.25%
2500	\$ 223.70	\$ 269.92	\$ 493.62	\$ 254.18	\$ 269.92	\$ 524.10	\$ 30.48	\$ -	\$ 30.48	6.17%
3000	\$ 268.68	\$ 325.38	\$ 594.06	\$ 305.09	\$ 325.38	\$ 630.47	\$ 36.41	\$ -	\$ 36.41	6.13%
3500	\$ 313.66	\$ 380.85	\$ 694.51	\$ 356.00	\$ 380.85	\$ 736.85	\$ 42.34	\$ -	\$ 42.34	6.10%
4000	\$ 358.64	\$ 436.32	\$ 794.96	\$ 406.91	\$ 436.32	\$ 843.23	\$ 48.27	\$ -	\$ 48.27	6.07%

ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
Annual Average

Present Rates
vs.
Proposed Rates

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 6.44	\$ -	\$ 6.44	\$ 2.00	\$ -	\$ 2.00	45.05%
25	\$ 6.43	\$ 2.63	\$ 9.06	\$ 8.68	\$ 2.63	\$ 11.31	\$ 2.25	\$ -	\$ 2.25	24.83%
50	\$ 8.43	\$ 5.26	\$ 13.69	\$ 10.92	\$ 5.26	\$ 16.18	\$ 2.49	\$ -	\$ 2.49	18.19%
75	\$ 10.43	\$ 7.89	\$ 18.32	\$ 13.17	\$ 7.89	\$ 21.06	\$ 2.74	\$ -	\$ 2.74	14.96%
100	\$ 12.43	\$ 10.51	\$ 22.94	\$ 15.41	\$ 10.51	\$ 25.92	\$ 2.98	\$ -	\$ 2.98	12.99%
150	\$ 16.42	\$ 15.77	\$ 32.19	\$ 19.88	\$ 15.77	\$ 35.65	\$ 3.46	\$ -	\$ 3.46	10.75%
200	\$ 20.41	\$ 21.03	\$ 41.44	\$ 24.36	\$ 21.03	\$ 45.39	\$ 3.95	\$ -	\$ 3.95	9.53%
250	\$ 24.40	\$ 26.29	\$ 50.69	\$ 28.85	\$ 26.29	\$ 55.14	\$ 4.45	\$ -	\$ 4.45	8.78%
300	\$ 28.40	\$ 31.54	\$ 59.94	\$ 33.33	\$ 31.54	\$ 64.87	\$ 4.93	\$ -	\$ 4.93	8.22%
350	\$ 32.38	\$ 36.80	\$ 69.18	\$ 37.81	\$ 36.80	\$ 74.61	\$ 5.43	\$ -	\$ 5.43	7.85%
400	\$ 36.38	\$ 42.05	\$ 78.43	\$ 42.29	\$ 42.05	\$ 84.34	\$ 5.91	\$ -	\$ 5.91	7.54%
450	\$ 40.37	\$ 47.31	\$ 87.68	\$ 46.77	\$ 47.31	\$ 94.08	\$ 6.40	\$ -	\$ 6.40	7.30%
500	\$ 44.37	\$ 52.57	\$ 96.94	\$ 51.26	\$ 52.57	\$ 103.83	\$ 6.89	\$ -	\$ 6.89	7.11%
600	\$ 52.35	\$ 63.08	\$ 115.43	\$ 60.22	\$ 63.08	\$ 123.30	\$ 7.87	\$ -	\$ 7.87	6.82%
700	\$ 60.34	\$ 73.60	\$ 133.94	\$ 69.18	\$ 73.60	\$ 142.78	\$ 8.84	\$ -	\$ 8.84	6.60%
716	\$ 61.62	\$ 75.28	\$ 136.90	\$ 70.62	\$ 75.28	\$ 145.90	\$ 9.00	\$ -	\$ 9.00	6.57%
750	\$ 64.33	\$ 78.85	\$ 143.18	\$ 73.66	\$ 78.85	\$ 152.51	\$ 9.33	\$ -	\$ 9.33	6.52%
800	\$ 68.45	\$ 84.28	\$ 152.73	\$ 78.30	\$ 84.28	\$ 162.58	\$ 9.85	\$ -	\$ 9.85	6.45%
900	\$ 76.68	\$ 95.11	\$ 171.79	\$ 87.57	\$ 95.11	\$ 182.68	\$ 10.89	\$ -	\$ 10.89	6.34%
1000	\$ 84.92	\$ 105.96	\$ 190.88	\$ 96.83	\$ 105.96	\$ 202.79	\$ 11.91	\$ -	\$ 11.91	6.24%
1200	\$ 101.39	\$ 127.65	\$ 229.04	\$ 115.36	\$ 127.65	\$ 243.01	\$ 13.97	\$ -	\$ 13.97	6.10%
1500	\$ 126.10	\$ 160.17	\$ 286.27	\$ 143.16	\$ 160.17	\$ 303.33	\$ 17.06	\$ -	\$ 17.06	5.96%
2000	\$ 167.27	\$ 214.39	\$ 381.66	\$ 189.49	\$ 214.39	\$ 403.88	\$ 22.22	\$ -	\$ 22.22	5.82%
2500	\$ 208.45	\$ 268.61	\$ 477.06	\$ 235.81	\$ 268.61	\$ 504.42	\$ 27.36	\$ -	\$ 27.36	5.74%
3000	\$ 249.63	\$ 322.83	\$ 572.46	\$ 282.14	\$ 322.83	\$ 604.97	\$ 32.51	\$ -	\$ 32.51	5.68%
3500	\$ 290.81	\$ 377.04	\$ 667.85	\$ 328.47	\$ 377.04	\$ 705.51	\$ 37.66	\$ -	\$ 37.66	5.64%
4000	\$ 331.99	\$ 431.26	\$ 763.25	\$ 374.79	\$ 431.26	\$ 806.05	\$ 42.80	\$ -	\$ 42.80	5.61%

ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE SECONDARY ("MGS Secondary")
8 WINTER MONTHS (October Through May)

Demand (kW)	Load Factor (%)	Energy (kWh)	Dist kW	Trans kW	Present Rates					Proposed Rates					Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)
					Present		Present		New		New							
					Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Total (\$)						
5	20	730	5.00	2	\$ 46.70	\$ 92.35	\$ 139.05	\$ 52.99	\$ 92.35	\$ 145.34	\$ 6.29	\$ -	\$ 6.29	4.5%				
5	30	1,095	5.00	2	\$ 63.33	\$ 136.44	\$ 199.77	\$ 70.44	\$ 136.44	\$ 206.88	\$ 7.11	\$ -	\$ 7.11	3.6%				
5	40	1,460	5.00	2	\$ 79.95	\$ 180.54	\$ 260.49	\$ 87.89	\$ 180.54	\$ 268.42	\$ 7.93	\$ -	\$ 7.93	3.0%				
5	50	1,825	5.00	2	\$ 96.58	\$ 224.63	\$ 321.21	\$ 105.33	\$ 224.63	\$ 329.97	\$ 8.75	\$ -	\$ 8.75	2.7%				
5	60	2,190	5.00	2	\$ 113.21	\$ 268.73	\$ 381.94	\$ 122.78	\$ 268.73	\$ 391.51	\$ 9.57	\$ -	\$ 9.57	2.5%				
5	70	2,555	5.00	2	\$ 129.84	\$ 312.82	\$ 442.66	\$ 140.23	\$ 312.82	\$ 453.05	\$ 10.39	\$ -	\$ 10.39	2.3%				
5	80	2,920	5.00	2	\$ 146.47	\$ 356.91	\$ 503.38	\$ 157.68	\$ 356.91	\$ 514.59	\$ 11.21	\$ -	\$ 11.21	2.2%				
10	20	1,460	10.00	7	\$ 87.75	\$ 190.94	\$ 278.69	\$ 97.34	\$ 190.94	\$ 288.27	\$ 9.58	\$ -	\$ 9.58	3.4%				
10	30	2,190	10.00	7	\$ 121.01	\$ 279.13	\$ 400.14	\$ 132.23	\$ 279.13	\$ 411.36	\$ 11.22	\$ -	\$ 11.22	2.8%				
10	40	2,920	10.00	7	\$ 154.27	\$ 367.31	\$ 521.58	\$ 167.13	\$ 367.31	\$ 534.44	\$ 12.86	\$ -	\$ 12.86	2.5%				
10	50	3,650	10.00	7	\$ 187.53	\$ 455.50	\$ 643.03	\$ 202.03	\$ 455.50	\$ 657.53	\$ 14.50	\$ -	\$ 14.50	2.3%				
10	60	4,380	10.00	7	\$ 220.78	\$ 543.69	\$ 764.47	\$ 236.93	\$ 543.69	\$ 780.62	\$ 16.14	\$ -	\$ 16.14	2.1%				
10	70	5,110	10.00	7	\$ 254.04	\$ 631.88	\$ 885.92	\$ 271.82	\$ 631.88	\$ 903.70	\$ 17.78	\$ -	\$ 17.78	2.0%				
10	80	5,840	10.00	7	\$ 287.30	\$ 720.07	\$ 1,007.37	\$ 306.72	\$ 720.07	\$ 1,026.79	\$ 19.42	\$ -	\$ 19.42	1.9%				
20	20	2,920	20.00	17	\$ 169.87	\$ 388.11	\$ 557.98	\$ 186.03	\$ 388.11	\$ 574.14	\$ 16.16	\$ -	\$ 16.16	2.9%				
20	30	4,380	20.00	17	\$ 236.38	\$ 564.49	\$ 800.87	\$ 255.83	\$ 564.49	\$ 820.32	\$ 19.44	\$ -	\$ 19.44	2.4%				
20	40	5,840	20.00	17	\$ 302.90	\$ 740.87	\$ 1,043.77	\$ 325.62	\$ 740.87	\$ 1,066.49	\$ 22.72	\$ -	\$ 22.72	2.2%				
20	50	7,300	20.00	17	\$ 369.41	\$ 917.24	\$ 1,286.66	\$ 395.42	\$ 917.24	\$ 1,312.66	\$ 26.00	\$ -	\$ 26.00	2.0%				
20	60	8,760	20.00	17	\$ 435.93	\$ 1,093.62	\$ 1,529.55	\$ 465.21	\$ 1,093.62	\$ 1,558.83	\$ 29.28	\$ -	\$ 29.28	1.9%				
20	70	10,220	20.00	17	\$ 502.44	\$ 1,270.00	\$ 1,772.44	\$ 535.01	\$ 1,270.00	\$ 1,805.00	\$ 32.56	\$ -	\$ 32.56	1.8%				
20	80	11,680	20.00	17	\$ 568.96	\$ 1,446.37	\$ 2,015.33	\$ 604.80	\$ 1,446.37	\$ 2,051.18	\$ 35.84	\$ -	\$ 35.84	1.8%				
30	20	4,380	30.00	27	\$ 251.98	\$ 585.29	\$ 837.27	\$ 274.73	\$ 585.29	\$ 860.02	\$ 22.74	\$ -	\$ 22.74	2.7%				
30	30	6,570	30.00	27	\$ 351.76	\$ 849.86	\$ 1,201.61	\$ 379.42	\$ 849.86	\$ 1,229.27	\$ 27.66	\$ -	\$ 27.66	2.3%				
30	40	8,760	30.00	27	\$ 451.53	\$ 1,114.42	\$ 1,565.95	\$ 484.11	\$ 1,114.42	\$ 1,598.53	\$ 32.58	\$ -	\$ 32.58	2.1%				
30	50	10,950	30.00	27	\$ 551.30	\$ 1,378.99	\$ 1,930.29	\$ 588.80	\$ 1,378.99	\$ 1,967.79	\$ 37.50	\$ -	\$ 37.50	1.9%				
30	60	13,140	30.00	27	\$ 651.07	\$ 1,643.55	\$ 2,294.62	\$ 693.50	\$ 1,643.55	\$ 2,337.05	\$ 42.43	\$ -	\$ 42.43	1.8%				
30	70	15,330	30.00	27	\$ 750.84	\$ 1,908.12	\$ 2,658.96	\$ 798.19	\$ 1,908.12	\$ 2,706.31	\$ 47.35	\$ -	\$ 47.35	1.8%				
30	80	17,520	30.00	27	\$ 850.62	\$ 2,172.68	\$ 3,023.30	\$ 902.88	\$ 2,172.68	\$ 3,075.56	\$ 52.27	\$ -	\$ 52.27	1.7%				
50	20	7,300	50.00	47	\$ 416.21	\$ 979.64	\$ 1,395.86	\$ 452.12	\$ 979.64	\$ 1,431.76	\$ 35.90	\$ -	\$ 35.90	2.6%				
50	30	10,950	50.00	47	\$ 582.50	\$ 1,420.59	\$ 2,003.09	\$ 626.60	\$ 1,420.59	\$ 2,047.19	\$ 44.10	\$ -	\$ 44.10	2.2%				
50	40	14,600	50.00	47	\$ 748.79	\$ 1,861.53	\$ 2,610.31	\$ 801.09	\$ 1,861.53	\$ 2,662.62	\$ 52.31	\$ -	\$ 52.31	2.0%				
50	50	18,250	50.00	47	\$ 915.07	\$ 2,302.47	\$ 3,217.54	\$ 975.58	\$ 2,302.47	\$ 3,278.05	\$ 60.51	\$ -	\$ 60.51	1.9%				
50	60	21,900	50.00	47	\$ 1,081.36	\$ 2,743.41	\$ 3,824.77	\$ 1,150.07	\$ 2,743.41	\$ 3,893.48	\$ 68.71	\$ -	\$ 68.71	1.8%				
50	70	25,550	50.00	47	\$ 1,247.65	\$ 3,184.35	\$ 4,432.00	\$ 1,324.56	\$ 3,184.35	\$ 4,508.91	\$ 76.91	\$ -	\$ 76.91	1.7%				
50	80	29,200	50.00	47	\$ 1,413.93	\$ 3,625.30	\$ 5,039.23	\$ 1,499.05	\$ 3,625.30	\$ 5,124.34	\$ 85.11	\$ -	\$ 85.11	1.7%				
75	30	16,425	75.00	72	\$ 870.93	\$ 2,134.00	\$ 3,004.93	\$ 935.59	\$ 2,134.00	\$ 3,069.59	\$ 64.66	\$ -	\$ 64.66	2.2%				
75	40	21,900	75.00	72	\$ 1,120.36	\$ 2,795.41	\$ 3,915.77	\$ 1,197.32	\$ 2,795.41	\$ 3,992.73	\$ 76.96	\$ -	\$ 76.96	2.0%				
75	50	27,375	75.00	72	\$ 1,369.79	\$ 3,456.82	\$ 4,826.61	\$ 1,459.05	\$ 3,456.82	\$ 4,915.88	\$ 89.26	\$ -	\$ 89.26	1.8%				
75	60	32,850	75.00	72	\$ 1,619.22	\$ 4,118.24	\$ 5,737.46	\$ 1,720.78	\$ 4,118.24	\$ 5,839.02	\$ 101.56	\$ -	\$ 101.56	1.8%				
75	70	38,325	75.00	72	\$ 1,868.65	\$ 4,779.65	\$ 6,648.30	\$ 1,982.52	\$ 4,779.65	\$ 6,762.17	\$ 113.87	\$ -	\$ 113.87	1.7%				
75	80	43,800	75.00	72	\$ 2,118.08	\$ 5,441.06	\$ 7,559.14	\$ 2,244.25	\$ 5,441.06	\$ 7,685.31	\$ 126.17	\$ -	\$ 126.17	1.7%				
75	90	49,275	75.00	72	\$ 2,367.51	\$ 6,102.48	\$ 8,469.99	\$ 2,505.98	\$ 6,102.48	\$ 8,608.46	\$ 138.47	\$ -	\$ 138.47	1.6%				
100	30	21,900	100.00	97	\$ 1,159.36	\$ 2,847.41	\$ 4,006.77	\$ 1,244.57	\$ 2,847.41	\$ 4,091.98	\$ 85.21	\$ -	\$ 85.21	2.1%				
100	40	29,200	100.00	97	\$ 1,491.93	\$ 3,729.30	\$ 5,221.23	\$ 1,593.55	\$ 3,729.30	\$ 5,322.84	\$ 101.61	\$ -	\$ 101.61	1.9%				
100	50	36,500	100.00	97	\$ 1,824.51	\$ 4,611.18	\$ 6,435.69	\$ 1,942.52	\$ 4,611.18	\$ 6,553.70	\$ 118.02	\$ -	\$ 118.02	1.8%				
100	60	43,800	100.00	97	\$ 2,157.08	\$ 5,493.06	\$ 7,650.14	\$ 2,291.50	\$ 5,493.06	\$ 7,784.56	\$ 134.42	\$ -	\$ 134.42	1.8%				
100	70	51,100	100.00	97	\$ 2,489.65	\$ 6,374.95	\$ 8,864.60	\$ 2,640.48	\$ 6,374.95	\$ 9,015.42	\$ 150.82	\$ -	\$ 150.82	1.7%				
100	80	58,400	100.00	97	\$ 2,822.23	\$ 7,256.83	\$ 10,079.06	\$ 2,989.45	\$ 7,256.83	\$ 10,246.28	\$ 167.22	\$ -	\$ 167.22	1.7%				
100	90	65,700	100.00	97	\$ 3,154.80	\$ 8,138.71	\$ 11,293.51	\$ 3,338.43	\$ 8,138.71	\$ 11,477.14	\$ 183.63	\$ -	\$ 183.63	1.6%				
200	30	43,800	200.00	197	\$ 2,313.08	\$ 5,701.06	\$ 8,014.14	\$ 2,480.50	\$ 5,701.06	\$ 8,181.56	\$ 167.42	\$ -	\$ 167.42	2.1%				
200	40	58,400	200.00	197	\$ 2,978.23	\$ 7,464.83	\$ 10,443.06	\$ 3,178.45	\$ 7,464.83	\$ 10,643.28	\$ 200.22	\$ -	\$ 200.22	1.9%				
200	50	73,000	200.00	197	\$ 3,643.37	\$ 9,228.60	\$ 12,871.97	\$ 3,876.41	\$ 9,228.60	\$ 13,105.00	\$ 233.03	\$ -	\$ 233.03	1.8%				
200	60	87,600	200.00	197	\$ 4,308.52	\$ 10,992.37	\$ 15,300.89	\$ 4,574.36	\$ 10,992.37	\$ 15,566.72	\$ 265.84	\$ -	\$ 265.84	1.7%				
200	70	102,200	200.00	197	\$ 4,973.67	\$ 12,756.13	\$ 17,729.80	\$ 5,272.31	\$ 12,756.13	\$ 18,028.44	\$ 298.64	\$ -	\$ 298.64	1.7%				
200	80	116,800	200.00	197	\$ 5,638.81	\$ 14,519.90	\$ 20,158.72	\$ 5,970.26	\$ 14,519.90	\$ 20,490.16	\$ 331.45	\$ -	\$ 331.45	1.6%				
200	90	131,400	200.00	197	\$ 6,303.96	\$ 16,283.67	\$ 22,587.63	\$ 6,668.22	\$ 16,283.67	\$ 22,951.89	\$ 364.26	\$ -	\$ 364.26	1.6%				

ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE SECONDARY ("MGS Secondary")
4 SUMMER MONTHS (June Through September)

		Present Rates										Proposed Rates												
		vs.																						
Demand (kW)	Load Factor (%)	Energy (kWh)	Dist kW	Trans kW	Present Distribution (\$)		Present BGS and Other Charges (\$)		Present Total (\$)		New Distribution (\$)		New BGS and Other Charges (\$)		New Total (\$)		Difference Distribution (\$)		Difference BGS and Other Charges (\$)		Total Difference (\$)		Total Difference (%)	
5	20	730	5.00	2	\$	51.96	\$	94.28	\$	146.24	\$	58.82	\$	94.28	\$	153.11	\$	6.87	\$	-	\$	6.87	4.7%	
5	30	1,095	5.00	2	\$	70.37	\$	138.96	\$	209.32	\$	78.14	\$	138.96	\$	217.10	\$	7.77	\$	-	\$	7.77	3.7%	
5	40	1,460	5.00	2	\$	88.77	\$	183.63	\$	272.40	\$	97.46	\$	183.63	\$	281.08	\$	8.68	\$	-	\$	8.68	3.2%	
5	50	1,825	5.00	2	\$	107.18	\$	228.30	\$	335.48	\$	116.77	\$	228.30	\$	345.07	\$	9.59	\$	-	\$	9.59	2.9%	
5	60	2,190	5.00	2	\$	125.59	\$	272.97	\$	398.56	\$	136.09	\$	272.97	\$	409.06	\$	10.50	\$	-	\$	10.50	2.6%	
5	70	2,555	5.00	2	\$	144.00	\$	317.64	\$	461.64	\$	155.41	\$	317.64	\$	473.05	\$	11.41	\$	-	\$	11.41	2.5%	
5	80	2,920	5.00	2	\$	162.41	\$	362.32	\$	524.72	\$	174.72	\$	362.32	\$	537.04	\$	12.31	\$	-	\$	12.31	2.3%	
10	20	1,460	10.00	7	\$	98.27	\$	195.98	\$	294.25	\$	109.01	\$	195.98	\$	304.98	\$	10.73	\$	-	\$	10.73	3.6%	
10	30	2,190	10.00	7	\$	135.09	\$	285.32	\$	420.41	\$	147.64	\$	285.32	\$	432.96	\$	12.55	\$	-	\$	12.55	3.0%	
10	40	2,920	10.00	7	\$	171.91	\$	374.67	\$	546.57	\$	186.27	\$	374.67	\$	560.94	\$	14.36	\$	-	\$	14.36	2.6%	
10	50	3,650	10.00	7	\$	208.72	\$	464.01	\$	672.73	\$	224.91	\$	464.01	\$	688.92	\$	16.18	\$	-	\$	16.18	2.4%	
10	60	4,380	10.00	7	\$	245.54	\$	553.35	\$	798.89	\$	263.54	\$	553.35	\$	816.89	\$	18.00	\$	-	\$	18.00	2.3%	
10	70	5,110	10.00	7	\$	282.36	\$	642.70	\$	925.06	\$	302.17	\$	642.70	\$	944.87	\$	19.81	\$	-	\$	19.81	2.1%	
10	80	5,840	10.00	7	\$	319.17	\$	732.04	\$	1,051.22	\$	340.80	\$	732.04	\$	1,072.85	\$	21.63	\$	-	\$	21.63	2.1%	
20	20	2,920	20.00	17	\$	190.91	\$	399.37	\$	590.27	\$	209.37	\$	399.37	\$	608.74	\$	18.46	\$	-	\$	18.46	3.1%	
20	30	4,380	20.00	17	\$	264.54	\$	578.05	\$	842.59	\$	286.64	\$	578.05	\$	864.69	\$	22.10	\$	-	\$	22.10	2.6%	
20	40	5,840	20.00	17	\$	338.17	\$	756.74	\$	1,094.92	\$	363.90	\$	756.74	\$	1,120.65	\$	25.73	\$	-	\$	25.73	2.3%	
20	50	7,300	20.00	17	\$	411.81	\$	935.43	\$	1,347.24	\$	441.17	\$	935.43	\$	1,376.60	\$	29.36	\$	-	\$	29.36	2.2%	
20	60	8,760	20.00	17	\$	485.44	\$	1,114.12	\$	1,599.56	\$	518.44	\$	1,114.12	\$	1,632.55	\$	32.99	\$	-	\$	32.99	2.1%	
20	70	10,220	20.00	17	\$	559.08	\$	1,292.81	\$	1,851.88	\$	595.70	\$	1,292.81	\$	1,888.51	\$	36.63	\$	-	\$	36.63	2.0%	
20	80	11,680	20.00	17	\$	632.71	\$	1,471.49	\$	2,104.20	\$	672.97	\$	1,471.49	\$	2,144.46	\$	40.26	\$	-	\$	40.26	1.9%	
30	20	4,380	30.00	27	\$	283.54	\$	602.75	\$	886.29	\$	309.74	\$	602.75	\$	912.49	\$	26.20	\$	-	\$	26.20	3.0%	
30	30	6,570	30.00	27	\$	393.99	\$	870.79	\$	1,264.78	\$	425.64	\$	870.79	\$	1,296.42	\$	31.65	\$	-	\$	31.65	2.5%	
30	40	8,760	30.00	27	\$	504.44	\$	1,138.82	\$	1,643.26	\$	541.54	\$	1,138.82	\$	1,680.35	\$	37.09	\$	-	\$	37.09	2.3%	
30	50	10,950	30.00	27	\$	614.89	\$	1,406.85	\$	2,021.74	\$	657.44	\$	1,406.85	\$	2,064.29	\$	42.54	\$	-	\$	42.54	2.1%	
30	60	13,140	30.00	27	\$	725.34	\$	1,674.88	\$	2,400.22	\$	773.34	\$	1,674.88	\$	2,448.22	\$	47.99	\$	-	\$	47.99	2.0%	
30	70	15,330	30.00	27	\$	835.79	\$	1,942.91	\$	2,778.71	\$	889.23	\$	1,942.91	\$	2,832.15	\$	53.44	\$	-	\$	53.44	1.9%	
30	80	17,520	30.00	27	\$	946.24	\$	2,210.95	\$	3,157.19	\$	1,005.13	\$	2,210.95	\$	3,216.08	\$	58.89	\$	-	\$	58.89	1.9%	
50	20	7,300	50.00	47	\$	468.81	\$	1,009.53	\$	1,478.34	\$	510.47	\$	1,009.53	\$	1,520.00	\$	41.66	\$	-	\$	41.66	2.8%	
50	30	10,950	50.00	47	\$	652.89	\$	1,456.25	\$	2,109.14	\$	703.64	\$	1,456.25	\$	2,159.89	\$	50.74	\$	-	\$	50.74	2.4%	
50	40	14,600	50.00	47	\$	836.98	\$	1,902.97	\$	2,739.95	\$	896.80	\$	1,902.97	\$	2,799.77	\$	59.82	\$	-	\$	59.82	2.2%	
50	50	18,250	50.00	47	\$	1,021.06	\$	2,349.69	\$	3,370.75	\$	1,089.97	\$	2,349.69	\$	3,439.66	\$	68.91	\$	-	\$	68.91	2.0%	
50	60	21,900	50.00	47	\$	1,205.14	\$	2,796.41	\$	4,001.55	\$	1,283.13	\$	2,796.41	\$	4,079.54	\$	77.99	\$	-	\$	77.99	1.9%	
50	70	25,550	50.00	47	\$	1,389.23	\$	3,243.13	\$	4,632.36	\$	1,476.30	\$	3,243.13	\$	4,719.43	\$	87.07	\$	-	\$	87.07	1.9%	
50	80	29,200	50.00	47	\$	1,573.31	\$	3,689.85	\$	5,263.16	\$	1,669.46	\$	3,689.85	\$	5,359.31	\$	96.15	\$	-	\$	96.15	1.8%	
75	30	16,425	75.00	72	\$	976.52	\$	2,188.08	\$	3,164.60	\$	1,051.13	\$	2,188.08	\$	3,239.21	\$	74.62	\$	-	\$	74.62	2.4%	
75	40	21,900	75.00	72	\$	1,252.64	\$	2,858.16	\$	4,110.80	\$	1,340.88	\$	2,858.16	\$	4,199.04	\$	88.24	\$	-	\$	88.24	2.1%	
75	50	27,375	75.00	72	\$	1,528.77	\$	3,528.24	\$	5,057.01	\$	1,630.63	\$	3,528.24	\$	5,158.87	\$	101.86	\$	-	\$	101.86	2.0%	
75	60	32,850	75.00	72	\$	1,804.90	\$	4,198.32	\$	6,003.22	\$	1,920.38	\$	4,198.32	\$	6,118.70	\$	115.48	\$	-	\$	115.48	1.9%	
75	70	38,325	75.00	72	\$	2,081.02	\$	4,868.40	\$	6,949.42	\$	2,210.13	\$	4,868.40	\$	7,078.52	\$	129.10	\$	-	\$	129.10	1.9%	
75	80	43,800	75.00	72	\$	2,357.15	\$	5,538.48	\$	7,895.63	\$	2,499.87	\$	5,538.48	\$	8,038.35	\$	142.72	\$	-	\$	142.72	1.8%	
75	90	49,275	75.00	72	\$	2,633.28	\$	6,208.56	\$	8,841.83	\$	2,789.62	\$	6,208.56	\$	8,998.18	\$	156.35	\$	-	\$	156.35	1.8%	
100	30	21,900	100.00	97	\$	1,300.14	\$	2,919.91	\$	4,220.05	\$	1,398.63	\$	2,919.91	\$	4,318.54	\$	98.49	\$	-	\$	98.49	2.3%	
100	40	29,200	100.00	97	\$	1,668.31	\$	3,813.35	\$	5,481.66	\$	1,784.96	\$	3,813.35	\$	5,598.31	\$	116.65	\$	-	\$	116.65	2.1%	
100	50	36,500	100.00	97	\$	2,036.48	\$	4,706.79	\$	6,743.27	\$	2,171.29	\$	4,706.79	\$	6,878.08	\$	134.81	\$	-	\$	134.81	2.0%	
100	60	43,800	100.00	97	\$	2,404.65	\$	5,600.23	\$	8,004.88	\$	2,557.62	\$	5,600.23	\$	8,157.85	\$	152.97	\$	-	\$	152.97	1.9%	
100	70	51,100	100.00	97	\$	2,772.82	\$	6,493.67	\$	9,266.49	\$	2,943.95	\$	6,493.67	\$	9,437.62	\$	171.14	\$	-	\$	171.14	1.8%	
100	80	58,400	100.00	97	\$	3,140.99	\$	7,387.11	\$	10,528.09	\$	3,330.28	\$	7,387.11	\$	10,717.39	\$	189.30	\$	-	\$	189.30	1.8%	
100	90	65,700	100.00	97	\$	3,509.15	\$	8,280.55	\$	11,789.70	\$	3,716.62	\$	8,280.55	\$	11,997.16	\$	207.46	\$	-	\$	207.46	1.8%	
200	30	43,800	200.00	197	\$	2,594.65	\$	5,847.23	\$	8,441.88	\$	2,788.62	\$	5,847.23	\$	8,635.85	\$	193.97	\$	-	\$	193.97	2.3%	
200	40	58,400	200.00	197	\$	3,330.99	\$	7,634.11	\$	10,965.09	\$	3,561.28	\$	7,634.11	\$	11,195.39	\$	230.30	\$	-	\$	230.30	2.1%	
200	50	73,000	200.00	197	\$	4,067.32	\$	9,420.99	\$	13,488.31	\$	4,333.95	\$	9,420.99	\$	13,754.93	\$	266.62	\$	-	\$	266.62	2.0%	
200	60	87,600	200.00	197	\$	4,803.66	\$	11,207.87	\$	16,011.52	\$	5,106.61	\$	11,207.87	\$	16,314.47	\$	302.95	\$	-	\$	302.95	1.9%	
200	70	102,200	200.00	197	\$	5,539.99	\$	12,994.75	\$	18,534.74	\$	5,879.27	\$	12,994.75	\$	18,874.01	\$	339.27	\$	-	\$	339.27	1.8%	
200	80	116,800	200.00	197	\$	6,276.33	\$	14,781.63	\$	21,057.96	\$	6,651.93	\$	14,781.63	\$	21,433.55	\$	375.60	\$	-	\$	375.60	1.8%	
200	90	131,400	200.00	197	\$	7,012.67	\$	16,568.50	\$	23,581.17	\$	7,424.59	\$	16,568.50	\$	23,993.10	\$	411.92	\$	-	\$	411.92	1.7%	

ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE SECONDARY ("MGS Secondary")
Annual Average

Demand (kW)	Load Factor (%)	Energy (kWh)	Dist kW	Trans kW	Present Rates					Proposed Rates					Difference		Total	
					Distribution		BGS and Other Charges		Total	Distribution		BGS and Other Charges		Total	Distribution	BGS and Other Charges	Difference	Difference
					(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
5	20	730	5.00	2	\$ 48.45	\$ 92.99	\$ 141.44	\$ 54.93	\$ 92.99	\$ 147.93	\$ 6.48	\$ -	\$ 6.48	4.6%				
5	30	1,095	5.00	2	\$ 65.67	\$ 137.28	\$ 202.95	\$ 73.00	\$ 137.28	\$ 210.28	\$ 7.33	\$ -	\$ 7.33	3.6%				
5	40	1,460	5.00	2	\$ 82.89	\$ 181.57	\$ 264.46	\$ 91.08	\$ 181.57	\$ 272.64	\$ 8.18	\$ -	\$ 8.18	3.1%				
5	50	1,825	5.00	2	\$ 100.12	\$ 225.85	\$ 325.97	\$ 109.15	\$ 225.85	\$ 335.00	\$ 9.03	\$ -	\$ 9.03	2.8%				
5	60	2,190	5.00	2	\$ 117.34	\$ 270.14	\$ 387.48	\$ 127.22	\$ 270.14	\$ 397.36	\$ 9.88	\$ -	\$ 9.88	2.5%				
5	70	2,555	5.00	2	\$ 134.56	\$ 314.43	\$ 448.99	\$ 145.29	\$ 314.43	\$ 459.72	\$ 10.73	\$ -	\$ 10.73	2.4%				
5	80	2,920	5.00	2	\$ 151.78	\$ 358.71	\$ 510.50	\$ 163.36	\$ 358.71	\$ 522.08	\$ 11.58	\$ -	\$ 11.58	2.3%				
10	20	1,460	10.00	7	\$ 91.26	\$ 192.62	\$ 283.88	\$ 101.23	\$ 192.62	\$ 293.84	\$ 9.96	\$ -	\$ 9.96	3.5%				
10	30	2,190	10.00	7	\$ 125.70	\$ 281.19	\$ 406.90	\$ 137.37	\$ 281.19	\$ 418.56	\$ 11.66	\$ -	\$ 11.66	2.9%				
10	40	2,920	10.00	7	\$ 160.15	\$ 369.76	\$ 529.91	\$ 173.51	\$ 369.76	\$ 543.28	\$ 13.36	\$ -	\$ 13.36	2.5%				
10	50	3,650	10.00	7	\$ 194.59	\$ 458.34	\$ 652.93	\$ 209.65	\$ 458.34	\$ 667.99	\$ 15.06	\$ -	\$ 15.06	2.3%				
10	60	4,380	10.00	7	\$ 229.04	\$ 546.91	\$ 775.95	\$ 245.80	\$ 546.91	\$ 792.71	\$ 16.76	\$ -	\$ 16.76	2.2%				
10	70	5,110	10.00	7	\$ 263.48	\$ 635.49	\$ 898.97	\$ 281.94	\$ 635.49	\$ 917.42	\$ 18.46	\$ -	\$ 18.46	2.1%				
10	80	5,840	10.00	7	\$ 297.92	\$ 724.06	\$ 1,021.98	\$ 318.08	\$ 724.06	\$ 1,042.14	\$ 20.16	\$ -	\$ 20.16	2.0%				
20	20	2,920	20.00	17	\$ 176.88	\$ 391.86	\$ 568.75	\$ 193.81	\$ 391.86	\$ 585.68	\$ 16.93	\$ -	\$ 16.93	3.0%				
20	30	4,380	20.00	17	\$ 245.77	\$ 569.01	\$ 814.78	\$ 266.10	\$ 569.01	\$ 835.11	\$ 20.33	\$ -	\$ 20.33	2.5%				
20	40	5,840	20.00	17	\$ 314.66	\$ 746.16	\$ 1,060.82	\$ 338.38	\$ 746.16	\$ 1,084.54	\$ 23.72	\$ -	\$ 23.72	2.2%				
20	50	7,300	20.00	17	\$ 383.55	\$ 923.31	\$ 1,306.85	\$ 410.67	\$ 923.31	\$ 1,333.97	\$ 27.12	\$ -	\$ 27.12	2.1%				
20	60	8,760	20.00	17	\$ 452.43	\$ 1,100.45	\$ 1,552.89	\$ 482.95	\$ 1,100.45	\$ 1,583.41	\$ 30.52	\$ -	\$ 30.52	2.0%				
20	70	10,220	20.00	17	\$ 521.32	\$ 1,277.60	\$ 1,798.92	\$ 555.24	\$ 1,277.60	\$ 1,832.84	\$ 33.92	\$ -	\$ 33.92	1.9%				
20	80	11,680	20.00	17	\$ 590.21	\$ 1,454.75	\$ 2,044.96	\$ 627.52	\$ 1,454.75	\$ 2,082.27	\$ 37.32	\$ -	\$ 37.32	1.8%				
30	20	4,380	30.00	27	\$ 262.50	\$ 591.11	\$ 853.61	\$ 286.40	\$ 591.11	\$ 877.51	\$ 23.89	\$ -	\$ 23.89	2.8%				
30	30	6,570	30.00	27	\$ 365.83	\$ 856.83	\$ 1,222.67	\$ 394.83	\$ 856.83	\$ 1,251.66	\$ 28.99	\$ -	\$ 28.99	2.4%				
30	40	8,760	30.00	27	\$ 469.17	\$ 1,122.55	\$ 1,591.72	\$ 503.25	\$ 1,122.55	\$ 1,625.81	\$ 34.09	\$ -	\$ 34.09	2.1%				
30	50	10,950	30.00	27	\$ 572.50	\$ 1,388.27	\$ 1,960.77	\$ 611.68	\$ 1,388.27	\$ 1,999.96	\$ 39.18	\$ -	\$ 39.18	2.0%				
30	60	13,140	30.00	27	\$ 675.83	\$ 1,653.99	\$ 2,329.82	\$ 720.11	\$ 1,653.99	\$ 2,374.10	\$ 44.28	\$ -	\$ 44.28	1.9%				
30	70	15,330	30.00	27	\$ 779.16	\$ 1,919.72	\$ 2,698.88	\$ 828.54	\$ 1,919.72	\$ 2,748.25	\$ 49.38	\$ -	\$ 49.38	1.8%				
30	80	17,520	30.00	27	\$ 882.49	\$ 2,185.44	\$ 3,067.93	\$ 936.97	\$ 2,185.44	\$ 3,122.40	\$ 54.47	\$ -	\$ 54.47	1.8%				
50	20	7,300	50.00	47	\$ 433.75	\$ 989.61	\$ 1,423.35	\$ 471.57	\$ 989.61	\$ 1,461.17	\$ 37.82	\$ -	\$ 37.82	2.7%				
50	30	10,950	50.00	47	\$ 605.96	\$ 1,432.47	\$ 2,038.44	\$ 652.28	\$ 1,432.47	\$ 2,084.76	\$ 46.32	\$ -	\$ 46.32	2.3%				
50	40	14,600	50.00	47	\$ 778.18	\$ 1,875.34	\$ 2,653.52	\$ 833.00	\$ 1,875.34	\$ 2,708.34	\$ 54.81	\$ -	\$ 54.81	2.1%				
50	50	18,250	50.00	47	\$ 950.40	\$ 2,318.21	\$ 3,268.61	\$ 1,013.71	\$ 2,318.21	\$ 3,331.92	\$ 63.31	\$ -	\$ 63.31	1.9%				
50	60	21,900	50.00	47	\$ 1,122.62	\$ 2,761.08	\$ 3,883.70	\$ 1,194.42	\$ 2,761.08	\$ 3,955.50	\$ 71.80	\$ -	\$ 71.80	1.8%				
50	70	25,550	50.00	47	\$ 1,294.84	\$ 3,203.95	\$ 4,498.79	\$ 1,375.14	\$ 3,203.95	\$ 4,579.08	\$ 80.30	\$ -	\$ 80.30	1.8%				
50	80	29,200	50.00	47	\$ 1,467.06	\$ 3,646.81	\$ 5,113.87	\$ 1,555.85	\$ 3,646.81	\$ 5,202.66	\$ 88.79	\$ -	\$ 88.79	1.7%				
75	30	16,425	75.00	72	\$ 906.13	\$ 2,152.03	\$ 3,058.15	\$ 974.10	\$ 2,152.03	\$ 3,126.13	\$ 67.98	\$ -	\$ 67.98	2.2%				
75	40	21,900	75.00	72	\$ 1,164.46	\$ 2,816.33	\$ 3,980.78	\$ 1,245.17	\$ 2,816.33	\$ 4,061.50	\$ 80.72	\$ -	\$ 80.72	2.0%				
75	50	27,375	75.00	72	\$ 1,422.78	\$ 3,480.63	\$ 4,903.41	\$ 1,516.24	\$ 3,480.63	\$ 4,996.87	\$ 93.46	\$ -	\$ 93.46	1.9%				
75	60	32,850	75.00	72	\$ 1,681.11	\$ 4,144.93	\$ 5,826.04	\$ 1,787.32	\$ 4,144.93	\$ 5,932.25	\$ 106.20	\$ -	\$ 106.20	1.8%				
75	70	38,325	75.00	72	\$ 1,939.44	\$ 4,809.23	\$ 6,748.67	\$ 2,058.39	\$ 4,809.23	\$ 6,867.62	\$ 118.95	\$ -	\$ 118.95	1.8%				
75	80	43,800	75.00	72	\$ 2,197.77	\$ 5,473.53	\$ 7,671.30	\$ 2,329.46	\$ 5,473.53	\$ 7,802.99	\$ 131.69	\$ -	\$ 131.69	1.7%				
75	90	49,275	75.00	72	\$ 2,456.10	\$ 6,137.84	\$ 8,593.94	\$ 2,600.53	\$ 6,137.84	\$ 8,738.36	\$ 144.43	\$ -	\$ 144.43	1.7%				
100	30	21,900	100.00	97	\$ 1,206.29	\$ 2,871.58	\$ 4,077.87	\$ 1,295.92	\$ 2,871.58	\$ 4,167.50	\$ 89.64	\$ -	\$ 89.64	2.2%				
100	40	29,200	100.00	97	\$ 1,550.73	\$ 3,757.31	\$ 5,308.04	\$ 1,657.35	\$ 3,757.31	\$ 5,414.66	\$ 106.62	\$ -	\$ 106.62	2.0%				
100	50	36,500	100.00	97	\$ 1,895.17	\$ 4,643.05	\$ 6,538.21	\$ 2,018.78	\$ 4,643.05	\$ 6,661.83	\$ 123.61	\$ -	\$ 123.61	1.9%				
100	60	43,800	100.00	97	\$ 2,239.60	\$ 5,528.78	\$ 7,768.39	\$ 2,380.21	\$ 5,528.78	\$ 7,908.99	\$ 140.60	\$ -	\$ 140.60	1.8%				
100	70	51,100	100.00	97	\$ 2,584.04	\$ 6,414.52	\$ 8,998.56	\$ 2,741.64	\$ 6,414.52	\$ 9,156.16	\$ 157.59	\$ -	\$ 157.59	1.8%				
100	80	58,400	100.00	97	\$ 2,928.48	\$ 7,300.26	\$ 10,228.74	\$ 3,103.06	\$ 7,300.26	\$ 10,403.32	\$ 174.58	\$ -	\$ 174.58	1.7%				
100	90	65,700	100.00	97	\$ 3,272.92	\$ 8,185.99	\$ 11,458.91	\$ 3,464.49	\$ 8,185.99	\$ 11,650.48	\$ 191.57	\$ -	\$ 191.57	1.7%				
200	30	43,800	200.00	197	\$ 2,406.94	\$ 5,749.78	\$ 8,156.72	\$ 2,583.21	\$ 5,749.78	\$ 8,332.99	\$ 176.27	\$ -	\$ 176.27	2.2%				
200	40	58,400	200.00	197	\$ 3,095.81	\$ 7,521.26	\$ 10,617.07	\$ 3,306.06	\$ 7,521.26	\$ 10,827.32	\$ 210.25	\$ -	\$ 210.25	2.0%				
200	50	73,000	200.00	197	\$ 3,784.69	\$ 9,292.73	\$ 13,077.42	\$ 4,028.92	\$ 9,292.73	\$ 13,321.65	\$ 244.23	\$ -	\$ 244.23	1.9%				
200	60	87,600	200.00	197	\$ 4,473.57	\$ 11,064.20	\$ 15,537.77	\$ 4,751.77	\$ 11,064.20	\$ 15,815.97	\$ 278.21	\$ -	\$ 278.21	1.8%				
200	70	102,200	200.00	197	\$ 5,162.44	\$ 12,835.67	\$ 17,998.11	\$ 5,474.63	\$ 12,835.67	\$ 18,310.30	\$ 312.19	\$ -	\$ 312.19	1.7%				
200	80	116,800	200.00	197	\$ 5,851.32	\$ 14,607.14	\$ 20,458.46	\$ 6,197.49	\$ 14,607.14	\$ 20,804.63	\$ 346.17	\$ -	\$ 346.17	1.7%				
200	90	131,400	200.00	197	\$ 6,540.20	\$ 16,378.61	\$ 22,918.81	\$ 6,920.34	\$ 16,378.61	\$ 23,298.96	\$ 380.14	\$ -	\$ 380.14	1.7%				

**ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE PRIMARY ("MGS Primary")
8 WINTER MONTHS (October Through May)**

Present Rates vs. Proposed Rates																							
Demand (kW)	Load Factor (%)	Energy (kWh)	Dist kW	Trans kW	Present		Present		Proposed		New		Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)							
					Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)												
5	20	730	5.00	2	\$	43.36	\$	82.39	\$	125.74	\$	55.81	\$	82.39	\$	138.20	\$	12.45	\$	-	\$	12.45	9.9%
5	30	1,095	5.00	2	\$	59.40	\$	122.84	\$	182.24	\$	72.66	\$	122.84	\$	195.50	\$	13.26	\$	-	\$	13.26	7.3%
5	40	1,460	5.00	2	\$	75.45	\$	163.29	\$	238.74	\$	89.50	\$	163.29	\$	252.80	\$	14.06	\$	-	\$	14.06	5.9%
5	50	1,825	5.00	2	\$	91.49	\$	203.74	\$	295.23	\$	106.35	\$	203.74	\$	310.09	\$	14.86	\$	-	\$	14.86	5.0%
5	60	2,190	5.00	2	\$	107.53	\$	244.20	\$	351.73	\$	123.20	\$	244.20	\$	367.39	\$	15.66	\$	-	\$	15.66	4.5%
5	70	2,555	5.00	2	\$	123.58	\$	284.65	\$	408.23	\$	140.04	\$	284.65	\$	424.69	\$	16.46	\$	-	\$	16.46	4.0%
5	80	2,920	5.00	2	\$	139.62	\$	325.10	\$	464.73	\$	156.89	\$	325.10	\$	481.99	\$	17.27	\$	-	\$	17.27	3.7%
10	20	1,460	10.00	7	\$	81.40	\$	166.99	\$	248.39	\$	96.30	\$	166.99	\$	263.30	\$	14.91	\$	-	\$	14.91	6.0%
10	30	2,190	10.00	7	\$	113.48	\$	247.90	\$	361.38	\$	130.00	\$	247.90	\$	377.89	\$	16.51	\$	-	\$	16.51	4.6%
10	40	2,920	10.00	7	\$	145.57	\$	328.80	\$	474.38	\$	163.69	\$	328.80	\$	492.49	\$	18.12	\$	-	\$	18.12	3.8%
10	50	3,650	10.00	7	\$	177.66	\$	409.71	\$	587.37	\$	197.38	\$	409.71	\$	607.09	\$	19.72	\$	-	\$	19.72	3.4%
10	60	4,380	10.00	7	\$	209.75	\$	490.62	\$	700.36	\$	231.07	\$	490.62	\$	721.69	\$	21.32	\$	-	\$	21.32	3.0%
10	70	5,110	10.00	7	\$	241.84	\$	571.52	\$	813.36	\$	264.76	\$	571.52	\$	836.28	\$	22.93	\$	-	\$	22.93	2.8%
10	80	5,840	10.00	7	\$	273.92	\$	652.43	\$	926.35	\$	298.45	\$	652.43	\$	950.88	\$	24.53	\$	-	\$	24.53	2.6%
20	20	2,920	20.00	17	\$	157.47	\$	336.20	\$	493.68	\$	177.29	\$	336.20	\$	513.49	\$	19.82	\$	-	\$	19.82	4.0%
20	30	4,380	20.00	17	\$	221.65	\$	498.02	\$	719.66	\$	244.67	\$	498.02	\$	742.69	\$	23.02	\$	-	\$	23.02	3.2%
20	40	5,840	20.00	17	\$	285.82	\$	659.83	\$	945.65	\$	312.05	\$	659.83	\$	971.88	\$	26.23	\$	-	\$	26.23	2.8%
20	50	7,300	20.00	17	\$	350.00	\$	821.64	\$	1,171.64	\$	379.44	\$	821.64	\$	1,201.08	\$	29.44	\$	-	\$	29.44	2.5%
20	60	8,760	20.00	17	\$	414.17	\$	983.45	\$	1,397.63	\$	446.82	\$	983.45	\$	1,430.27	\$	32.65	\$	-	\$	32.65	2.3%
20	70	10,220	20.00	17	\$	478.35	\$	1,145.26	\$	1,623.61	\$	514.20	\$	1,145.26	\$	1,659.47	\$	35.85	\$	-	\$	35.85	2.2%
20	80	11,680	20.00	17	\$	542.53	\$	1,307.07	\$	1,849.60	\$	581.59	\$	1,307.07	\$	1,888.66	\$	39.06	\$	-	\$	39.06	2.1%
30	20	4,380	30.00	27	\$	233.55	\$	505.42	\$	738.96	\$	258.27	\$	505.42	\$	763.69	\$	24.72	\$	-	\$	24.72	3.3%
30	30	6,570	30.00	27	\$	329.81	\$	748.13	\$	1,077.94	\$	359.35	\$	748.13	\$	1,107.48	\$	29.53	\$	-	\$	29.53	2.7%
30	40	8,760	30.00	27	\$	426.07	\$	990.85	\$	1,416.93	\$	460.42	\$	990.85	\$	1,451.27	\$	34.35	\$	-	\$	34.35	2.4%
30	50	10,950	30.00	27	\$	522.34	\$	1,233.57	\$	1,755.91	\$	561.50	\$	1,233.57	\$	1,795.06	\$	39.16	\$	-	\$	39.16	2.2%
30	60	13,140	30.00	27	\$	618.60	\$	1,476.29	\$	2,094.89	\$	662.57	\$	1,476.29	\$	2,138.86	\$	43.97	\$	-	\$	43.97	2.1%
30	70	15,330	30.00	27	\$	714.87	\$	1,719.00	\$	2,433.87	\$	763.65	\$	1,719.00	\$	2,482.65	\$	48.78	\$	-	\$	48.78	2.0%
30	80	17,520	30.00	27	\$	811.13	\$	1,961.72	\$	2,772.85	\$	864.72	\$	1,961.72	\$	2,826.44	\$	53.59	\$	-	\$	53.59	1.9%
50	20	7,300	50.00	47	\$	385.70	\$	843.84	\$	1,229.54	\$	420.24	\$	843.84	\$	1,264.08	\$	34.54	\$	-	\$	34.54	2.8%
50	30	10,950	50.00	47	\$	546.14	\$	1,248.37	\$	1,794.51	\$	588.70	\$	1,248.37	\$	1,837.06	\$	42.56	\$	-	\$	42.56	2.4%
50	40	14,600	50.00	47	\$	706.58	\$	1,652.90	\$	2,359.48	\$	757.15	\$	1,652.90	\$	2,410.05	\$	50.58	\$	-	\$	50.58	2.1%
50	50	18,250	50.00	47	\$	867.02	\$	2,057.43	\$	2,924.44	\$	925.61	\$	2,057.43	\$	2,983.04	\$	58.60	\$	-	\$	58.60	2.0%
50	60	21,900	50.00	47	\$	1,027.46	\$	2,461.96	\$	3,489.41	\$	1,094.07	\$	2,461.96	\$	3,556.03	\$	66.61	\$	-	\$	66.61	1.9%
50	70	25,550	50.00	47	\$	1,187.90	\$	2,866.49	\$	4,054.38	\$	1,262.53	\$	2,866.49	\$	4,129.02	\$	74.63	\$	-	\$	74.63	1.8%
50	80	29,200	50.00	47	\$	1,348.34	\$	3,271.02	\$	4,619.35	\$	1,430.99	\$	3,271.02	\$	4,702.00	\$	82.65	\$	-	\$	82.65	1.8%
75	30	16,425	75.00	72	\$	816.55	\$	1,873.66	\$	2,690.21	\$	875.38	\$	1,873.66	\$	2,749.05	\$	58.84	\$	-	\$	58.84	2.2%
75	40	21,900	75.00	72	\$	1,057.21	\$	2,480.46	\$	3,537.66	\$	1,128.07	\$	2,480.46	\$	3,608.53	\$	70.86	\$	-	\$	70.86	2.0%
75	50	27,375	75.00	72	\$	1,297.87	\$	3,087.25	\$	4,385.12	\$	1,380.76	\$	3,087.25	\$	4,468.01	\$	82.89	\$	-	\$	82.89	1.9%
75	60	32,850	75.00	72	\$	1,538.52	\$	3,694.05	\$	5,232.57	\$	1,633.45	\$	3,694.05	\$	5,327.49	\$	94.92	\$	-	\$	94.92	1.8%
75	70	38,325	75.00	72	\$	1,779.18	\$	4,300.84	\$	6,080.02	\$	1,886.13	\$	4,300.84	\$	6,186.97	\$	106.95	\$	-	\$	106.95	1.8%
75	80	43,800	75.00	72	\$	2,019.84	\$	4,907.63	\$	6,927.48	\$	2,138.82	\$	4,907.63	\$	7,046.46	\$	118.98	\$	-	\$	118.98	1.7%
75	90	49,275	75.00	72	\$	2,260.50	\$	5,514.43	\$	7,774.93	\$	2,391.51	\$	5,514.43	\$	7,905.94	\$	131.01	\$	-	\$	131.01	1.7%
100	30	21,900	100.00	97	\$	1,086.96	\$	2,498.96	\$	3,585.91	\$	1,162.07	\$	2,498.96	\$	3,661.03	\$	75.11	\$	-	\$	75.11	2.1%
100	40	29,200	100.00	97	\$	1,407.84	\$	3,308.02	\$	4,715.85	\$	1,498.99	\$	3,308.02	\$	4,807.00	\$	91.15	\$	-	\$	91.15	1.9%
100	50	36,500	100.00	97	\$	1,728.71	\$	4,117.08	\$	5,845.79	\$	1,835.90	\$	4,117.08	\$	5,952.98	\$	107.19	\$	-	\$	107.19	1.8%
100	60	43,800	100.00	97	\$	2,049.59	\$	4,926.13	\$	6,975.73	\$	2,172.82	\$	4,926.13	\$	7,098.96	\$	123.23	\$	-	\$	123.23	1.8%
100	70	51,100	100.00	97	\$	2,370.47	\$	5,735.19	\$	8,105.66	\$	2,509.74	\$	5,735.19	\$	8,244.93	\$	139.27	\$	-	\$	139.27	1.7%
100	80	58,400	100.00	97	\$	2,691.35	\$	6,544.25	\$	9,235.60	\$	2,846.66	\$	6,544.25	\$	9,390.91	\$	155.30	\$	-	\$	155.30	1.7%
100	90	65,700	100.00	97	\$	3,012.23	\$	7,353.31	\$	10,365.54	\$	3,183.57	\$	7,353.31	\$	10,536.88	\$	171.34	\$	-	\$	171.34	1.7%
200	30	43,800	200.00	197	\$	2,168.59	\$	5,000.13	\$	7,168.73	\$	2,308.82	\$	5,000.13	\$	7,308.96	\$	140.23	\$	-	\$	140.23	2.0%
200	40	58,400	200.00	197	\$	2,810.35	\$	6,618.25	\$	9,428.60	\$	2,982.66	\$	6,618.25	\$	9,600.91	\$	172.30	\$	-	\$	172.30	1.8%
200	50	73,000	200.00	197	\$	3,452.11	\$	8,236.37	\$	11,688.48	\$	3,656.49	\$	8,236.37	\$	11,892.86	\$	204.38	\$	-	\$	204.38	1.7%
200	60	87,600	200.00	197	\$	4,093.87	\$	9,854.49	\$	13,948.35	\$	4,330.32	\$	9,854.49	\$	14,184.81	\$	236.46	\$	-	\$	236.46	1.7%
200	70	102,200	200.00	197	\$	4,735.62	\$	11,472.61	\$	16,208.23	\$	5,004.16	\$	11,472.61	\$	16,476.76	\$	268.53	\$	-	\$	268.53	1.7%
200	80	116,800	200.00	197	\$	5,377.38	\$	13,090.72	\$	18,468.10	\$	5,677.99	\$	13,090.72	\$	18,768.71	\$	300.61	\$	-	\$	300.61	1.6%
200	90	131,400	200.00	197	\$	6,019.14	\$	14,708.84	\$	20,727.98	\$	6,351.82	\$	14,708.84	\$	21,060.67	\$	332.69	\$	-	\$	332.69	1.6%

**ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE PRIMARY ("MGS Primary")
4 SUMMER MONTHS (June Through September)**

		Present Rates										vs.		Proposed Rates										
Demand (kW)	Load Factor (%)	Energy (kWh)	Dist kW	Trans kW	Present Distribution (\$)		Present BGS and Other Charges (\$)		Present Total (\$)		New Distribution (\$)		New BGS and Other Charges (\$)		New Total (\$)		Difference Distribution (\$)		Difference BGS and Other Charges (\$)		Total Difference (\$)		Total Difference (%)	
5	20	730	5.00	2	\$	46.01	\$	86.04	\$	132.04	\$	58.76	\$	86.04	\$	144.80	\$	12.75	\$	-	\$	12.75	9.7%	
5	30	1,095	5.00	2	\$	62.53	\$	127.97	\$	190.50	\$	76.11	\$	127.97	\$	204.08	\$	13.58	\$	-	\$	13.58	7.1%	
5	40	1,460	5.00	2	\$	79.05	\$	169.91	\$	248.96	\$	93.45	\$	169.91	\$	263.36	\$	14.40	\$	-	\$	14.40	5.8%	
5	50	1,825	5.00	2	\$	95.57	\$	211.85	\$	307.42	\$	110.80	\$	211.85	\$	322.65	\$	15.23	\$	-	\$	15.23	5.0%	
5	60	2,190	5.00	2	\$	112.09	\$	253.79	\$	365.87	\$	128.14	\$	253.79	\$	381.93	\$	16.06	\$	-	\$	16.06	4.4%	
5	70	2,555	5.00	2	\$	128.60	\$	295.73	\$	424.33	\$	145.49	\$	295.73	\$	441.21	\$	16.88	\$	-	\$	16.88	4.0%	
5	80	2,920	5.00	2	\$	145.12	\$	337.67	\$	482.79	\$	162.83	\$	337.67	\$	500.50	\$	17.71	\$	-	\$	17.71	3.7%	
10	20	1,460	10.00	7	\$	86.70	\$	175.31	\$	262.01	\$	102.20	\$	175.31	\$	277.51	\$	15.50	\$	-	\$	15.50	5.9%	
10	30	2,190	10.00	7	\$	119.74	\$	259.19	\$	378.92	\$	136.89	\$	259.19	\$	396.08	\$	17.16	\$	-	\$	17.16	4.5%	
10	40	2,920	10.00	7	\$	152.77	\$	343.07	\$	495.84	\$	171.58	\$	343.07	\$	514.65	\$	18.81	\$	-	\$	18.81	3.8%	
10	50	3,650	10.00	7	\$	185.81	\$	426.94	\$	612.75	\$	206.27	\$	426.94	\$	633.21	\$	20.46	\$	-	\$	20.46	3.3%	
10	60	4,380	10.00	7	\$	218.85	\$	510.82	\$	729.67	\$	240.96	\$	510.82	\$	751.78	\$	22.11	\$	-	\$	22.11	3.0%	
10	70	5,110	10.00	7	\$	251.89	\$	594.69	\$	846.58	\$	275.65	\$	594.69	\$	870.35	\$	23.76	\$	-	\$	23.76	2.8%	
10	80	5,840	10.00	7	\$	284.93	\$	678.57	\$	963.50	\$	310.34	\$	678.57	\$	988.91	\$	25.42	\$	-	\$	25.42	2.6%	
20	20	2,920	20.00	17	\$	168.07	\$	353.87	\$	521.94	\$	189.08	\$	353.87	\$	542.95	\$	21.01	\$	-	\$	21.01	4.0%	
20	30	4,380	20.00	17	\$	234.15	\$	521.62	\$	755.77	\$	258.46	\$	521.62	\$	780.08	\$	24.31	\$	-	\$	24.31	3.2%	
20	40	5,840	20.00	17	\$	300.23	\$	689.37	\$	989.60	\$	327.84	\$	689.37	\$	1,017.21	\$	27.62	\$	-	\$	27.62	2.8%	
20	50	7,300	20.00	17	\$	366.30	\$	857.12	\$	1,223.43	\$	397.22	\$	857.12	\$	1,254.35	\$	30.92	\$	-	\$	30.92	2.5%	
20	60	8,760	20.00	17	\$	432.38	\$	1,024.88	\$	1,457.26	\$	466.60	\$	1,024.88	\$	1,491.48	\$	34.22	\$	-	\$	34.22	2.3%	
20	70	10,220	20.00	17	\$	498.46	\$	1,192.63	\$	1,691.08	\$	535.98	\$	1,192.63	\$	1,728.61	\$	37.53	\$	-	\$	37.53	2.2%	
20	80	11,680	20.00	17	\$	564.53	\$	1,360.38	\$	1,924.91	\$	605.37	\$	1,360.38	\$	1,965.75	\$	40.83	\$	-	\$	40.83	2.1%	
30	20	4,380	30.00	27	\$	249.45	\$	532.42	\$	781.87	\$	275.96	\$	532.42	\$	808.38	\$	26.51	\$	-	\$	26.51	3.4%	
30	30	6,570	30.00	27	\$	348.57	\$	784.05	\$	1,132.61	\$	380.03	\$	784.05	\$	1,164.08	\$	31.47	\$	-	\$	31.47	2.8%	
30	40	8,760	30.00	27	\$	447.68	\$	1,035.68	\$	1,483.36	\$	484.10	\$	1,035.68	\$	1,519.78	\$	36.42	\$	-	\$	36.42	2.5%	
30	50	10,950	30.00	27	\$	546.80	\$	1,287.30	\$	1,834.10	\$	588.17	\$	1,287.30	\$	1,875.48	\$	41.38	\$	-	\$	41.38	2.3%	
30	60	13,140	30.00	27	\$	645.91	\$	1,538.93	\$	2,184.84	\$	692.25	\$	1,538.93	\$	2,231.18	\$	46.34	\$	-	\$	46.34	2.1%	
30	70	15,330	30.00	27	\$	745.03	\$	1,790.56	\$	2,535.59	\$	796.32	\$	1,790.56	\$	2,586.88	\$	51.29	\$	-	\$	51.29	2.0%	
30	80	17,520	30.00	27	\$	844.14	\$	2,042.19	\$	2,886.33	\$	900.39	\$	2,042.19	\$	2,942.58	\$	56.25	\$	-	\$	56.25	1.9%	
50	20	7,300	50.00	47	\$	412.20	\$	889.52	\$	1,301.73	\$	449.72	\$	889.52	\$	1,339.25	\$	37.52	\$	-	\$	37.52	2.9%	
50	30	10,950	50.00	47	\$	577.40	\$	1,308.90	\$	1,886.30	\$	623.17	\$	1,308.90	\$	1,932.08	\$	45.78	\$	-	\$	45.78	2.4%	
50	40	14,600	50.00	47	\$	742.59	\$	1,728.29	\$	2,470.87	\$	796.63	\$	1,728.29	\$	2,524.91	\$	54.04	\$	-	\$	54.04	2.2%	
50	50	18,250	50.00	47	\$	907.78	\$	2,147.67	\$	3,055.45	\$	970.08	\$	2,147.67	\$	3,117.75	\$	62.30	\$	-	\$	62.30	2.0%	
50	60	21,900	50.00	47	\$	1,072.97	\$	2,567.05	\$	3,640.02	\$	1,143.53	\$	2,567.05	\$	3,710.58	\$	70.56	\$	-	\$	70.56	1.9%	
50	70	25,550	50.00	47	\$	1,238.16	\$	2,986.43	\$	4,224.59	\$	1,316.98	\$	2,986.43	\$	4,303.41	\$	78.82	\$	-	\$	78.82	1.9%	
50	80	29,200	50.00	47	\$	1,403.35	\$	3,405.81	\$	4,809.16	\$	1,490.43	\$	3,405.81	\$	4,896.24	\$	87.08	\$	-	\$	87.08	1.8%	
75	30	16,425	75.00	72	\$	863.43	\$	1,964.98	\$	2,828.41	\$	927.10	\$	1,964.98	\$	2,892.08	\$	63.67	\$	-	\$	63.67	2.3%	
75	40	21,900	75.00	72	\$	1,111.22	\$	2,594.05	\$	3,705.27	\$	1,187.28	\$	2,594.05	\$	3,781.33	\$	76.06	\$	-	\$	76.06	2.1%	
75	50	27,375	75.00	72	\$	1,359.01	\$	3,223.12	\$	4,582.13	\$	1,447.46	\$	3,223.12	\$	4,670.58	\$	88.45	\$	-	\$	88.45	1.9%	
75	60	32,850	75.00	72	\$	1,606.80	\$	3,852.19	\$	5,458.99	\$	1,707.63	\$	3,852.19	\$	5,559.83	\$	100.84	\$	-	\$	100.84	1.8%	
75	70	38,325	75.00	72	\$	1,854.58	\$	4,481.26	\$	6,335.85	\$	1,967.81	\$	4,481.26	\$	6,449.08	\$	113.23	\$	-	\$	113.23	1.8%	
75	80	43,800	75.00	72	\$	2,102.37	\$	5,110.34	\$	7,212.71	\$	2,227.99	\$	5,110.34	\$	7,338.33	\$	125.62	\$	-	\$	125.62	1.7%	
75	90	49,275	75.00	72	\$	2,350.16	\$	5,739.41	\$	8,089.57	\$	2,488.17	\$	5,739.41	\$	8,227.58	\$	138.01	\$	-	\$	138.01	1.7%	
100	30	21,900	100.00	97	\$	1,149.47	\$	2,621.05	\$	3,770.52	\$	1,231.03	\$	2,621.05	\$	3,852.08	\$	81.56	\$	-	\$	81.56	2.2%	
100	40	29,200	100.00	97	\$	1,479.85	\$	3,459.81	\$	4,939.66	\$	1,577.93	\$	3,459.81	\$	5,037.74	\$	98.08	\$	-	\$	98.08	2.0%	
100	50	36,500	100.00	97	\$	1,810.24	\$	4,298.57	\$	6,108.81	\$	1,924.84	\$	4,298.57	\$	6,223.41	\$	114.60	\$	-	\$	114.60	1.9%	
100	60	43,800	100.00	97	\$	2,140.62	\$	5,137.34	\$	7,277.96	\$	2,271.74	\$	5,137.34	\$	7,409.08	\$	131.12	\$	-	\$	131.12	1.8%	
100	70	51,100	100.00	97	\$	2,471.00	\$	5,976.10	\$	8,447.10	\$	2,618.64	\$	5,976.10	\$	8,594.74	\$	147.64	\$	-	\$	147.64	1.7%	
100	80	58,400	100.00	97	\$	2,801.39	\$	6,814.86	\$	9,616.25	\$	2,965.55	\$	6,814.86	\$	9,780.41	\$	164.16	\$	-	\$	164.16	1.7%	
100	90	65,700	100.00	97	\$	3,131.77	\$	7,653.62	\$	10,785.39	\$	3,312.45	\$	7,653.62	\$	10,966.07	\$	180.68	\$	-	\$	180.68	1.7%	
200	30	43,800	200.00	197	\$	2,293.62	\$	5,245.34	\$	7,538.96	\$	2,446.74	\$	5,245.34	\$	7,692.08	\$	153.12	\$	-	\$	153.12	2.0%	
200	40	58,400	200.00	197	\$	2,954.39	\$	6,922.86	\$	9,877.25	\$	3,140.55	\$	6,922.86	\$	10,063.41	\$	186.16	\$	-	\$	186.16	1.9%	
200	50	73,000	200.00	197	\$	3,615.15	\$	8,600.39	\$	12,215.54	\$	3,834.35	\$	8,600.39	\$	12,434.74	\$	219.20	\$	-	\$	219.20	1.8%	
200	60	87,600	200.00	197	\$	4,275.92	\$	10,277.91	\$	14,553.83	\$	4,528.16	\$	10,277.91	\$	14,806.07	\$	252.24	\$	-	\$	252.24	1.7%	
200	70	102,200	200.00	197	\$	4,936.69	\$	11,955.44	\$	16,892.13	\$	5,221.97	\$	11,955.44	\$	17,177.40	\$	285.28	\$	-	\$	285.28	1.7%	
200	80	116,800	200.00	197	\$	5,597.45	\$	13,632.96	\$	19,230.42	\$	5,915.77	\$	13,632.96	\$	19,548.74	\$	318.32	\$	-	\$	318.32	1.7%	
200	90	131,400	200.00	197	\$	6,258.22	\$	15,310.49	\$	21,568.71	\$	6,609.58	\$	15,310.49	\$	21,920.07	\$	351.36	\$	-	\$	351.36	1.6%	

ATLANTIC CITY ELECTRIC COMPANY
MONTHLY GENERAL SERVICE PRIMARY ("MGS Primary")
Annual Average

						Present Rates		vs.		Proposed Rates		Difference		Total	
Demand	Load	Energy			Present	Present	Present	New	New	New	Difference	Difference	Total	Total	
(kW)	Factor	(kWh)	Dist kW	Trans kW	Distribution	BGS and Other Charges	Total	Distribution	BGS and Other Charges	Total	Distribution	BGS and Other Charges	Difference	Difference	
(%)	(%)	(kWh)			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
5	20	730	5.00	2	\$ 44.24	\$ 83.60	\$ 127.84	\$ 56.79	\$ 83.60	\$ 140.40	\$ 12.55	\$ -	\$ 12.55	9.8%	
5	30	1,095	5.00	2	\$ 60.44	\$ 124.55	\$ 184.99	\$ 73.81	\$ 124.55	\$ 198.36	\$ 13.36	\$ -	\$ 13.36	7.2%	
5	40	1,460	5.00	2	\$ 76.65	\$ 165.50	\$ 242.14	\$ 90.82	\$ 165.50	\$ 256.32	\$ 14.17	\$ -	\$ 14.17	5.9%	
5	50	1,825	5.00	2	\$ 92.85	\$ 206.45	\$ 299.30	\$ 107.83	\$ 206.45	\$ 314.28	\$ 14.98	\$ -	\$ 14.98	5.0%	
5	60	2,190	5.00	2	\$ 109.05	\$ 247.39	\$ 356.45	\$ 124.84	\$ 247.39	\$ 372.24	\$ 15.79	\$ -	\$ 15.79	4.4%	
5	70	2,555	5.00	2	\$ 125.25	\$ 288.34	\$ 413.60	\$ 141.86	\$ 288.34	\$ 430.20	\$ 16.60	\$ -	\$ 16.60	4.0%	
5	80	2,920	5.00	2	\$ 141.46	\$ 329.29	\$ 470.75	\$ 158.87	\$ 329.29	\$ 488.16	\$ 17.41	\$ -	\$ 17.41	3.7%	
10	20	1,460	10.00	7	\$ 83.16	\$ 169.77	\$ 252.93	\$ 98.27	\$ 169.77	\$ 268.03	\$ 15.11	\$ -	\$ 15.11	6.0%	
10	30	2,190	10.00	7	\$ 115.57	\$ 251.66	\$ 367.23	\$ 132.29	\$ 251.66	\$ 383.96	\$ 16.73	\$ -	\$ 16.73	4.6%	
10	40	2,920	10.00	7	\$ 147.97	\$ 333.56	\$ 481.53	\$ 166.32	\$ 333.56	\$ 499.88	\$ 18.35	\$ -	\$ 18.35	3.8%	
10	50	3,650	10.00	7	\$ 180.38	\$ 415.45	\$ 595.83	\$ 200.34	\$ 415.45	\$ 615.80	\$ 19.97	\$ -	\$ 19.97	3.4%	
10	60	4,380	10.00	7	\$ 212.78	\$ 497.35	\$ 710.13	\$ 234.37	\$ 497.35	\$ 731.72	\$ 21.59	\$ -	\$ 21.59	3.0%	
10	70	5,110	10.00	7	\$ 245.19	\$ 579.25	\$ 824.43	\$ 268.39	\$ 579.25	\$ 847.64	\$ 23.21	\$ -	\$ 23.21	2.8%	
10	80	5,840	10.00	7	\$ 277.59	\$ 661.14	\$ 938.73	\$ 302.42	\$ 661.14	\$ 963.56	\$ 24.83	\$ -	\$ 24.83	2.6%	
20	20	2,920	20.00	17	\$ 161.01	\$ 342.09	\$ 503.10	\$ 181.22	\$ 342.09	\$ 523.31	\$ 20.21	\$ -	\$ 20.21	4.0%	
20	30	4,380	20.00	17	\$ 225.81	\$ 505.88	\$ 731.70	\$ 249.27	\$ 505.88	\$ 755.15	\$ 23.45	\$ -	\$ 23.45	3.2%	
20	40	5,840	20.00	17	\$ 290.62	\$ 669.67	\$ 960.30	\$ 317.32	\$ 669.67	\$ 986.99	\$ 26.69	\$ -	\$ 26.69	2.8%	
20	50	7,300	20.00	17	\$ 355.43	\$ 833.47	\$ 1,188.90	\$ 385.37	\$ 833.47	\$ 1,218.83	\$ 29.93	\$ -	\$ 29.93	2.5%	
20	60	8,760	20.00	17	\$ 420.24	\$ 997.26	\$ 1,417.50	\$ 453.41	\$ 997.26	\$ 1,450.67	\$ 33.17	\$ -	\$ 33.17	2.3%	
20	70	10,220	20.00	17	\$ 485.05	\$ 1,161.05	\$ 1,646.10	\$ 521.46	\$ 1,161.05	\$ 1,682.51	\$ 36.41	\$ -	\$ 36.41	2.2%	
20	80	11,680	20.00	17	\$ 549.86	\$ 1,324.84	\$ 1,874.70	\$ 589.51	\$ 1,324.84	\$ 1,914.36	\$ 39.65	\$ -	\$ 39.65	2.1%	
30	20	4,380	30.00	27	\$ 238.85	\$ 514.42	\$ 753.26	\$ 264.17	\$ 514.42	\$ 778.58	\$ 25.32	\$ -	\$ 25.32	3.4%	
30	30	6,570	30.00	27	\$ 336.06	\$ 760.10	\$ 1,096.17	\$ 366.24	\$ 760.10	\$ 1,126.35	\$ 30.18	\$ -	\$ 30.18	2.8%	
30	40	8,760	30.00	27	\$ 433.28	\$ 1,005.79	\$ 1,439.07	\$ 468.31	\$ 1,005.79	\$ 1,474.11	\$ 35.04	\$ -	\$ 35.04	2.4%	
30	50	10,950	30.00	27	\$ 530.49	\$ 1,251.48	\$ 1,781.97	\$ 570.39	\$ 1,251.48	\$ 1,821.87	\$ 39.90	\$ -	\$ 39.90	2.2%	
30	60	13,140	30.00	27	\$ 627.70	\$ 1,497.17	\$ 2,124.87	\$ 672.46	\$ 1,497.17	\$ 2,169.63	\$ 44.76	\$ -	\$ 44.76	2.1%	
30	70	15,330	30.00	27	\$ 724.92	\$ 1,742.86	\$ 2,467.78	\$ 774.54	\$ 1,742.86	\$ 2,517.39	\$ 49.62	\$ -	\$ 49.62	2.0%	
30	80	17,520	30.00	27	\$ 822.13	\$ 1,988.54	\$ 2,810.68	\$ 876.61	\$ 1,988.54	\$ 2,865.15	\$ 54.48	\$ -	\$ 54.48	1.9%	
50	20	7,300	50.00	47	\$ 394.53	\$ 859.07	\$ 1,253.60	\$ 430.07	\$ 859.07	\$ 1,289.13	\$ 35.53	\$ -	\$ 35.53	2.8%	
50	30	10,950	50.00	47	\$ 556.56	\$ 1,268.55	\$ 1,825.10	\$ 600.19	\$ 1,268.55	\$ 1,868.74	\$ 43.63	\$ -	\$ 43.63	2.4%	
50	40	14,600	50.00	47	\$ 718.58	\$ 1,678.03	\$ 2,396.61	\$ 770.31	\$ 1,678.03	\$ 2,448.34	\$ 51.73	\$ -	\$ 51.73	2.2%	
50	50	18,250	50.00	47	\$ 880.60	\$ 2,087.51	\$ 2,968.11	\$ 940.43	\$ 2,087.51	\$ 3,027.94	\$ 59.83	\$ -	\$ 59.83	2.0%	
50	60	21,900	50.00	47	\$ 1,042.63	\$ 2,496.99	\$ 3,539.62	\$ 1,110.56	\$ 2,496.99	\$ 3,607.54	\$ 67.93	\$ -	\$ 67.93	1.9%	
50	70	25,550	50.00	47	\$ 1,204.65	\$ 2,906.47	\$ 4,111.12	\$ 1,280.68	\$ 2,906.47	\$ 4,187.15	\$ 76.03	\$ -	\$ 76.03	1.8%	
50	80	29,200	50.00	47	\$ 1,366.67	\$ 3,315.95	\$ 4,682.62	\$ 1,450.80	\$ 3,315.95	\$ 4,766.75	\$ 84.13	\$ -	\$ 84.13	1.8%	
75	30	16,425	75.00	72	\$ 832.18	\$ 1,904.10	\$ 2,736.28	\$ 892.62	\$ 1,904.10	\$ 2,796.72	\$ 60.45	\$ -	\$ 60.45	2.2%	
75	40	21,900	75.00	72	\$ 1,075.21	\$ 2,518.32	\$ 3,593.53	\$ 1,147.81	\$ 2,518.32	\$ 3,666.13	\$ 72.60	\$ -	\$ 72.60	2.0%	
75	50	27,375	75.00	72	\$ 1,318.25	\$ 3,132.54	\$ 4,450.79	\$ 1,402.99	\$ 3,132.54	\$ 4,535.53	\$ 84.75	\$ -	\$ 84.75	1.9%	
75	60	32,850	75.00	72	\$ 1,561.28	\$ 3,746.76	\$ 5,308.04	\$ 1,658.18	\$ 3,746.76	\$ 5,404.94	\$ 96.89	\$ -	\$ 96.89	1.8%	
75	70	38,325	75.00	72	\$ 1,804.32	\$ 4,360.98	\$ 6,165.30	\$ 1,913.36	\$ 4,360.98	\$ 6,274.34	\$ 109.04	\$ -	\$ 109.04	1.8%	
75	80	43,800	75.00	72	\$ 2,047.35	\$ 4,975.20	\$ 7,022.55	\$ 2,168.54	\$ 4,975.20	\$ 7,143.75	\$ 121.19	\$ -	\$ 121.19	1.7%	
75	90	49,275	75.00	72	\$ 2,290.39	\$ 5,589.42	\$ 7,879.81	\$ 2,423.73	\$ 5,589.42	\$ 8,013.15	\$ 133.34	\$ -	\$ 133.34	1.7%	
100	30	21,900	100.00	97	\$ 1,107.79	\$ 2,539.65	\$ 3,647.45	\$ 1,185.06	\$ 2,539.65	\$ 3,724.71	\$ 77.26	\$ -	\$ 77.26	2.1%	
100	40	29,200	100.00	97	\$ 1,431.84	\$ 3,358.61	\$ 4,790.46	\$ 1,525.30	\$ 3,358.61	\$ 4,883.92	\$ 93.46	\$ -	\$ 93.46	2.0%	
100	50	36,500	100.00	97	\$ 1,755.89	\$ 4,177.57	\$ 5,933.46	\$ 1,865.55	\$ 4,177.57	\$ 6,043.12	\$ 109.66	\$ -	\$ 109.66	1.8%	
100	60	43,800	100.00	97	\$ 2,079.94	\$ 4,996.53	\$ 7,076.47	\$ 2,205.79	\$ 4,996.53	\$ 7,202.33	\$ 125.86	\$ -	\$ 125.86	1.8%	
100	70	51,100	100.00	97	\$ 2,403.98	\$ 5,815.49	\$ 8,219.48	\$ 2,546.04	\$ 5,815.49	\$ 8,361.53	\$ 142.06	\$ -	\$ 142.06	1.7%	
100	80	58,400	100.00	97	\$ 2,728.03	\$ 6,634.46	\$ 9,362.48	\$ 2,886.29	\$ 6,634.46	\$ 9,520.74	\$ 158.26	\$ -	\$ 158.26	1.7%	
100	90	65,700	100.00	97	\$ 3,052.08	\$ 7,453.42	\$ 10,505.49	\$ 3,226.53	\$ 7,453.42	\$ 10,679.95	\$ 174.45	\$ -	\$ 174.45	1.7%	
200	30	43,800	200.00	197	\$ 2,210.27	\$ 5,081.87	\$ 7,292.14	\$ 2,354.79	\$ 5,081.87	\$ 7,436.66	\$ 144.53	\$ -	\$ 144.53	2.0%	
200	40	58,400	200.00	197	\$ 2,858.36	\$ 6,719.79	\$ 9,578.15	\$ 3,035.29	\$ 6,719.79	\$ 9,755.07	\$ 176.92	\$ -	\$ 176.92	1.8%	
200	50	73,000	200.00	197	\$ 3,506.46	\$ 8,357.71	\$ 11,864.17	\$ 3,715.78	\$ 8,357.71	\$ 12,073.49	\$ 209.32	\$ -	\$ 209.32	1.8%	
200	60	87,600	200.00	197	\$ 4,154.55	\$ 9,995.63	\$ 14,150.18	\$ 4,396.27	\$ 9,995.63	\$ 14,391.90	\$ 241.72	\$ -	\$ 241.72	1.7%	
200	70	102,200	200.00	197	\$ 4,802.64	\$ 11,633.55	\$ 16,436.19	\$ 5,076.76	\$ 11,633.55	\$ 16,710.31	\$ 274.12	\$ -	\$ 274.12	1.7%	
200	80	116,800	200.00	197	\$ 5,450.74	\$ 13,271.47	\$ 18,722.21	\$ 5,757.25	\$ 13,271.47	\$ 19,028.72	\$ 306.51	\$ -	\$ 306.51	1.6%	
200	90	131,400	200.00	197	\$ 6,098.83	\$ 14,909.39	\$ 21,008.22	\$ 6,437.74	\$ 14,909.39	\$ 21,347.13	\$ 338.91	\$ -	\$ 338.91	1.6%	

**ATLANTIC CITY ELECTRIC COMPANY
ANNUAL GENERAL SERVICE SECONDARY ("AGS Secondary")
8 WINTER MONTHS (October Through May)**

Present Rates

vs.

Proposed Rates

Demand (kW)	Load Factor (%)	Energy (kWh)	Metered kW	Billed kW	Present		Present		Proposed Rates		New		Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)
					Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)						
25	20	3,650	25	25	\$ 416.00	\$ 464.24	\$ 880.24	\$ 434.93	\$ 464.24	\$ 899.17	\$ 18.93	\$ -	\$ 18.93	2.2%		
25	30	5,475	25	25	\$ 416.00	\$ 671.23	\$ 1,087.23	\$ 434.93	\$ 671.23	\$ 1,106.16	\$ 18.93	\$ -	\$ 18.93	1.7%		
25	40	7,300	25	25	\$ 416.00	\$ 878.22	\$ 1,294.22	\$ 434.93	\$ 878.22	\$ 1,313.15	\$ 18.93	\$ -	\$ 18.93	1.5%		
25	50	9,125	25	25	\$ 416.00	\$ 1,085.22	\$ 1,501.22	\$ 434.93	\$ 1,085.22	\$ 1,520.15	\$ 18.93	\$ -	\$ 18.93	1.3%		
25	60	10,950	25	25	\$ 416.00	\$ 1,292.21	\$ 1,708.21	\$ 434.93	\$ 1,292.21	\$ 1,727.14	\$ 18.93	\$ -	\$ 18.93	1.1%		
25	70	12,775	25	25	\$ 416.00	\$ 1,499.20	\$ 1,915.20	\$ 434.93	\$ 1,499.20	\$ 1,934.13	\$ 18.93	\$ -	\$ 18.93	1.0%		
25	80	14,600	25	25	\$ 416.00	\$ 1,706.20	\$ 2,122.20	\$ 434.93	\$ 1,706.20	\$ 2,141.13	\$ 18.93	\$ -	\$ 18.93	0.9%		
50	20	7,300	50	50	\$ 680.75	\$ 928.47	\$ 1,609.22	\$ 699.68	\$ 928.47	\$ 1,628.15	\$ 18.93	\$ -	\$ 18.93	1.2%		
50	30	10,950	50	50	\$ 680.75	\$ 1,342.46	\$ 2,023.21	\$ 699.68	\$ 1,342.46	\$ 2,042.14	\$ 18.93	\$ -	\$ 18.93	0.9%		
50	40	14,600	50	50	\$ 680.75	\$ 1,756.45	\$ 2,437.20	\$ 699.68	\$ 1,756.45	\$ 2,456.13	\$ 18.93	\$ -	\$ 18.93	0.8%		
50	50	18,250	50	50	\$ 680.75	\$ 2,170.43	\$ 2,851.18	\$ 699.68	\$ 2,170.43	\$ 2,870.11	\$ 18.93	\$ -	\$ 18.93	0.7%		
50	60	21,900	50	50	\$ 680.75	\$ 2,584.42	\$ 3,265.17	\$ 699.68	\$ 2,584.42	\$ 3,284.10	\$ 18.93	\$ -	\$ 18.93	0.6%		
50	70	25,550	50	50	\$ 680.75	\$ 2,998.41	\$ 3,679.16	\$ 699.68	\$ 2,998.41	\$ 3,698.09	\$ 18.93	\$ -	\$ 18.93	0.5%		
50	80	29,200	50	50	\$ 680.75	\$ 3,412.39	\$ 4,093.14	\$ 699.68	\$ 3,412.39	\$ 4,112.07	\$ 18.93	\$ -	\$ 18.93	0.5%		
100	20	14,600	100	100	\$ 1,210.25	\$ 1,856.95	\$ 3,067.20	\$ 1,229.18	\$ 1,856.95	\$ 3,086.13	\$ 18.93	\$ -	\$ 18.93	0.6%		
100	30	21,900	100	100	\$ 1,210.25	\$ 2,684.92	\$ 3,895.17	\$ 1,229.18	\$ 2,684.92	\$ 3,914.10	\$ 18.93	\$ -	\$ 18.93	0.5%		
100	40	29,200	100	100	\$ 1,210.25	\$ 3,512.89	\$ 4,723.14	\$ 1,229.18	\$ 3,512.89	\$ 4,742.07	\$ 18.93	\$ -	\$ 18.93	0.4%		
100	50	36,500	100	100	\$ 1,210.25	\$ 4,340.87	\$ 5,551.12	\$ 1,229.18	\$ 4,340.87	\$ 5,570.05	\$ 18.93	\$ -	\$ 18.93	0.3%		
100	60	43,800	100	100	\$ 1,210.25	\$ 5,168.84	\$ 6,379.09	\$ 1,229.18	\$ 5,168.84	\$ 6,398.02	\$ 18.93	\$ -	\$ 18.93	0.3%		
100	70	51,100	100	100	\$ 1,210.25	\$ 5,996.81	\$ 7,207.06	\$ 1,229.18	\$ 5,996.81	\$ 7,225.99	\$ 18.93	\$ -	\$ 18.93	0.3%		
100	80	58,400	100	100	\$ 1,210.25	\$ 6,824.79	\$ 8,035.04	\$ 1,229.18	\$ 6,824.79	\$ 8,053.97	\$ 18.93	\$ -	\$ 18.93	0.2%		
300	20	43,800	300	300	\$ 3,328.25	\$ 5,570.84	\$ 8,899.09	\$ 3,347.18	\$ 5,570.84	\$ 8,918.02	\$ 18.93	\$ -	\$ 18.93	0.2%		
300	30	65,700	300	300	\$ 3,328.25	\$ 8,054.76	\$ 11,383.01	\$ 3,347.18	\$ 8,054.76	\$ 11,401.94	\$ 18.93	\$ -	\$ 18.93	0.2%		
300	40	87,600	300	300	\$ 3,328.25	\$ 10,538.68	\$ 13,866.93	\$ 3,347.18	\$ 10,538.68	\$ 13,885.86	\$ 18.93	\$ -	\$ 18.93	0.1%		
300	50	109,500	300	300	\$ 3,328.25	\$ 13,022.60	\$ 16,350.85	\$ 3,347.18	\$ 13,022.60	\$ 16,369.78	\$ 18.93	\$ -	\$ 18.93	0.1%		
300	60	131,400	300	300	\$ 3,328.25	\$ 15,506.52	\$ 18,834.77	\$ 3,347.18	\$ 15,506.52	\$ 18,853.70	\$ 18.93	\$ -	\$ 18.93	0.1%		
300	70	153,300	300	300	\$ 3,328.25	\$ 17,990.44	\$ 21,318.69	\$ 3,347.18	\$ 17,990.44	\$ 21,337.62	\$ 18.93	\$ -	\$ 18.93	0.1%		
300	80	175,200	300	300	\$ 3,328.25	\$ 20,474.36	\$ 23,802.61	\$ 3,347.18	\$ 20,474.36	\$ 23,821.54	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	20	73,000	500	500	\$ 5,446.25	\$ 9,284.73	\$ 14,730.98	\$ 5,465.18	\$ 9,284.73	\$ 14,749.91	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	30	109,500	500	500	\$ 5,446.25	\$ 13,424.60	\$ 18,870.85	\$ 5,465.18	\$ 13,424.60	\$ 18,889.78	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	40	146,000	500	500	\$ 5,446.25	\$ 17,564.47	\$ 23,010.72	\$ 5,465.18	\$ 17,564.47	\$ 23,029.65	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	50	182,500	500	500	\$ 5,446.25	\$ 21,704.33	\$ 27,150.58	\$ 5,465.18	\$ 21,704.33	\$ 27,169.51	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	60	219,000	500	500	\$ 5,446.25	\$ 25,844.20	\$ 31,290.45	\$ 5,465.18	\$ 25,844.20	\$ 31,309.38	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	70	255,500	500	500	\$ 5,446.25	\$ 29,984.07	\$ 35,430.32	\$ 5,465.18	\$ 29,984.07	\$ 35,449.25	\$ 18.93	\$ -	\$ 18.93	0.1%		
500	80	292,000	500	500	\$ 5,446.25	\$ 34,123.93	\$ 39,570.18	\$ 5,465.18	\$ 34,123.93	\$ 39,589.11	\$ 18.93	\$ -	\$ 18.93	0.0%		
750	30	164,250	750	750	\$ 8,093.75	\$ 20,136.90	\$ 28,230.65	\$ 8,112.68	\$ 20,136.90	\$ 28,249.58	\$ 18.93	\$ -	\$ 18.93	0.1%		
750	40	219,000	750	750	\$ 8,093.75	\$ 26,346.70	\$ 34,440.45	\$ 8,112.68	\$ 26,346.70	\$ 34,459.38	\$ 18.93	\$ -	\$ 18.93	0.1%		
750	50	273,750	750	750	\$ 8,093.75	\$ 32,556.50	\$ 40,650.25	\$ 8,112.68	\$ 32,556.50	\$ 40,669.18	\$ 18.93	\$ -	\$ 18.93	0.0%		
750	60	328,500	750	750	\$ 8,093.75	\$ 38,766.30	\$ 46,860.05	\$ 8,112.68	\$ 38,766.30	\$ 46,878.98	\$ 18.93	\$ -	\$ 18.93	0.0%		
750	70	383,250	750	750	\$ 8,093.75	\$ 44,976.10	\$ 53,069.85	\$ 8,112.68	\$ 44,976.10	\$ 53,088.78	\$ 18.93	\$ -	\$ 18.93	0.0%		
750	80	438,000	750	750	\$ 8,093.75	\$ 51,185.90	\$ 59,279.65	\$ 8,112.68	\$ 51,185.90	\$ 59,298.58	\$ 18.93	\$ -	\$ 18.93	0.0%		
750	90	492,750	750	750	\$ 8,093.75	\$ 57,395.70	\$ 65,489.45	\$ 8,112.68	\$ 57,395.70	\$ 65,508.38	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	30	219,000	1,000	1,000	\$ 10,741.25	\$ 26,849.20	\$ 37,590.45	\$ 10,760.18	\$ 26,849.20	\$ 37,609.38	\$ 18.93	\$ -	\$ 18.93	0.1%		
1000	40	292,000	1,000	1,000	\$ 10,741.25	\$ 35,128.93	\$ 45,870.18	\$ 10,760.18	\$ 35,128.93	\$ 45,889.11	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	50	365,000	1,000	1,000	\$ 10,741.25	\$ 43,408.67	\$ 54,149.92	\$ 10,760.18	\$ 43,408.67	\$ 54,168.85	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	60	438,000	1,000	1,000	\$ 10,741.25	\$ 51,688.40	\$ 62,429.65	\$ 10,760.18	\$ 51,688.40	\$ 62,448.58	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	70	511,000	1,000	1,000	\$ 10,741.25	\$ 59,968.13	\$ 70,709.38	\$ 10,760.18	\$ 59,968.13	\$ 70,728.31	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	80	584,000	1,000	1,000	\$ 10,741.25	\$ 68,247.86	\$ 78,989.11	\$ 10,760.18	\$ 68,247.86	\$ 79,008.04	\$ 18.93	\$ -	\$ 18.93	0.0%		
1000	90	657,000	1,000	1,000	\$ 10,741.25	\$ 76,527.60	\$ 87,268.85	\$ 10,760.18	\$ 76,527.60	\$ 87,287.78	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	30	438,000	2,000	2,000	\$ 21,331.25	\$ 53,698.40	\$ 75,029.65	\$ 21,350.18	\$ 53,698.40	\$ 75,048.58	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	40	584,000	2,000	2,000	\$ 21,331.25	\$ 70,257.86	\$ 91,589.11	\$ 21,350.18	\$ 70,257.86	\$ 91,608.04	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	50	730,000	2,000	2,000	\$ 21,331.25	\$ 86,817.33	\$ 108,148.58	\$ 21,350.18	\$ 86,817.33	\$ 108,167.51	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	60	876,000	2,000	2,000	\$ 21,331.25	\$ 103,376.80	\$ 124,708.05	\$ 21,350.18	\$ 103,376.80	\$ 124,726.98	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	70	1,022,000	2,000	2,000	\$ 21,331.25	\$ 119,936.26	\$ 141,267.51	\$ 21,350.18	\$ 119,936.26	\$ 141,286.44	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	80	1,168,000	2,000	2,000	\$ 21,331.25	\$ 136,495.73	\$ 157,826.98	\$ 21,350.18	\$ 136,495.73	\$ 157,845.91	\$ 18.93	\$ -	\$ 18.93	0.0%		
2000	90	1,314,000	2,000	2,000	\$ 21,331.25	\$ 153,055.19	\$ 174,386.44	\$ 21,350.18	\$ 153,055.19	\$ 174,405.37	\$ 18.93	\$ -	\$ 18.93	0.0%		

ATLANTIC CITY ELECTRIC COMPANY
ANNUAL GENERAL SERVICE SECONDARY ("AGS Secondary")
Annual Average

Present Rates vs. Proposed Rates																		
Demand (kW)	Load Factor (%)	Energy (kWh)	Metered kW	Billed kW	Present		Present		Present		New		New		Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)
					Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)								
25	20	3,650	25.00	22	\$ 416.00	\$ 469.30	\$ 885.30	\$ 434.93	\$ 469.30	\$ 904.23	\$ 18.93	\$ -	\$ 18.93	2.1%				
25	30	5,475	25.00	22	\$ 416.00	\$ 678.83	\$ 1,094.83	\$ 434.93	\$ 678.83	\$ 1,113.76	\$ 18.93	\$ -	\$ 18.93	1.7%				
25	40	7,300	25.00	22	\$ 416.00	\$ 888.36	\$ 1,304.36	\$ 434.93	\$ 888.36	\$ 1,323.29	\$ 18.93	\$ -	\$ 18.93	1.5%				
25	50	9,125	25.00	22	\$ 416.00	\$ 1,097.88	\$ 1,513.88	\$ 434.93	\$ 1,097.88	\$ 1,532.81	\$ 18.93	\$ -	\$ 18.93	1.3%				
25	60	10,950	25.00	22	\$ 416.00	\$ 1,307.41	\$ 1,723.41	\$ 434.93	\$ 1,307.41	\$ 1,742.34	\$ 18.93	\$ -	\$ 18.93	1.1%				
25	70	12,775	25.00	22	\$ 416.00	\$ 1,516.93	\$ 1,932.93	\$ 434.93	\$ 1,516.93	\$ 1,951.86	\$ 18.93	\$ -	\$ 18.93	1.0%				
25	80	14,600	25.00	22	\$ 416.00	\$ 1,726.46	\$ 2,142.46	\$ 434.93	\$ 1,726.46	\$ 2,161.39	\$ 18.93	\$ -	\$ 18.93	0.9%				
50	20	7,300	50.00	47	\$ 680.75	\$ 938.61	\$ 1,619.36	\$ 699.68	\$ 938.61	\$ 1,638.29	\$ 18.93	\$ -	\$ 18.93	1.2%				
50	30	10,950	50.00	47	\$ 680.75	\$ 1,357.66	\$ 2,038.41	\$ 699.68	\$ 1,357.66	\$ 2,057.34	\$ 18.93	\$ -	\$ 18.93	0.9%				
50	40	14,600	50.00	47	\$ 680.75	\$ 1,776.71	\$ 2,457.46	\$ 699.68	\$ 1,776.71	\$ 2,476.39	\$ 18.93	\$ -	\$ 18.93	0.8%				
50	50	18,250	50.00	47	\$ 680.75	\$ 2,195.76	\$ 2,876.51	\$ 699.68	\$ 2,195.76	\$ 2,895.44	\$ 18.93	\$ -	\$ 18.93	0.7%				
50	60	21,900	50.00	47	\$ 680.75	\$ 2,614.82	\$ 3,295.57	\$ 699.68	\$ 2,614.82	\$ 3,314.50	\$ 18.93	\$ -	\$ 18.93	0.6%				
50	70	25,550	50.00	47	\$ 680.75	\$ 3,033.87	\$ 3,714.62	\$ 699.68	\$ 3,033.87	\$ 3,733.55	\$ 18.93	\$ -	\$ 18.93	0.5%				
50	80	29,200	50.00	47	\$ 680.75	\$ 3,452.92	\$ 4,133.67	\$ 699.68	\$ 3,452.92	\$ 4,152.60	\$ 18.93	\$ -	\$ 18.93	0.5%				
100	20	14,600	100.00	97	\$ 1,210.25	\$ 1,877.21	\$ 3,087.46	\$ 1,229.18	\$ 1,877.21	\$ 3,106.39	\$ 18.93	\$ -	\$ 18.93	0.6%				
100	30	21,900	100.00	97	\$ 1,210.25	\$ 2,715.32	\$ 3,925.57	\$ 1,229.18	\$ 2,715.32	\$ 3,944.50	\$ 18.93	\$ -	\$ 18.93	0.5%				
100	40	29,200	100.00	97	\$ 1,210.25	\$ 3,553.42	\$ 4,763.67	\$ 1,229.18	\$ 3,553.42	\$ 4,782.60	\$ 18.93	\$ -	\$ 18.93	0.4%				
100	50	36,500	100.00	97	\$ 1,210.25	\$ 4,391.53	\$ 5,601.78	\$ 1,229.18	\$ 4,391.53	\$ 5,620.71	\$ 18.93	\$ -	\$ 18.93	0.3%				
100	60	43,800	100.00	97	\$ 1,210.25	\$ 5,229.63	\$ 6,439.88	\$ 1,229.18	\$ 5,229.63	\$ 6,458.81	\$ 18.93	\$ -	\$ 18.93	0.3%				
100	70	51,100	100.00	97	\$ 1,210.25	\$ 6,067.74	\$ 7,277.99	\$ 1,229.18	\$ 6,067.74	\$ 7,296.92	\$ 18.93	\$ -	\$ 18.93	0.3%				
100	80	58,400	100.00	97	\$ 1,210.25	\$ 6,905.85	\$ 8,116.10	\$ 1,229.18	\$ 6,905.85	\$ 8,135.03	\$ 18.93	\$ -	\$ 18.93	0.2%				
300	20	43,800	300.00	297	\$ 3,328.25	\$ 5,631.63	\$ 8,959.88	\$ 3,347.18	\$ 5,631.63	\$ 8,978.81	\$ 18.93	\$ -	\$ 18.93	0.2%				
300	30	65,700	300.00	297	\$ 3,328.25	\$ 8,145.95	\$ 11,474.20	\$ 3,347.18	\$ 8,145.95	\$ 11,493.13	\$ 18.93	\$ -	\$ 18.93	0.2%				
300	40	87,600	300.00	297	\$ 3,328.25	\$ 10,660.27	\$ 13,988.52	\$ 3,347.18	\$ 10,660.27	\$ 14,007.45	\$ 18.93	\$ -	\$ 18.93	0.1%				
300	50	109,500	300.00	297	\$ 3,328.25	\$ 13,174.59	\$ 16,502.84	\$ 3,347.18	\$ 13,174.59	\$ 16,521.77	\$ 18.93	\$ -	\$ 18.93	0.1%				
300	60	131,400	300.00	297	\$ 3,328.25	\$ 15,688.90	\$ 19,017.15	\$ 3,347.18	\$ 15,688.90	\$ 19,036.08	\$ 18.93	\$ -	\$ 18.93	0.1%				
300	70	153,300	300.00	297	\$ 3,328.25	\$ 18,203.22	\$ 21,531.47	\$ 3,347.18	\$ 18,203.22	\$ 21,550.40	\$ 18.93	\$ -	\$ 18.93	0.1%				
300	80	175,200	300.00	297	\$ 3,328.25	\$ 20,717.54	\$ 24,045.79	\$ 3,347.18	\$ 20,717.54	\$ 24,064.72	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	20	73,000	500.00	497	\$ 5,446.25	\$ 9,386.06	\$ 14,832.31	\$ 5,465.18	\$ 9,386.06	\$ 14,851.24	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	30	109,500	500.00	497	\$ 5,446.25	\$ 13,576.59	\$ 19,022.84	\$ 5,465.18	\$ 13,576.59	\$ 19,041.77	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	40	146,000	500.00	497	\$ 5,446.25	\$ 17,767.11	\$ 23,213.36	\$ 5,465.18	\$ 17,767.11	\$ 23,232.29	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	50	182,500	500.00	497	\$ 5,446.25	\$ 21,957.64	\$ 27,403.89	\$ 5,465.18	\$ 21,957.64	\$ 27,422.82	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	60	219,000	500.00	497	\$ 5,446.25	\$ 26,148.17	\$ 31,594.42	\$ 5,465.18	\$ 26,148.17	\$ 31,613.35	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	70	255,500	500.00	497	\$ 5,446.25	\$ 30,338.70	\$ 35,784.95	\$ 5,465.18	\$ 30,338.70	\$ 35,803.88	\$ 18.93	\$ -	\$ 18.93	0.1%				
500	80	292,000	500.00	497	\$ 5,446.25	\$ 34,529.23	\$ 39,975.48	\$ 5,465.18	\$ 34,529.23	\$ 39,994.41	\$ 18.93	\$ -	\$ 18.93	0.0%				
750	30	164,250	750.00	747	\$ 8,093.75	\$ 20,364.88	\$ 28,458.63	\$ 8,112.68	\$ 20,364.88	\$ 28,477.56	\$ 18.93	\$ -	\$ 18.93	0.1%				
750	40	219,000	750.00	747	\$ 8,093.75	\$ 26,650.67	\$ 34,744.42	\$ 8,112.68	\$ 26,650.67	\$ 34,763.35	\$ 18.93	\$ -	\$ 18.93	0.1%				
750	50	273,750	750.00	747	\$ 8,093.75	\$ 32,936.46	\$ 41,030.21	\$ 8,112.68	\$ 32,936.46	\$ 41,049.14	\$ 18.93	\$ -	\$ 18.93	0.0%				
750	60	328,500	750.00	747	\$ 8,093.75	\$ 39,222.26	\$ 47,316.01	\$ 8,112.68	\$ 39,222.26	\$ 47,334.94	\$ 18.93	\$ -	\$ 18.93	0.0%				
750	70	383,250	750.00	747	\$ 8,093.75	\$ 45,508.05	\$ 53,601.80	\$ 8,112.68	\$ 45,508.05	\$ 53,620.73	\$ 18.93	\$ -	\$ 18.93	0.0%				
750	80	438,000	750.00	747	\$ 8,093.75	\$ 51,793.84	\$ 59,887.59	\$ 8,112.68	\$ 51,793.84	\$ 59,906.52	\$ 18.93	\$ -	\$ 18.93	0.0%				
750	90	492,750	750.00	747	\$ 8,093.75	\$ 58,079.63	\$ 66,173.38	\$ 8,112.68	\$ 58,079.63	\$ 66,192.31	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	30	219,000	1,000.00	997	\$ 10,741.25	\$ 27,153.17	\$ 37,894.42	\$ 10,760.18	\$ 27,153.17	\$ 37,913.35	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	40	292,000	1,000.00	997	\$ 10,741.25	\$ 35,534.23	\$ 46,275.48	\$ 10,760.18	\$ 35,534.23	\$ 46,294.41	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	50	365,000	1,000.00	997	\$ 10,741.25	\$ 43,915.29	\$ 54,656.54	\$ 10,760.18	\$ 43,915.29	\$ 54,675.47	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	60	438,000	1,000.00	997	\$ 10,741.25	\$ 52,296.34	\$ 63,037.59	\$ 10,760.18	\$ 52,296.34	\$ 63,056.52	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	70	511,000	1,000.00	997	\$ 10,741.25	\$ 60,677.40	\$ 71,418.65	\$ 10,760.18	\$ 60,677.40	\$ 71,437.58	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	80	584,000	1,000.00	997	\$ 10,741.25	\$ 69,058.46	\$ 79,799.71	\$ 10,760.18	\$ 69,058.46	\$ 79,818.64	\$ 18.93	\$ -	\$ 18.93	0.0%				
1,000	90	657,000	1,000.00	997	\$ 10,741.25	\$ 77,439.51	\$ 88,180.76	\$ 10,760.18	\$ 77,439.51	\$ 88,199.69	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	30	438,000	2,000.00	1997	\$ 21,331.25	\$ 54,306.34	\$ 75,637.59	\$ 21,350.18	\$ 54,306.34	\$ 75,656.52	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	40	584,000	2,000.00	1997	\$ 21,331.25	\$ 71,068.46	\$ 92,399.71	\$ 21,350.18	\$ 71,068.46	\$ 92,418.64	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	50	730,000	2,000.00	1997	\$ 21,331.25	\$ 87,830.57	\$ 109,161.82	\$ 21,350.18	\$ 87,830.57	\$ 109,180.75	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	60	876,000	2,000.00	1997	\$ 21,331.25	\$ 104,592.68	\$ 125,923.93	\$ 21,350.18	\$ 104,592.68	\$ 125,942.86	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	70	1,022,000	2,000.00	1997	\$ 21,331.25	\$ 121,354.80	\$ 142,686.05	\$ 21,350.18	\$ 121,354.80	\$ 142,704.98	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	80	1,168,000	2,000.00	1997	\$ 21,331.25	\$ 138,116.91	\$ 159,448.16	\$ 21,350.18	\$ 138,116.91	\$ 159,467.09	\$ 18.93	\$ -	\$ 18.93	0.0%				
2,000	90	1,314,000	2,000.00	1997	\$ 21,331.25	\$ 154,879.03	\$ 176,210.28	\$ 21,350.18	\$ 154,879.03	\$ 176,229.21	\$ 18.93	\$ -	\$ 18.93	0.0%				

**ATLANTIC CITY ELECTRIC COMPANY
ANNUAL GENERAL SERVICE PRIMARY ("AGS Primary")
8 WINTER MONTHS (October Through May)**

		Present Rates										Proposed Rates									
		vs.																			
		Present										New									
Demand (kW)	Load Factor (%)	Energy (kWh)	Metered kW	Billed kW	Distribution		BGS and Other Charges		Total		Distribution		BGS and Other Charges		Total		Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$							
25	20	3,650	25	25	\$ 741.25	\$		421.95	\$ 1,163.20	\$ 846.10	\$		421.95	\$ 1,268.05	\$ 104.85	\$	-	\$ 104.85	9.0%		
25	30	5,475	25	25	\$ 741.25	\$		620.92	\$ 1,362.17	\$ 846.10	\$		620.92	\$ 1,467.02	\$ 104.85	\$	-	\$ 104.85	7.7%		
25	40	7,300	25	25	\$ 741.25	\$		819.90	\$ 1,561.15	\$ 846.10	\$		819.90	\$ 1,666.00	\$ 104.85	\$	-	\$ 104.85	6.7%		
25	50	9,125	25	25	\$ 741.25	\$		1,018.87	\$ 1,760.12	\$ 846.10	\$		1,018.87	\$ 1,864.97	\$ 104.85	\$	-	\$ 104.85	6.0%		
25	60	10,950	25	25	\$ 741.25	\$		1,217.85	\$ 1,959.10	\$ 846.10	\$		1,217.85	\$ 2,063.95	\$ 104.85	\$	-	\$ 104.85	5.4%		
25	70	12,775	25	25	\$ 741.25	\$		1,416.82	\$ 2,158.07	\$ 846.10	\$		1,416.82	\$ 2,262.92	\$ 104.85	\$	-	\$ 104.85	4.9%		
25	80	14,600	25	25	\$ 741.25	\$		1,615.79	\$ 2,357.04	\$ 846.10	\$		1,615.79	\$ 2,461.89	\$ 104.85	\$	-	\$ 104.85	4.4%		
50	20	7,300	50	50	\$ 922.25	\$		843.90	\$ 1,766.15	\$ 1,052.60	\$		843.90	\$ 1,896.50	\$ 130.35	\$	-	\$ 130.35	7.4%		
50	30	10,950	50	50	\$ 922.25	\$		1,241.85	\$ 2,164.10	\$ 1,052.60	\$		1,241.85	\$ 2,294.45	\$ 130.35	\$	-	\$ 130.35	6.0%		
50	40	14,600	50	50	\$ 922.25	\$		1,639.79	\$ 2,562.04	\$ 1,052.60	\$		1,639.79	\$ 2,692.39	\$ 130.35	\$	-	\$ 130.35	5.1%		
50	50	18,250	50	50	\$ 922.25	\$		2,037.74	\$ 2,959.99	\$ 1,052.60	\$		2,037.74	\$ 3,090.34	\$ 130.35	\$	-	\$ 130.35	4.4%		
50	60	21,900	50	50	\$ 922.25	\$		2,435.69	\$ 3,357.94	\$ 1,052.60	\$		2,435.69	\$ 3,488.29	\$ 130.35	\$	-	\$ 130.35	3.9%		
50	70	25,550	50	50	\$ 922.25	\$		2,833.64	\$ 3,755.89	\$ 1,052.60	\$		2,833.64	\$ 3,886.24	\$ 130.35	\$	-	\$ 130.35	3.5%		
50	80	29,200	50	50	\$ 922.25	\$		3,231.59	\$ 4,153.84	\$ 1,052.60	\$		3,231.59	\$ 4,284.19	\$ 130.35	\$	-	\$ 130.35	3.1%		
100	20	14,600	100	100	\$ 1,284.25	\$		1,687.79	\$ 2,972.04	\$ 1,465.60	\$		1,687.79	\$ 3,153.39	\$ 181.35	\$	-	\$ 181.35	6.1%		
100	30	21,900	100	100	\$ 1,284.25	\$		2,483.69	\$ 3,767.94	\$ 1,465.60	\$		2,483.69	\$ 3,949.29	\$ 181.35	\$	-	\$ 181.35	4.8%		
100	40	29,200	100	100	\$ 1,284.25	\$		3,279.59	\$ 4,563.84	\$ 1,465.60	\$		3,279.59	\$ 4,745.19	\$ 181.35	\$	-	\$ 181.35	4.0%		
100	50	36,500	100	100	\$ 1,284.25	\$		4,075.49	\$ 5,359.74	\$ 1,465.60	\$		4,075.49	\$ 5,541.09	\$ 181.35	\$	-	\$ 181.35	3.4%		
100	60	43,800	100	100	\$ 1,284.25	\$		4,871.38	\$ 6,155.63	\$ 1,465.60	\$		4,871.38	\$ 6,336.98	\$ 181.35	\$	-	\$ 181.35	2.9%		
100	70	51,100	100	100	\$ 1,284.25	\$		5,667.28	\$ 6,951.53	\$ 1,465.60	\$		5,667.28	\$ 7,132.88	\$ 181.35	\$	-	\$ 181.35	2.6%		
100	80	58,400	100	100	\$ 1,284.25	\$		6,463.18	\$ 7,747.43	\$ 1,465.60	\$		6,463.18	\$ 7,928.78	\$ 181.35	\$	-	\$ 181.35	2.3%		
300	20	43,800	300	300	\$ 2,732.25	\$		5,063.38	\$ 7,795.63	\$ 3,117.60	\$		5,063.38	\$ 8,190.98	\$ 385.35	\$	-	\$ 385.35	4.9%		
300	30	65,700	300	300	\$ 2,732.25	\$		7,451.07	\$ 10,183.32	\$ 3,117.60	\$		7,451.07	\$ 10,568.67	\$ 385.35	\$	-	\$ 385.35	3.8%		
300	40	87,600	300	300	\$ 2,732.25	\$		9,838.77	\$ 12,571.02	\$ 3,117.60	\$		9,838.77	\$ 12,956.37	\$ 385.35	\$	-	\$ 385.35	3.1%		
300	50	109,500	300	300	\$ 2,732.25	\$		12,226.46	\$ 14,958.71	\$ 3,117.60	\$		12,226.46	\$ 15,344.06	\$ 385.35	\$	-	\$ 385.35	2.6%		
300	60	131,400	300	300	\$ 2,732.25	\$		14,614.15	\$ 17,346.40	\$ 3,117.60	\$		14,614.15	\$ 17,731.75	\$ 385.35	\$	-	\$ 385.35	2.2%		
300	70	153,300	300	300	\$ 2,732.25	\$		17,001.84	\$ 19,734.09	\$ 3,117.60	\$		17,001.84	\$ 20,119.44	\$ 385.35	\$	-	\$ 385.35	2.0%		
300	80	175,200	300	300	\$ 2,732.25	\$		19,389.53	\$ 22,121.78	\$ 3,117.60	\$		19,389.53	\$ 22,507.13	\$ 385.35	\$	-	\$ 385.35	1.7%		
500	20	73,000	500	500	\$ 4,180.25	\$		8,438.97	\$ 12,619.22	\$ 4,769.60	\$		8,438.97	\$ 13,208.57	\$ 589.35	\$	-	\$ 589.35	4.7%		
500	30	109,500	500	500	\$ 4,180.25	\$		12,418.46	\$ 16,598.71	\$ 4,769.60	\$		12,418.46	\$ 17,188.06	\$ 589.35	\$	-	\$ 589.35	3.6%		
500	40	146,000	500	500	\$ 4,180.25	\$		16,397.94	\$ 20,578.19	\$ 4,769.60	\$		16,397.94	\$ 21,167.54	\$ 589.35	\$	-	\$ 589.35	2.9%		
500	50	182,500	500	500	\$ 4,180.25	\$		20,377.43	\$ 24,557.68	\$ 4,769.60	\$		20,377.43	\$ 25,147.03	\$ 589.35	\$	-	\$ 589.35	2.4%		
500	60	219,000	500	500	\$ 4,180.25	\$		24,356.91	\$ 28,537.16	\$ 4,769.60	\$		24,356.91	\$ 29,126.51	\$ 589.35	\$	-	\$ 589.35	2.1%		
500	70	255,500	500	500	\$ 4,180.25	\$		28,336.40	\$ 32,516.65	\$ 4,769.60	\$		28,336.40	\$ 33,106.00	\$ 589.35	\$	-	\$ 589.35	1.8%		
500	80	292,000	500	500	\$ 4,180.25	\$		32,315.88	\$ 36,496.13	\$ 4,769.60	\$		32,315.88	\$ 37,085.48	\$ 589.35	\$	-	\$ 589.35	1.6%		
750	30	164,250	750	750	\$ 5,990.25	\$		18,627.68	\$ 24,617.93	\$ 6,834.60	\$		18,627.68	\$ 25,462.28	\$ 844.35	\$	-	\$ 844.35	3.4%		
750	40	219,000	750	750	\$ 5,990.25	\$		24,596.91	\$ 30,587.16	\$ 6,834.60	\$		24,596.91	\$ 31,431.51	\$ 844.35	\$	-	\$ 844.35	2.8%		
750	50	273,750	750	750	\$ 5,990.25	\$		30,566.14	\$ 36,556.39	\$ 6,834.60	\$		30,566.14	\$ 37,400.74	\$ 844.35	\$	-	\$ 844.35	2.3%		
750	60	328,500	750	750	\$ 5,990.25	\$		36,535.37	\$ 42,525.62	\$ 6,834.60	\$		36,535.37	\$ 43,369.97	\$ 844.35	\$	-	\$ 844.35	2.0%		
750	70	383,250	750	750	\$ 5,990.25	\$		42,504.60	\$ 48,494.85	\$ 6,834.60	\$		42,504.60	\$ 49,339.20	\$ 844.35	\$	-	\$ 844.35	1.7%		
750	80	438,000	750	750	\$ 5,990.25	\$		48,473.83	\$ 54,464.08	\$ 6,834.60	\$		48,473.83	\$ 55,308.43	\$ 844.35	\$	-	\$ 844.35	1.6%		
750	90	492,750	750	750	\$ 5,990.25	\$		54,443.05	\$ 60,433.30	\$ 6,834.60	\$		54,443.05	\$ 61,277.65	\$ 844.35	\$	-	\$ 844.35	1.4%		
1000	30	219,000	1,000	1,000	\$ 7,800.25	\$		24,836.91	\$ 32,637.16	\$ 8,899.60	\$		24,836.91	\$ 33,736.51	\$ 1,099.35	\$	-	\$ 1,099.35	3.4%		
1000	40	292,000	1,000	1,000	\$ 7,800.25	\$		32,795.88	\$ 40,596.13	\$ 8,899.60	\$		32,795.88	\$ 41,695.48	\$ 1,099.35	\$	-	\$ 1,099.35	2.7%		
1000	50	365,000	1,000	1,000	\$ 7,800.25	\$		40,754.86	\$ 48,555.11	\$ 8,899.60	\$		40,754.86	\$ 49,654.46	\$ 1,099.35	\$	-	\$ 1,099.35	2.3%		
1000	60	438,000	1,000	1,000	\$ 7,800.25	\$		48,713.83	\$ 56,514.08	\$ 8,899.60	\$		48,713.83	\$ 57,613.43	\$ 1,099.35	\$	-	\$ 1,099.35	1.9%		
1000	70	511,000	1,000	1,000	\$ 7,800.25	\$		56,672.80	\$ 64,473.05	\$ 8,899.60	\$		56,672.80	\$ 65,572.40	\$ 1,099.35	\$	-	\$ 1,099.35	1.7%		
1000	80	584,000	1,000	1,000	\$ 7,800.25	\$		64,631.77	\$ 72,432.02	\$ 8,899.60	\$		64,631.77	\$ 73,531.37	\$ 1,099.35	\$	-	\$ 1,099.35	1.5%		
1000	90	657,000	1,000	1,000	\$ 7,800.25	\$		72,590.74	\$ 80,390.99	\$ 8,899.60	\$		72,590.74	\$ 81,490.34	\$ 1,099.35	\$	-	\$ 1,099.35	1.4%		
2000	30	438,000	2,000	2,000	\$ 15,040.25	\$		49,673.83	\$ 64,714.08	\$ 17,159.60	\$		49,673.83	\$ 66,833.43	\$ 2,119.35	\$	-	\$ 2,119.35	3.3%		
2000	40	584,000	2,000	2,000	\$ 15,040.25	\$		65,591.77	\$ 80,632.02	\$ 17,159.60	\$		65,591.77	\$ 82,751.37	\$ 2,119.35	\$	-	\$ 2,119.35	2.6%		
2000	50	730,000	2,000	2,000	\$ 15,040.25	\$		81,509.71	\$ 96,549.96	\$ 17,159.60	\$		81,509.71	\$ 98,669.31	\$ 2,119.35	\$	-	\$ 2,119.35	2.2%		
2000	60	876,000	2,000	2,000	\$ 15,040.25	\$		97,427.65	\$ 112,467.90	\$ 17,159.60	\$		97,427.65	\$ 114,587.25	\$ 2,119.35	\$	-	\$ 2,119.35	1.9%		
2000	70	1,022,000	2,000	2,000	\$ 15,040.25	\$		113,345.59	\$ 128,385.84	\$ 17,159.60	\$		113,345.59	\$ 130,505.19	\$ 2,119.35	\$	-	\$ 2,119.35	1.7%		
2000	80	1,168,000	2,000	2,000	\$ 15,040.25	\$		129,263.54	\$ 144,303.79	\$ 17,159.60	\$		129,263.54	\$ 146,423.14	\$ 2,119.35	\$	-	\$ 2,119.35	1.5%		
2000	90	1,314,000	2,000	2,000	\$ 15,040.25	\$		145,181.48	\$ 160,221.73	\$ 17,159.60	\$		145,181.48	\$ 162,341.08	\$ 2,119.35	\$	-	\$ 2,119.35	1.3%		

**ATLANTIC CITY ELECTRIC COMPANY
ANNUAL GENERAL SERVICE PRIMARY ("AGS Primary")
4 SUMMER MONTHS (June Through September)**

										Present Rates		vs.		Proposed Rates									
Demand (kW)	Load Factor (%)	Energy (kWh)	Metered kW	Billed kW	Present Distribution		Present BGS and Other Charges		Present Total		New Distribution		New BGS and Other Charges		New Total		Difference Distribution	Difference BGS and Other Charges	Total Difference	Total Difference (%)			
					(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
25	20	3,650	25	25	\$	741.25	\$	434.37	\$	1,175.62	\$	846.10	\$	434.37	\$	1,280.47	\$	104.85	\$	-	\$	104.85	8.9%
25	30	5,475	25	25	\$	741.25	\$	639.55	\$	1,380.80	\$	846.10	\$	639.55	\$	1,485.65	\$	104.85	\$	-	\$	104.85	7.6%
25	40	7,300	25	25	\$	741.25	\$	844.73	\$	1,585.98	\$	846.10	\$	844.73	\$	1,690.83	\$	104.85	\$	-	\$	104.85	6.6%
25	50	9,125	25	25	\$	741.25	\$	1,049.91	\$	1,791.16	\$	846.10	\$	1,049.91	\$	1,896.01	\$	104.85	\$	-	\$	104.85	5.9%
25	60	10,950	25	25	\$	741.25	\$	1,255.10	\$	1,996.35	\$	846.10	\$	1,255.10	\$	2,101.20	\$	104.85	\$	-	\$	104.85	5.3%
25	70	12,775	25	25	\$	741.25	\$	1,460.28	\$	2,201.53	\$	846.10	\$	1,460.28	\$	2,306.38	\$	104.85	\$	-	\$	104.85	4.8%
25	80	14,600	25	25	\$	741.25	\$	1,665.46	\$	2,406.71	\$	846.10	\$	1,665.46	\$	2,511.56	\$	104.85	\$	-	\$	104.85	4.4%
50	20	7,300	50	50	\$	922.25	\$	868.73	\$	1,790.98	\$	1,052.60	\$	868.73	\$	1,921.33	\$	130.35	\$	-	\$	130.35	7.3%
50	30	10,950	50	50	\$	922.25	\$	1,279.10	\$	2,201.35	\$	1,052.60	\$	1,279.10	\$	2,331.70	\$	130.35	\$	-	\$	130.35	5.9%
50	40	14,600	50	50	\$	922.25	\$	1,689.46	\$	2,611.71	\$	1,052.60	\$	1,689.46	\$	2,742.06	\$	130.35	\$	-	\$	130.35	5.0%
50	50	18,250	50	50	\$	922.25	\$	2,099.83	\$	3,022.08	\$	1,052.60	\$	2,099.83	\$	3,152.43	\$	130.35	\$	-	\$	130.35	4.3%
50	60	21,900	50	50	\$	922.25	\$	2,510.20	\$	3,432.45	\$	1,052.60	\$	2,510.20	\$	3,562.80	\$	130.35	\$	-	\$	130.35	3.8%
50	70	25,550	50	50	\$	922.25	\$	2,920.56	\$	3,842.81	\$	1,052.60	\$	2,920.56	\$	3,973.16	\$	130.35	\$	-	\$	130.35	3.4%
50	80	29,200	50	50	\$	922.25	\$	3,330.93	\$	4,253.18	\$	1,052.60	\$	3,330.93	\$	4,383.53	\$	130.35	\$	-	\$	130.35	3.1%
100	20	14,600	100	100	\$	1,284.25	\$	1,737.46	\$	3,021.71	\$	1,465.60	\$	1,737.46	\$	3,203.06	\$	181.35	\$	-	\$	181.35	6.0%
100	30	21,900	100	100	\$	1,284.25	\$	2,558.20	\$	3,842.45	\$	1,465.60	\$	2,558.20	\$	4,023.80	\$	181.35	\$	-	\$	181.35	4.7%
100	40	29,200	100	100	\$	1,284.25	\$	3,378.93	\$	4,663.18	\$	1,465.60	\$	3,378.93	\$	4,844.53	\$	181.35	\$	-	\$	181.35	3.9%
100	50	36,500	100	100	\$	1,284.25	\$	4,199.66	\$	5,483.91	\$	1,465.60	\$	4,199.66	\$	5,665.26	\$	181.35	\$	-	\$	181.35	3.3%
100	60	43,800	100	100	\$	1,284.25	\$	5,020.39	\$	6,304.64	\$	1,465.60	\$	5,020.39	\$	6,485.99	\$	181.35	\$	-	\$	181.35	2.9%
100	70	51,100	100	100	\$	1,284.25	\$	5,841.12	\$	7,125.37	\$	1,465.60	\$	5,841.12	\$	7,306.72	\$	181.35	\$	-	\$	181.35	2.5%
100	80	58,400	100	100	\$	1,284.25	\$	6,661.85	\$	7,946.10	\$	1,465.60	\$	6,661.85	\$	8,127.45	\$	181.35	\$	-	\$	181.35	2.3%
300	20	43,800	300	300	\$	2,732.25	\$	5,212.39	\$	7,944.64	\$	3,117.60	\$	5,212.39	\$	8,329.99	\$	385.35	\$	-	\$	385.35	4.9%
300	30	65,700	300	300	\$	2,732.25	\$	7,674.59	\$	10,406.84	\$	3,117.60	\$	7,674.59	\$	10,792.19	\$	385.35	\$	-	\$	385.35	3.7%
300	40	87,600	300	300	\$	2,732.25	\$	10,136.78	\$	12,869.03	\$	3,117.60	\$	10,136.78	\$	13,254.38	\$	385.35	\$	-	\$	385.35	3.0%
300	50	109,500	300	300	\$	2,732.25	\$	12,598.98	\$	15,331.23	\$	3,117.60	\$	12,598.98	\$	15,716.58	\$	385.35	\$	-	\$	385.35	2.5%
300	60	131,400	300	300	\$	2,732.25	\$	15,061.17	\$	17,793.42	\$	3,117.60	\$	15,061.17	\$	18,178.77	\$	385.35	\$	-	\$	385.35	2.2%
300	70	153,300	300	300	\$	2,732.25	\$	17,523.37	\$	20,255.62	\$	3,117.60	\$	17,523.37	\$	20,640.97	\$	385.35	\$	-	\$	385.35	1.9%
300	80	175,200	300	300	\$	2,732.25	\$	19,985.56	\$	22,717.81	\$	3,117.60	\$	19,985.56	\$	23,103.16	\$	385.35	\$	-	\$	385.35	1.7%
500	20	73,000	500	500	\$	4,180.25	\$	8,687.32	\$	12,867.57	\$	4,769.60	\$	8,687.32	\$	13,456.92	\$	589.35	\$	-	\$	589.35	4.6%
500	30	109,500	500	500	\$	4,180.25	\$	12,790.98	\$	16,971.23	\$	4,769.60	\$	12,790.98	\$	17,560.58	\$	589.35	\$	-	\$	589.35	3.5%
500	40	146,000	500	500	\$	4,180.25	\$	16,894.63	\$	21,074.88	\$	4,769.60	\$	16,894.63	\$	21,664.23	\$	589.35	\$	-	\$	589.35	2.8%
500	50	182,500	500	500	\$	4,180.25	\$	20,998.29	\$	25,178.54	\$	4,769.60	\$	20,998.29	\$	25,767.89	\$	589.35	\$	-	\$	589.35	2.3%
500	60	219,000	500	500	\$	4,180.25	\$	25,101.95	\$	29,282.20	\$	4,769.60	\$	25,101.95	\$	29,871.55	\$	589.35	\$	-	\$	589.35	2.0%
500	70	255,500	500	500	\$	4,180.25	\$	29,205.61	\$	33,385.86	\$	4,769.60	\$	29,205.61	\$	33,975.21	\$	589.35	\$	-	\$	589.35	1.8%
500	80	292,000	500	500	\$	4,180.25	\$	33,309.27	\$	37,489.52	\$	4,769.60	\$	33,309.27	\$	38,078.87	\$	589.35	\$	-	\$	589.35	1.6%
750	30	164,250	750	750	\$	5,990.25	\$	19,186.46	\$	25,176.71	\$	6,834.60	\$	19,186.46	\$	26,021.06	\$	844.35	\$	-	\$	844.35	3.4%
750	40	219,000	750	750	\$	5,990.25	\$	25,341.95	\$	31,332.20	\$	6,834.60	\$	25,341.95	\$	32,176.55	\$	844.35	\$	-	\$	844.35	2.7%
750	50	273,750	750	750	\$	5,990.25	\$	31,497.44	\$	37,487.69	\$	6,834.60	\$	31,497.44	\$	38,332.04	\$	844.35	\$	-	\$	844.35	2.3%
750	60	328,500	750	750	\$	5,990.25	\$	37,652.93	\$	43,643.18	\$	6,834.60	\$	37,652.93	\$	44,487.53	\$	844.35	\$	-	\$	844.35	1.9%
750	70	383,250	750	750	\$	5,990.25	\$	43,808.41	\$	49,798.66	\$	6,834.60	\$	43,808.41	\$	50,643.01	\$	844.35	\$	-	\$	844.35	1.7%
750	80	438,000	750	750	\$	5,990.25	\$	49,963.90	\$	55,954.15	\$	6,834.60	\$	49,963.90	\$	56,798.50	\$	844.35	\$	-	\$	844.35	1.5%
750	90	492,750	750	750	\$	5,990.25	\$	56,119.39	\$	62,109.64	\$	6,834.60	\$	56,119.39	\$	62,953.99	\$	844.35	\$	-	\$	844.35	1.4%
1000	30	219,000	1,000	1,000	\$	7,800.25	\$	25,581.95	\$	33,382.20	\$	8,899.60	\$	25,581.95	\$	34,481.55	\$	1,099.35	\$	-	\$	1,099.35	3.3%
1000	40	292,000	1,000	1,000	\$	7,800.25	\$	33,789.27	\$	41,589.52	\$	8,899.60	\$	33,789.27	\$	42,688.87	\$	1,099.35	\$	-	\$	1,099.35	2.6%
1000	50	365,000	1,000	1,000	\$	7,800.25	\$	41,996.59	\$	49,796.84	\$	8,899.60	\$	41,996.59	\$	50,896.19	\$	1,099.35	\$	-	\$	1,099.35	2.2%
1000	60	438,000	1,000	1,000	\$	7,800.25	\$	50,203.90	\$	58,004.15	\$	8,899.60	\$	50,203.90	\$	59,103.50	\$	1,099.35	\$	-	\$	1,099.35	1.9%
1000	70	511,000	1,000	1,000	\$	7,800.25	\$	58,411.22	\$	66,211.47	\$	8,899.60	\$	58,411.22	\$	67,310.82	\$	1,099.35	\$	-	\$	1,099.35	1.7%
1000	80	584,000	1,000	1,000	\$	7,800.25	\$	66,618.54	\$	74,418.79	\$	8,899.60	\$	66,618.54	\$	75,518.14	\$	1,099.35	\$	-	\$	1,099.35	1.5%
1000	90	657,000	1,000	1,000	\$	7,800.25	\$	74,825.85	\$	82,626.10	\$	8,899.60	\$	74,825.85	\$	83,725.45	\$	1,099.35	\$	-	\$	1,099.35	1.3%
2000	30	438,000	2,000	2,000	\$	15,040.25	\$	51,163.90	\$	66,204.15	\$	17,159.60	\$	51,163.90	\$	68,323.50	\$	2,119.35	\$	-	\$	2,119.35	3.2%
2000	40	584,000	2,000	2,000	\$	15,040.25	\$	67,578.54	\$	82,618.79	\$	17,159.60	\$	67,578.54	\$	84,738.14	\$	2,119.35	\$	-	\$	2,119.35	2.6%
2000	50	730,000	2,000	2,000	\$	15,040.25	\$	83,993.17	\$	99,033.42	\$	17,159.60	\$	83,993.17	\$	101,152.77	\$	2,119.35	\$	-	\$	2,119.35	2.1%
2000	60	876,000	2,000	2,000	\$	15,040.25	\$	100,407.80	\$	115,448.05	\$	17,159.60	\$	100,407.80	\$	117,567.40	\$	2,119.35	\$	-	\$	2,119.35	1.8%
2000	70	1,022,000	2,000	2,000	\$	15,040.25	\$	116,822.44	\$	131,862.69	\$	17,159.60	\$	116,822.44	\$	133,982.04	\$	2,119.35	\$	-	\$	2,119.35	1.6%
2000	80	1,168,000	2,000	2,000	\$	15,040.25	\$	133,237.07	\$	148,277.32	\$	17,159.60	\$	133,237.07	\$	150,396.67	\$	2,119.35	\$	-	\$	2,119.35	1.4%
2000	90	1,314,000	2,000	2,000	\$	15,040.25	\$	149,651.71	\$	164,691.96	\$	17,159.60	\$	149,651.71	\$	166,811.31	\$	2,119.35	\$	-	\$	2,119.35	1.3%

ATLANTIC CITY ELECTRIC COMPANY
ANNUAL GENERAL SERVICE PRIMARY ("AGS Primary")
Annual Average

Present Rates
vs.

Proposed Rates

Demand (kW)	Load Factor (%)	Energy (kWh)	Metered kW	Billed kW	Present		Present		Present		New		New		New		Difference Distribution (\$)	Difference BGS and Other Charges (\$)	Total Difference (\$)	Total Difference (%)
					Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)	Distribution (\$)	BGS and Other Charges (\$)	Total (\$)							
25	20	3,650	25.00	22	\$ 741.25	\$ 426.09	\$ 1,167.34	\$ 846.10	\$ 426.09	\$ 1,272.19	\$ 104.85	\$ -	\$ 104.85	9.0%						
25	30	5,475	25.00	22	\$ 741.25	\$ 627.13	\$ 1,368.38	\$ 846.10	\$ 627.13	\$ 1,473.23	\$ 104.85	\$ -	\$ 104.85	7.7%						
25	40	7,300	25.00	22	\$ 741.25	\$ 828.18	\$ 1,569.43	\$ 846.10	\$ 828.18	\$ 1,674.28	\$ 104.85	\$ -	\$ 104.85	6.7%						
25	50	9,125	25.00	22	\$ 741.25	\$ 1,029.22	\$ 1,770.47	\$ 846.10	\$ 1,029.22	\$ 1,875.32	\$ 104.85	\$ -	\$ 104.85	5.9%						
25	60	10,950	25.00	22	\$ 741.25	\$ 1,230.26	\$ 1,971.51	\$ 846.10	\$ 1,230.26	\$ 2,076.36	\$ 104.85	\$ -	\$ 104.85	5.3%						
25	70	12,775	25.00	22	\$ 741.25	\$ 1,431.31	\$ 2,172.56	\$ 846.10	\$ 1,431.31	\$ 2,277.41	\$ 104.85	\$ -	\$ 104.85	4.8%						
25	80	14,600	25.00	22	\$ 741.25	\$ 1,632.35	\$ 2,373.60	\$ 846.10	\$ 1,632.35	\$ 2,478.45	\$ 104.85	\$ -	\$ 104.85	4.4%						
50	20	7,300	50.00	47	\$ 922.25	\$ 852.18	\$ 1,774.43	\$ 1,052.60	\$ 852.18	\$ 1,904.78	\$ 130.35	\$ -	\$ 130.35	7.3%						
50	30	10,950	50.00	47	\$ 922.25	\$ 1,254.26	\$ 2,176.51	\$ 1,052.60	\$ 1,254.26	\$ 2,306.86	\$ 130.35	\$ -	\$ 130.35	6.0%						
50	40	14,600	50.00	47	\$ 922.25	\$ 1,656.35	\$ 2,578.60	\$ 1,052.60	\$ 1,656.35	\$ 2,708.95	\$ 130.35	\$ -	\$ 130.35	5.1%						
50	50	18,250	50.00	47	\$ 922.25	\$ 2,058.44	\$ 2,980.69	\$ 1,052.60	\$ 2,058.44	\$ 3,111.04	\$ 130.35	\$ -	\$ 130.35	4.4%						
50	60	21,900	50.00	47	\$ 922.25	\$ 2,460.53	\$ 3,382.78	\$ 1,052.60	\$ 2,460.53	\$ 3,513.13	\$ 130.35	\$ -	\$ 130.35	3.9%						
50	70	25,550	50.00	47	\$ 922.25	\$ 2,862.61	\$ 3,784.86	\$ 1,052.60	\$ 2,862.61	\$ 3,915.21	\$ 130.35	\$ -	\$ 130.35	3.4%						
50	80	29,200	50.00	47	\$ 922.25	\$ 3,264.70	\$ 4,186.95	\$ 1,052.60	\$ 3,264.70	\$ 4,317.30	\$ 130.35	\$ -	\$ 130.35	3.1%						
100	20	14,600	100.00	97	\$ 1,284.25	\$ 1,704.35	\$ 2,988.60	\$ 1,465.60	\$ 1,704.35	\$ 3,169.95	\$ 181.35	\$ -	\$ 181.35	6.1%						
100	30	21,900	100.00	97	\$ 1,284.25	\$ 2,508.53	\$ 3,792.78	\$ 1,465.60	\$ 2,508.53	\$ 3,974.13	\$ 181.35	\$ -	\$ 181.35	4.8%						
100	40	29,200	100.00	97	\$ 1,284.25	\$ 3,312.70	\$ 4,596.95	\$ 1,465.60	\$ 3,312.70	\$ 4,778.30	\$ 181.35	\$ -	\$ 181.35	3.9%						
100	50	36,500	100.00	97	\$ 1,284.25	\$ 4,116.88	\$ 5,401.13	\$ 1,465.60	\$ 4,116.88	\$ 5,582.48	\$ 181.35	\$ -	\$ 181.35	3.4%						
100	60	43,800	100.00	97	\$ 1,284.25	\$ 4,921.05	\$ 6,205.30	\$ 1,465.60	\$ 4,921.05	\$ 6,386.65	\$ 181.35	\$ -	\$ 181.35	2.9%						
100	70	51,100	100.00	97	\$ 1,284.25	\$ 5,725.23	\$ 7,009.48	\$ 1,465.60	\$ 5,725.23	\$ 7,190.83	\$ 181.35	\$ -	\$ 181.35	2.6%						
100	80	58,400	100.00	97	\$ 1,284.25	\$ 6,529.40	\$ 7,813.65	\$ 1,465.60	\$ 6,529.40	\$ 7,995.00	\$ 181.35	\$ -	\$ 181.35	2.3%						
300	20	43,800	300.00	297	\$ 2,732.25	\$ 5,113.05	\$ 7,845.30	\$ 3,117.60	\$ 5,113.05	\$ 8,230.65	\$ 385.35	\$ -	\$ 385.35	4.9%						
300	30	65,700	300.00	297	\$ 2,732.25	\$ 7,525.58	\$ 10,257.83	\$ 3,117.60	\$ 7,525.58	\$ 10,643.18	\$ 385.35	\$ -	\$ 385.35	3.8%						
300	40	87,600	300.00	297	\$ 2,732.25	\$ 9,938.10	\$ 12,670.35	\$ 3,117.60	\$ 9,938.10	\$ 13,055.70	\$ 385.35	\$ -	\$ 385.35	3.0%						
300	50	109,500	300.00	297	\$ 2,732.25	\$ 12,350.63	\$ 15,082.88	\$ 3,117.60	\$ 12,350.63	\$ 15,468.23	\$ 385.35	\$ -	\$ 385.35	2.6%						
300	60	131,400	300.00	297	\$ 2,732.25	\$ 14,763.16	\$ 17,495.41	\$ 3,117.60	\$ 14,763.16	\$ 17,880.76	\$ 385.35	\$ -	\$ 385.35	2.2%						
300	70	153,300	300.00	297	\$ 2,732.25	\$ 17,175.68	\$ 19,907.93	\$ 3,117.60	\$ 17,175.68	\$ 20,293.28	\$ 385.35	\$ -	\$ 385.35	1.9%						
300	80	175,200	300.00	297	\$ 2,732.25	\$ 19,588.21	\$ 22,320.46	\$ 3,117.60	\$ 19,588.21	\$ 22,705.81	\$ 385.35	\$ -	\$ 385.35	1.7%						
500	20	73,000	500.00	497	\$ 4,180.25	\$ 8,521.75	\$ 12,702.00	\$ 4,769.60	\$ 8,521.75	\$ 13,291.35	\$ 589.35	\$ -	\$ 589.35	4.6%						
500	30	109,500	500.00	497	\$ 4,180.25	\$ 12,542.63	\$ 16,722.88	\$ 4,769.60	\$ 12,542.63	\$ 17,312.23	\$ 589.35	\$ -	\$ 589.35	3.5%						
500	40	146,000	500.00	497	\$ 4,180.25	\$ 16,563.51	\$ 20,743.76	\$ 4,769.60	\$ 16,563.51	\$ 21,333.11	\$ 589.35	\$ -	\$ 589.35	2.8%						
500	50	182,500	500.00	497	\$ 4,180.25	\$ 20,584.38	\$ 24,764.63	\$ 4,769.60	\$ 20,584.38	\$ 25,353.98	\$ 589.35	\$ -	\$ 589.35	2.4%						
500	60	219,000	500.00	497	\$ 4,180.25	\$ 24,605.26	\$ 28,785.51	\$ 4,769.60	\$ 24,605.26	\$ 29,374.86	\$ 589.35	\$ -	\$ 589.35	2.0%						
500	70	255,500	500.00	497	\$ 4,180.25	\$ 28,626.14	\$ 32,806.39	\$ 4,769.60	\$ 28,626.14	\$ 33,395.74	\$ 589.35	\$ -	\$ 589.35	1.8%						
500	80	292,000	500.00	497	\$ 4,180.25	\$ 32,647.01	\$ 36,827.26	\$ 4,769.60	\$ 32,647.01	\$ 37,416.61	\$ 589.35	\$ -	\$ 589.35	1.6%						
750	30	164,250	750.00	747	\$ 5,990.25	\$ 18,813.94	\$ 24,804.19	\$ 6,834.60	\$ 18,813.94	\$ 25,648.54	\$ 844.35	\$ -	\$ 844.35	3.4%						
750	40	219,000	750.00	747	\$ 5,990.25	\$ 24,845.26	\$ 30,835.51	\$ 6,834.60	\$ 24,845.26	\$ 31,679.86	\$ 844.35	\$ -	\$ 844.35	2.7%						
750	50	273,750	750.00	747	\$ 5,990.25	\$ 30,876.57	\$ 36,866.82	\$ 6,834.60	\$ 30,876.57	\$ 37,711.17	\$ 844.35	\$ -	\$ 844.35	2.3%						
750	60	328,500	750.00	747	\$ 5,990.25	\$ 36,907.89	\$ 42,898.14	\$ 6,834.60	\$ 36,907.89	\$ 43,742.49	\$ 844.35	\$ -	\$ 844.35	2.0%						
750	70	383,250	750.00	747	\$ 5,990.25	\$ 42,939.20	\$ 48,929.45	\$ 6,834.60	\$ 42,939.20	\$ 49,773.80	\$ 844.35	\$ -	\$ 844.35	1.7%						
750	80	438,000	750.00	747	\$ 5,990.25	\$ 48,970.52	\$ 54,960.77	\$ 6,834.60	\$ 48,970.52	\$ 55,805.12	\$ 844.35	\$ -	\$ 844.35	1.5%						
750	90	492,750	750.00	747	\$ 5,990.25	\$ 55,001.83	\$ 60,992.08	\$ 6,834.60	\$ 55,001.83	\$ 61,836.43	\$ 844.35	\$ -	\$ 844.35	1.4%						
1,000	30	219,000	1,000.00	997	\$ 7,800.25	\$ 25,085.26	\$ 32,885.51	\$ 8,899.60	\$ 25,085.26	\$ 33,984.86	\$ 1,099.35	\$ -	\$ 1,099.35	3.3%						
1,000	40	292,000	1,000.00	997	\$ 7,800.25	\$ 33,127.01	\$ 40,927.26	\$ 8,899.60	\$ 33,127.01	\$ 42,026.61	\$ 1,099.35	\$ -	\$ 1,099.35	2.7%						
1,000	50	365,000	1,000.00	997	\$ 7,800.25	\$ 41,168.77	\$ 48,969.02	\$ 8,899.60	\$ 41,168.77	\$ 50,068.37	\$ 1,099.35	\$ -	\$ 1,099.35	2.2%						
1,000	60	438,000	1,000.00	997	\$ 7,800.25	\$ 49,210.52	\$ 57,010.77	\$ 8,899.60	\$ 49,210.52	\$ 58,110.12	\$ 1,099.35	\$ -	\$ 1,099.35	1.9%						
1,000	70	511,000	1,000.00	997	\$ 7,800.25	\$ 57,252.27	\$ 65,052.52	\$ 8,899.60	\$ 57,252.27	\$ 66,151.87	\$ 1,099.35	\$ -	\$ 1,099.35	1.7%						
1,000	80	584,000	1,000.00	997	\$ 7,800.25	\$ 65,294.02	\$ 73,094.27	\$ 8,899.60	\$ 65,294.02	\$ 74,193.62	\$ 1,099.35	\$ -	\$ 1,099.35	1.5%						
1,000	90	657,000	1,000.00	997	\$ 7,800.25	\$ 73,335.78	\$ 81,136.03	\$ 8,899.60	\$ 73,335.78	\$ 82,235.38	\$ 1,099.35	\$ -	\$ 1,099.35	1.4%						
2,000	30	438,000	2,000.00	1997	\$ 15,040.25	\$ 50,170.52	\$ 65,210.77	\$ 17,159.60	\$ 50,170.52	\$ 67,330.12	\$ 2,119.35	\$ -	\$ 2,119.35	3.3%						
2,000	40	584,000	2,000.00	1997	\$ 15,040.25	\$ 66,254.02	\$ 81,294.27	\$ 17,159.60	\$ 66,254.02	\$ 83,413.62	\$ 2,119.35	\$ -	\$ 2,119.35	2.6%						
2,000	50	730,000	2,000.00	1997	\$ 15,040.25	\$ 82,337.53	\$ 97,377.78	\$ 17,159.60	\$ 82,337.53	\$ 99,497.13	\$ 2,119.35	\$ -	\$ 2,119.35	2.2%						
2,000	60	876,000	2,000.00	1997	\$ 15,040.25	\$ 98,421.04	\$ 113,461.29	\$ 17,159.60	\$ 98,421.04	\$ 115,580.64	\$ 2,119.35	\$ -	\$ 2,119.35	1.9%						
2,000	70	1,022,000	2,000.00	1997	\$ 15,040.25	\$ 114,504.54	\$ 129,544.79	\$ 17,159.60	\$ 114,504.54	\$ 131,664.14	\$ 2,119.35	\$ -	\$ 2,119.35	1.6%						
2,000	80	1,168,000	2,000.00	1997	\$ 15,040.25	\$ 130,588.05	\$ 145,628.30	\$ 17,159.60	\$ 130,588.05	\$ 147,747.65	\$ 2,119.35	\$ -	\$ 2,119.35	1.5%						
2,000	90	1,314,000	2,000.00	1997	\$ 15,040.25	\$ 146,671.55	\$ 161,711.80	\$ 17,159.60	\$ 146,671.55	\$ 163,831.15	\$ 2,119.35	\$ -	\$ 2,119.35	1.3%						

Schedule (EPT)-10

Difference in Bill	Low Income Customer Population				General Population		
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population	
0.00%	11	0.03%	11	0.03%	0.00%	0.00%	
5.00%	-	0.00%	11	0.03%	0.00%	0.00%	
5.10%	-	0.00%	11	0.03%	0.00%	0.00%	
5.20%	-	0.00%	11	0.03%	0.02%	0.03%	
5.30%	2	0.01%	13	0.04%	0.23%	0.26%	
5.40%	8	0.02%	21	0.06%	0.92%	1.18%	
5.50%	59	0.17%	80	0.23%	2.04%	3.22%	
5.60%	370	1.04%	450	1.27%	3.33%	6.55%	
5.70%	1,003	2.82%	1,453	4.09%	4.86%	11.41%	
5.80%	1,735	4.88%	3,188	8.97%	6.07%	17.48%	
5.90%	2,293	6.45%	5,481	15.42%	6.73%	24.21%	
6.00%	2,669	7.51%	8,150	22.93%	6.78%	30.99%	
6.10%	2,797	7.87%	10,947	30.79%	6.51%	37.50%	
6.20%	2,623	7.38%	13,570	38.17%	5.93%	43.43%	
6.30%	2,466	6.94%	16,036	45.11%	5.36%	48.79%	
6.40%	2,197	6.18%	18,233	51.29%	4.88%	53.67%	
6.50%	1,955	5.50%	20,188	56.79%	4.24%	57.92%	
6.60%	1,802	5.07%	21,990	61.86%	3.80%	61.71%	
6.70%	1,577	4.44%	23,567	66.30%	3.38%	65.10%	
6.80%	1,450	4.08%	25,017	70.38%	3.01%	68.11%	
6.90%	1,215	3.42%	26,232	73.79%	2.74%	70.84%	
7.00%	1,136	3.20%	27,368	76.99%	2.40%	73.25%	
7.10%	928	2.61%	28,296	79.60%	2.15%	75.39%	
7.20%	860	2.42%	29,156	82.02%	1.96%	77.36%	
7.30%	749	2.11%	29,905	84.13%	1.71%	79.06%	
7.40%	680	1.91%	30,585	86.04%	1.60%	80.66%	
7.50%	628	1.77%	31,213	87.81%	1.42%	82.08%	
7.60%	525	1.48%	31,738	89.28%	1.30%	83.38%	
7.70%	442	1.24%	32,180	90.53%	1.17%	84.55%	
7.80%	371	1.04%	32,551	91.57%	1.06%	85.61%	
7.90%	328	0.92%	32,879	92.49%	0.97%	86.58%	
8.00%	323	0.91%	33,202	93.40%	0.86%	87.44%	
8.10%	254	0.71%	33,456	94.11%	0.78%	88.22%	
8.20%	229	0.64%	33,685	94.76%	0.73%	88.94%	
8.30%	226	0.64%	33,911	95.39%	0.69%	89.63%	
8.40%	191	0.54%	34,102	95.93%	0.61%	90.24%	
8.50%	160	0.45%	34,262	96.38%	0.58%	90.82%	

Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
8.60%	133	0.37%	34,395	96.76%	0.52%	91.33%
8.70%	129	0.36%	34,524	97.12%	0.50%	91.83%
8.80%	113	0.32%	34,637	97.44%	0.46%	92.30%
8.90%	83	0.23%	34,720	97.67%	0.41%	92.71%
9.00%	77	0.22%	34,797	97.89%	0.38%	93.09%
9.10%	55	0.15%	34,852	98.04%	0.36%	93.45%
9.20%	72	0.20%	34,924	98.24%	0.35%	93.80%
9.30%	67	0.19%	34,991	98.43%	0.31%	94.11%
9.40%	68	0.19%	35,059	98.62%	0.31%	94.42%
9.50%	40	0.11%	35,099	98.74%	0.27%	94.69%
9.60%	46	0.13%	35,145	98.87%	0.26%	94.95%
9.70%	34	0.10%	35,179	98.96%	0.24%	95.19%
9.80%	39	0.11%	35,218	99.07%	0.23%	95.42%
9.90%	23	0.06%	35,241	99.14%	0.20%	95.62%
10.00%	22	0.06%	35,263	99.20%	0.19%	95.82%
10.10%	26	0.07%	35,289	99.27%	0.18%	96.00%
10.20%	22	0.06%	35,311	99.33%	0.17%	96.17%
10.30%	20	0.06%	35,331	99.39%	0.17%	96.34%
10.40%	23	0.06%	35,354	99.45%	0.15%	96.49%
10.50%	19	0.05%	35,373	99.51%	0.14%	96.63%
10.60%	16	0.05%	35,389	99.55%	0.14%	96.77%
10.70%	10	0.03%	35,399	99.58%	0.13%	96.90%
10.80%	7	0.02%	35,406	99.60%	0.13%	97.03%
10.90%	9	0.03%	35,415	99.63%	0.11%	97.14%
11.00%	7	0.02%	35,422	99.65%	0.12%	97.26%
11.10%	9	0.03%	35,431	99.67%	0.10%	97.36%
11.20%	10	0.03%	35,441	99.70%	0.10%	97.46%
11.30%	5	0.01%	35,446	99.71%	0.09%	97.55%
11.40%	2	0.01%	35,448	99.72%	0.08%	97.63%
11.50%	7	0.02%	35,455	99.74%	0.08%	97.71%
11.60%	6	0.02%	35,461	99.76%	0.08%	97.79%
11.70%	7	0.02%	35,468	99.77%	0.08%	97.87%
11.80%	3	0.01%	35,471	99.78%	0.07%	97.94%
11.90%	4	0.01%	35,475	99.79%	0.07%	98.01%
12.00%	2	0.01%	35,477	99.80%	0.06%	98.07%
12.10%	-	0.00%	35,477	99.80%	0.06%	98.13%
12.20%	4	0.01%	35,481	99.81%	0.07%	98.19%

Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
12.30%	5	0.01%	35,486	99.83%	0.05%	98.25%
12.40%	3	0.01%	35,489	99.83%	0.05%	98.30%
12.50%	3	0.01%	35,492	99.84%	0.05%	98.34%
12.60%	3	0.01%	35,495	99.85%	0.05%	98.40%
12.70%	1	0.00%	35,496	99.85%	0.04%	98.44%
12.80%	3	0.01%	35,499	99.86%	0.05%	98.49%
12.90%	1	0.00%	35,500	99.86%	0.04%	98.52%
13.00%	1	0.00%	35,501	99.87%	0.04%	98.56%
13.10%	1	0.00%	35,502	99.87%	0.03%	98.59%
13.20%	-	0.00%	35,502	99.87%	0.04%	98.63%
13.30%	1	0.00%	35,503	99.87%	0.03%	98.67%
13.40%	-	0.00%	35,503	99.87%	0.04%	98.70%
13.50%	1	0.00%	35,504	99.88%	0.03%	98.74%
13.60%	-	0.00%	35,504	99.88%	0.03%	98.77%
13.70%	2	0.01%	35,506	99.88%	0.03%	98.80%
13.80%	2	0.01%	35,508	99.89%	0.03%	98.83%
13.90%	2	0.01%	35,510	99.89%	0.03%	98.86%
14.00%	3	0.01%	35,513	99.90%	0.03%	98.89%
14.10%	-	0.00%	35,513	99.90%	0.03%	98.91%
14.20%	1	0.00%	35,514	99.90%	0.02%	98.93%
14.30%	-	0.00%	35,514	99.90%	0.03%	98.96%
14.40%	2	0.01%	35,516	99.91%	0.03%	98.99%
14.50%	1	0.00%	35,517	99.91%	0.02%	99.01%
14.60%	3	0.01%	35,520	99.92%	0.03%	99.04%
14.70%	-	0.00%	35,520	99.92%	0.02%	99.05%
14.80%	-	0.00%	35,520	99.92%	0.02%	99.08%
14.90%	-	0.00%	35,520	99.92%	0.02%	99.10%
15.00%	-	0.00%	35,520	99.92%	0.02%	99.11%
15.10%	-	0.00%	35,520	99.92%	0.02%	99.13%
15.20%	1	0.00%	35,521	99.92%	0.02%	99.15%
15.30%	1	0.00%	35,522	99.93%	0.02%	99.17%
15.40%	1	0.00%	35,523	99.93%	0.01%	99.18%
15.50%	1	0.00%	35,524	99.93%	0.02%	99.20%
15.60%	1	0.00%	35,525	99.94%	0.02%	99.22%
15.70%	1	0.00%	35,526	99.94%	0.01%	99.23%
15.80%	-	0.00%	35,526	99.94%	0.02%	99.25%
15.90%	-	0.00%	35,526	99.94%	0.01%	99.26%

Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
16.00%	-	0.00%	35,526	99.94%	0.02%	99.28%
16.10%	-	0.00%	35,526	99.94%	0.02%	99.29%
16.20%	1	0.00%	35,527	99.94%	0.01%	99.31%
16.30%	1	0.00%	35,528	99.94%	0.01%	99.32%
16.40%	-	0.00%	35,528	99.94%	0.01%	99.34%
16.50%	-	0.00%	35,528	99.94%	0.01%	99.35%
16.60%	1	0.00%	35,529	99.95%	0.02%	99.37%
16.70%	-	0.00%	35,529	99.95%	0.01%	99.38%
16.80%	-	0.00%	35,529	99.95%	0.01%	99.39%
16.90%	-	0.00%	35,529	99.95%	0.01%	99.40%
17.00%	-	0.00%	35,529	99.95%	0.01%	99.42%
17.10%	-	0.00%	35,529	99.95%	0.01%	99.43%
17.20%	-	0.00%	35,529	99.95%	0.01%	99.44%
17.30%	-	0.00%	35,529	99.95%	0.01%	99.45%
17.40%	1	0.00%	35,530	99.95%	0.01%	99.46%
17.50%	1	0.00%	35,531	99.95%	0.01%	99.47%
17.60%	1	0.00%	35,532	99.95%	0.01%	99.48%
17.70%	2	0.01%	35,534	99.96%	0.01%	99.49%
17.80%	1	0.00%	35,535	99.96%	0.01%	99.50%
17.90%	1	0.00%	35,536	99.97%	0.01%	99.51%
18.00%	1	0.00%	35,537	99.97%	0.01%	99.52%
18.10%	-	0.00%	35,537	99.97%	0.01%	99.53%
18.20%	1	0.00%	35,538	99.97%	0.01%	99.54%
18.30%	-	0.00%	35,538	99.97%	0.01%	99.55%
18.40%	-	0.00%	35,538	99.97%	0.01%	99.56%
18.50%	-	0.00%	35,538	99.97%	0.01%	99.56%
18.60%	-	0.00%	35,538	99.97%	0.01%	99.57%
18.70%	-	0.00%	35,538	99.97%	0.01%	99.58%
18.80%	-	0.00%	35,538	99.97%	0.01%	99.59%
18.90%	-	0.00%	35,538	99.97%	0.01%	99.59%
19.00%	-	0.00%	35,538	99.97%	0.01%	99.60%
19.10%	3	0.01%	35,541	99.98%	0.01%	99.61%
19.20%	-	0.00%	35,541	99.98%	0.01%	99.61%
19.30%	-	0.00%	35,541	99.98%	0.01%	99.62%
19.40%	-	0.00%	35,541	99.98%	0.00%	99.63%
19.50%	-	0.00%	35,541	99.98%	0.01%	99.63%
19.60%	-	0.00%	35,541	99.98%	0.00%	99.64%

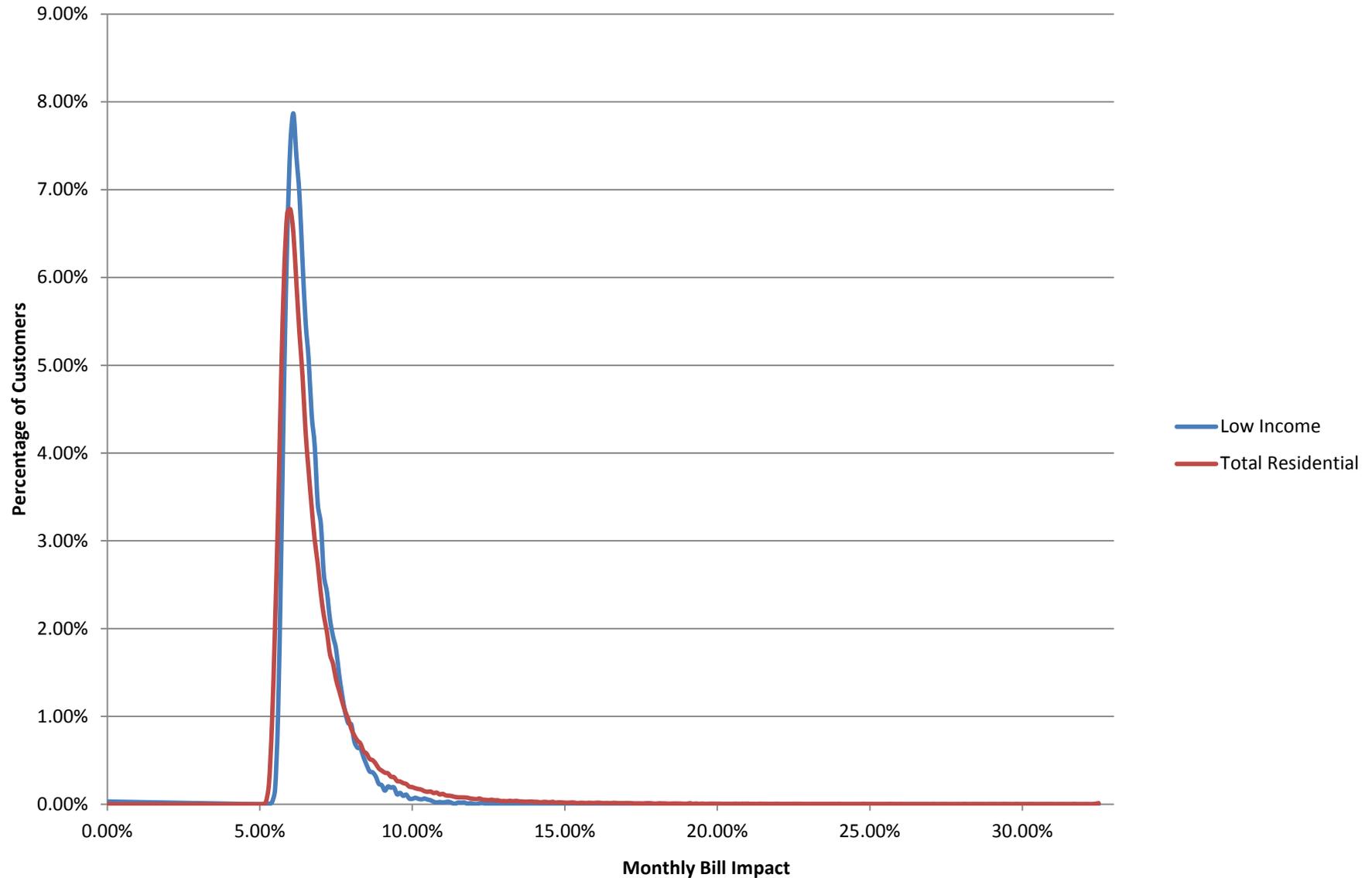
Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
19.70%	-	0.00%	35,541	99.98%	0.01%	99.64%
19.80%	-	0.00%	35,541	99.98%	0.01%	99.65%
19.90%	-	0.00%	35,541	99.98%	0.01%	99.66%
20.00%	-	0.00%	35,541	99.98%	0.01%	99.66%
20.10%	-	0.00%	35,541	99.98%	0.01%	99.67%
20.20%	-	0.00%	35,541	99.98%	0.00%	99.67%
20.30%	-	0.00%	35,541	99.98%	0.00%	99.68%
20.40%	-	0.00%	35,541	99.98%	0.00%	99.68%
20.50%	-	0.00%	35,541	99.98%	0.00%	99.68%
20.60%	-	0.00%	35,541	99.98%	0.01%	99.69%
20.70%	2	0.01%	35,543	99.99%	0.00%	99.69%
20.80%	-	0.00%	35,543	99.99%	0.01%	99.70%
20.90%	1	0.00%	35,544	99.99%	0.01%	99.70%
21.00%	-	0.00%	35,544	99.99%	0.01%	99.71%
21.10%	-	0.00%	35,544	99.99%	0.00%	99.71%
21.20%	-	0.00%	35,544	99.99%	0.00%	99.72%
21.30%	-	0.00%	35,544	99.99%	0.00%	99.72%
21.40%	-	0.00%	35,544	99.99%	0.01%	99.73%
21.50%	-	0.00%	35,544	99.99%	0.00%	99.73%
21.60%	-	0.00%	35,544	99.99%	0.00%	99.74%
21.70%	-	0.00%	35,544	99.99%	0.00%	99.74%
21.80%	-	0.00%	35,544	99.99%	0.00%	99.74%
21.90%	-	0.00%	35,544	99.99%	0.00%	99.75%
22.00%	-	0.00%	35,544	99.99%	0.00%	99.75%
22.10%	-	0.00%	35,544	99.99%	0.00%	99.76%
22.20%	1	0.00%	35,545	99.99%	0.00%	99.76%
22.30%	-	0.00%	35,545	99.99%	0.00%	99.76%
22.40%	-	0.00%	35,545	99.99%	0.00%	99.77%
22.50%	-	0.00%	35,545	99.99%	0.00%	99.77%
22.60%	-	0.00%	35,545	99.99%	0.00%	99.78%
22.70%	-	0.00%	35,545	99.99%	0.00%	99.78%
22.80%	-	0.00%	35,545	99.99%	0.00%	99.79%
22.90%	-	0.00%	35,545	99.99%	0.00%	99.79%
23.00%	-	0.00%	35,545	99.99%	0.00%	99.79%
23.10%	-	0.00%	35,545	99.99%	0.00%	99.79%
23.20%	-	0.00%	35,545	99.99%	0.00%	99.80%
23.30%	-	0.00%	35,545	99.99%	0.00%	99.80%

Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
23.40%	-	0.00%	35,545	99.99%	0.00%	99.80%
23.50%	-	0.00%	35,545	99.99%	0.00%	99.81%
23.60%	-	0.00%	35,545	99.99%	0.00%	99.81%
23.70%	-	0.00%	35,545	99.99%	0.00%	99.81%
23.80%	-	0.00%	35,545	99.99%	0.00%	99.82%
23.90%	-	0.00%	35,545	99.99%	0.00%	99.82%
24.00%	-	0.00%	35,545	99.99%	0.00%	99.83%
24.10%	1	0.00%	35,546	99.99%	0.00%	99.83%
24.20%	-	0.00%	35,546	99.99%	0.00%	99.83%
24.30%	-	0.00%	35,546	99.99%	0.00%	99.83%
24.40%	-	0.00%	35,546	99.99%	0.00%	99.84%
24.50%	-	0.00%	35,546	99.99%	0.00%	99.84%
24.60%	-	0.00%	35,546	99.99%	0.00%	99.84%
24.70%	-	0.00%	35,546	99.99%	0.00%	99.84%
24.80%	-	0.00%	35,546	99.99%	0.01%	99.85%
24.90%	-	0.00%	35,546	99.99%	0.00%	99.85%
25.00%	-	0.00%	35,546	99.99%	0.00%	99.85%
25.10%	-	0.00%	35,546	99.99%	0.00%	99.86%
25.20%	-	0.00%	35,546	99.99%	0.00%	99.86%
25.30%	-	0.00%	35,546	99.99%	0.00%	99.86%
25.40%	-	0.00%	35,546	99.99%	0.00%	99.86%
25.50%	-	0.00%	35,546	99.99%	0.00%	99.87%
25.60%	-	0.00%	35,546	99.99%	0.00%	99.87%
25.70%	-	0.00%	35,546	99.99%	0.00%	99.87%
25.80%	1	0.00%	35,547	100.00%	0.00%	99.88%
25.90%	-	0.00%	35,547	100.00%	0.00%	99.88%
26.00%	-	0.00%	35,547	100.00%	0.00%	99.88%
26.10%	-	0.00%	35,547	100.00%	0.00%	99.88%
26.20%	-	0.00%	35,547	100.00%	0.00%	99.88%
26.30%	-	0.00%	35,547	100.00%	0.00%	99.89%
26.40%	-	0.00%	35,547	100.00%	0.00%	99.89%
26.50%	-	0.00%	35,547	100.00%	0.00%	99.89%
26.60%	-	0.00%	35,547	100.00%	0.00%	99.89%
26.70%	-	0.00%	35,547	100.00%	0.00%	99.90%
26.80%	-	0.00%	35,547	100.00%	0.00%	99.90%
26.90%	-	0.00%	35,547	100.00%	0.00%	99.90%
27.00%	-	0.00%	35,547	100.00%	0.00%	99.90%

Difference in Bill	Low Income Customer Population				General Population	
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
27.10%	-	0.00%	35,547	100.00%	0.00%	99.90%
27.20%	-	0.00%	35,547	100.00%	0.00%	99.90%
27.30%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.40%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.50%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.60%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.70%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.80%	-	0.00%	35,547	100.00%	0.00%	99.91%
27.90%	-	0.00%	35,547	100.00%	0.00%	99.92%
28.00%	-	0.00%	35,547	100.00%	0.00%	99.92%
28.10%	-	0.00%	35,547	100.00%	0.00%	99.92%
28.20%	-	0.00%	35,547	100.00%	0.00%	99.92%
28.30%	-	0.00%	35,547	100.00%	0.00%	99.92%
28.40%	-	0.00%	35,547	100.00%	0.00%	99.93%
28.50%	-	0.00%	35,547	100.00%	0.00%	99.93%
28.60%	-	0.00%	35,547	100.00%	0.00%	99.93%
28.70%	-	0.00%	35,547	100.00%	0.00%	99.93%
28.80%	-	0.00%	35,547	100.00%	0.00%	99.93%
28.90%	-	0.00%	35,547	100.00%	0.00%	99.93%
29.00%	-	0.00%	35,547	100.00%	0.00%	99.94%
29.10%	-	0.00%	35,547	100.00%	0.00%	99.94%
29.20%	-	0.00%	35,547	100.00%	0.00%	99.94%
29.30%	-	0.00%	35,547	100.00%	0.00%	99.94%
29.40%	-	0.00%	35,547	100.00%	0.00%	99.94%
29.50%	-	0.00%	35,547	100.00%	0.00%	99.95%
29.60%	-	0.00%	35,547	100.00%	0.00%	99.95%
29.70%	-	0.00%	35,547	100.00%	0.00%	99.95%
29.80%	-	0.00%	35,547	100.00%	0.00%	99.95%
29.90%	-	0.00%	35,547	100.00%	0.00%	99.95%
30.00%	-	0.00%	35,547	100.00%	0.00%	99.95%
30.10%	-	0.00%	35,547	100.00%	0.00%	99.96%
30.20%	-	0.00%	35,547	100.00%	0.00%	99.96%
30.30%	1	0.00%	35,548	100.00%	0.00%	99.96%
30.40%	-	0.00%	35,548	100.00%	0.00%	99.96%
30.50%	-	0.00%	35,548	100.00%	0.00%	99.96%
30.60%	-	0.00%	35,548	100.00%	0.00%	99.96%
30.70%	-	0.00%	35,548	100.00%	0.00%	99.97%

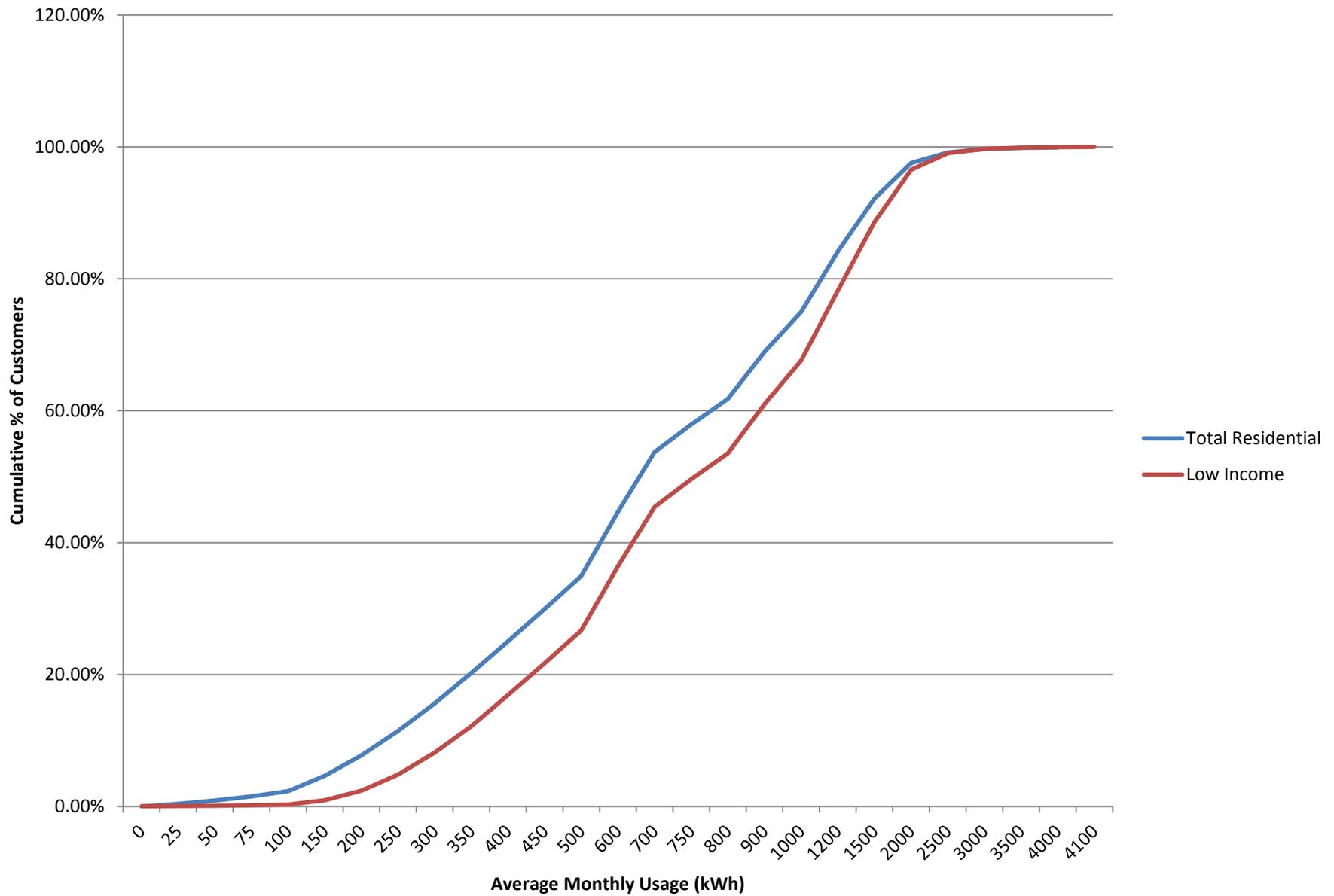
Difference in Bill	Low Income Customer Population				General Population		
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population	
30.80%	-	0.00%	35,548	100.00%	0.00%	99.97%	
30.90%	-	0.00%	35,548	100.00%	0.00%	99.97%	
31.00%	-	0.00%	35,548	100.00%	0.00%	99.97%	
31.10%	-	0.00%	35,548	100.00%	0.00%	99.97%	
31.20%	-	0.00%	35,548	100.00%	0.00%	99.97%	
31.30%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.40%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.50%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.60%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.70%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.80%	-	0.00%	35,548	100.00%	0.00%	99.98%	
31.90%	-	0.00%	35,548	100.00%	0.00%	99.98%	
32.00%	-	0.00%	35,548	100.00%	0.00%	99.98%	
32.10%	-	0.00%	35,548	100.00%	0.00%	99.99%	
32.20%	-	0.00%	35,548	100.00%	0.00%	99.99%	
32.30%	-	0.00%	35,548	100.00%	0.00%	99.99%	
32.50%	-	0.00%	35,548	100.00%	0.01%	100.00%	

Frequency Distribution of Bill Impact to Low Income Customers \$2.00 Customer Charge Increase



Average Monthly Usage (kWh)	Low Income Customer Population			General Population		
	Number of Customers	Percentage of Total Class Population	Cumulative Number of Customers	Cumulative Percentage of Total Class Population	Percentage of Total Class Population	Cumulative Percentage of Total Class Population
<= 0	11	0.03%	11	0.03%	0.00%	0.00%
<= 25	12	0.03%	23	0.06%	0.40%	0.40%
<= 50	17	0.05%	40	0.11%	0.49%	0.89%
<= 75	25	0.07%	65	0.18%	0.63%	1.52%
<= 100	42	0.12%	107	0.30%	0.80%	2.32%
<= 150	229	0.64%	336	0.95%	2.32%	4.64%
<= 200	516	1.45%	852	2.40%	3.10%	7.74%
<= 250	865	2.43%	1,717	4.83%	3.72%	11.46%
<= 300	1,186	3.34%	2,903	8.17%	4.16%	15.62%
<= 350	1,429	4.02%	4,332	12.19%	4.62%	20.24%
<= 400	1,682	4.73%	6,014	16.92%	4.79%	25.03%
<= 450	1,709	4.81%	7,723	21.73%	4.94%	29.97%
<= 500	1,764	4.96%	9,487	26.69%	4.97%	34.94%
<= 600	3,447	9.70%	12,934	36.38%	9.71%	44.65%
<= 700	3,198	9.00%	16,132	45.38%	9.08%	53.73%
<= 750	1,502	4.23%	17,634	49.61%	4.17%	57.90%
<= 800	1,402	3.94%	19,036	53.55%	3.89%	61.79%
<= 900	2,641	7.43%	21,677	60.98%	7.14%	68.93%
<= 1000	2,358	6.63%	24,035	67.61%	6.06%	74.98%
<= 1200	3,772	10.61%	27,807	78.22%	9.17%	84.15%
<= 1500	3,695	10.39%	31,502	88.62%	8.04%	92.19%
<= 2000	2,821	7.94%	34,323	96.55%	5.36%	97.55%
<= 2500	888	2.50%	35,211	99.05%	1.62%	99.16%
<= 3000	227	0.64%	35,438	99.69%	0.50%	99.66%
<= 3500	71	0.20%	35,509	99.89%	0.19%	99.85%
<= 4000	25	0.07%	35,534	99.96%	0.07%	99.92%
<= 4100	14	0.04%	35,548	100.00%	0.04%	99.96%

Frequency Distribution of Monthly Usage of Low Income Customers



Schedule (EPT)-11

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 5

RATE SCHEDULE RS
(Residential Service)

AVAILABILITY

Available for full domestic service to individually metered residential customers, including rural domestic customers, engaged principally in agricultural pursuits.

	SUMMER	WINTER
	June Through September	October Through May
Delivery Service Charges:		
Customer Charge (\$/Month)	\$6.44	\$6.44
Distribution Rates (\$/kWh)		
First Block	\$0.060559	\$0.055877
(Summer <= 750 kWh; Winter <= 500kWh)		
Excess kWh	\$0.069619	\$0.055877
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
Transmission Service Charges (\$/kWh):		
Transmission Rate	\$0.012293	\$0.012293
Reliability Must Run Transmission Surcharge	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 11

RATE SCHEDULE MGS-SECONDARY
(Monthly General Service)

AVAILABILITY

Available at any point within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer delivered at one point and metered at or compensated to the voltage of delivery. This schedule is not available to residential customers.

	SUMMER	WINTER
	June Through September	October Through May
Delivery Service Charges:		
Customer Charge		
Single Phase	\$8.64	\$8.64
Three Phase	\$10.05	\$10.05
Distribution Demand Charge (per kW)	\$2.31	\$1.89
Reactive Demand Charge	\$0.52	\$0.52
(For each kvar over one-third of kW demand)		
Distribution Rates (\$/kWh)	\$0.052922	\$0.047805
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
CIEP Standby Fee (\$/kWh)	See Rider BGS	
Transmission Demand Charge (\$/kW for each kW in excess of 3 kW)	\$2.47	\$2.08
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

The minimum monthly bill will be \$8.64 per month plus any applicable adjustment.

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 17

RATE SCHEDULE AGS-SECONDARY
(Annual General Service)

AVAILABILITY

Available at any point within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge	\$170.18
Distribution Demand Charge (\$/kW)	\$10.59
Reactive Demand (for each kvar over one-third of kW demand)	\$0.81
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC
Societal Benefits Charge (\$/kWh)	
Clean Energy Program	See Rider SBC
Universal Service Fund	See Rider SBC
Lifeline	See Rider SBC
Uncollectible Accounts	See Rider SBC
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC
CIEP Standby Fee (\$/kWh)	See Rider BGS
Transmission Demand Charge (\$/kW)	\$2.01
Reliability Must Run Transmission Surcharge (\$/kWh)	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS
Basic Generation Service Charge (\$/kWh)	See Rider BGS
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI
Infrastructure Investment Surcharge	See Rider IIS

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 19

RATE SCHEDULE AGS-PRIMARY
(Annual General Service)

AVAILABILITY

Available at any point within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge \$639.60

Distribution Demand Charge (\$/kW) \$8.26

Reactive Demand (for each kvar over one-third of kW demand) \$0.61

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

Societal Benefits Charge (\$/kWh)

Clean Energy Program See Rider SBC

Universal Service Fund See Rider SBC

Lifeline See Rider SBC

Uncollectible Accounts See Rider SBC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

CIEP Standby Fee (\$/kWh) See Rider BGS

Transmission Demand Charge (\$/kW) \$0.96

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 36

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>INCANDESCENT</u>				
Standard	103	1,000	\$ 6.74	Closed
Standard	202	2,500	\$ 11.75	Closed
Standard	327	4,000	\$ 16.33	Closed
Standard	448	6,000	\$ 21.86	Closed
<u>MERCURY VAPOR</u>				
Standard	100	3,500	\$ 11.34	Closed
Standard	175	6,800	\$ 15.17	Closed
Standard	250	11,000	\$ 19.25	Closed
Standard	400	20,000	\$ 27.73	Closed
Standard	700	35,000	\$ 44.30	Closed
Standard	1,000	55,000	\$ 76.52	Closed
<u>HIGH PRESSURE SODIUM</u>				
Retrofit	150	11,000	\$ 13.91	Closed
Retrofit	360	30,000	\$ 25.94	Closed

RATE
(Overhead/RUE)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$12.36	Open
Cobra Head	70	5,500	\$12.81	Open
Cobra Head	100	8,500	\$13.51	Open
Cobra Head	150	14,000	\$14.71	Open
Cobra Head	250	24,750	\$ 20.87	Open
Cobra Head	400	45,000	\$24.19	Open
Shoe Box	150	14,000	\$17.96	Open
Shoe Box	250	24,750	\$23.29	Open
Shoe Box	400	45,000	\$26.95	Open
Post Top	50	3,600	\$13.76	Open
Post Top	100	8,500	\$14.97	Open
Post Top	150	14,000	\$17.66	Open
Flood/Profile	150	14,000	\$14.41	Open
Flood/Profile	250	24,750	\$18.22	Open
Flood/Profile	400	45,000	\$23.32	Open
Decorative	50		\$16.97	Open
Decorative	70		\$16.97	Open
Decorative	100		\$19.13	Open
Decorative	150		\$21.09	Open
<u>METAL HALIDE</u>				
Flood/Profile	400	31,000	\$ 28.66	Open
Flood/Profile	1,000	96,000	\$ 48.93	Open

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 37

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
Rate (Underground)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$19.05	Open
Cobra Head	70	5,500	\$19.49	Open
Cobra Head	100	8,500	\$20.14	Open
Cobra Head	150	14,000	\$21.38	Open
Cobra Head	250	24,750	\$25.91	Open
Cobra Head	400	45,000	\$29.17	Open
Shoe Box	150	14,000	\$24.65	Open
Shoe Box	250	24,750	\$29.96	Open
Shoe Box	400	45,000	\$33.63	Open
Post Top	50	3,600	\$16.86	Open
Post Top	100	8,500	\$18.10	Open
Post Top	150	14,000	\$24.71	Open
Flood/Profile	150	14,000	\$22.55	Open
Flood/Profile	250	24,750	\$26.37	Open
Flood/Profile	400	45,000	\$30.02	Open
Flood/Profile	400	31,000	\$35.51	Open
Flood/Profile	1000	96,000	\$55.75	Open
Decorative	50		\$22.63	Open
Decorative	70		\$22.63	Open
Decorative	100		\$24.77	Open
Decorative	150		\$32.40	Open

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 37a

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)

Experimental
LIGHT EMITTING DIODE (LED)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
Cobra Head	50	3,000	\$9.62	Open
Cobra Head	70	4,000	\$9.98	Open
Cobra Head	100	7,000	\$10.25	Open
Cobra Head	150	10,000	\$10.89	Open
Cobra Head	250	17,000	\$12.50	Open
Decorative	150	10,000	\$23.40	Open
Post Top	70	4,000	\$12.80	Open
Post Top	100	7,000	\$13.43	Open
Shoe Box	100	7,000	\$11.31	Open
Shoe Box	150	10,000	\$12.37	Open
Shoe Box	250	17,000	\$12.94	Open
Tear Drop	100	7,000	\$21.57	Open
Tear Drop	150	10,000	\$21.57	Open
Flood	150		\$15.65	Open
Flood	250		\$16.28	Open
Flood	400		\$18.71	Open
Flood	1000		\$19.46	Open

Underground

Cobra Head	50	3,000	\$16.01	Open
Cobra Head	70	4,000	\$16.36	Open
Cobra Head	100	7,000	\$16.64	Open
Cobra Head	150	10,000	\$17.27	Open
Cobra Head	250	17,000	\$18.88	Open
Decorative	150	10,000	\$29.78	Open
Post Top	70	4,000	\$19.19	Open
Post Top	100	7,000	\$19.82	Open
Shoe Box	100	7,000	\$17.70	Open
Shoe Box	150	10,000	\$18.76	Open
Shoe Box	250	17,000	\$19.32	Open
Tear Drop	100	7,000	\$27.95	Open
Tear Drop	150	10,000	\$27.95	Open
Flood	150		\$22.03	Open
Flood	250		\$22.67	Open
Flood	400		\$25.09	Open
Flood	1000		\$25.85	Open

Experimental
INDUCTION

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Overhead</u>				
Cobra Head	50	3,000	\$9.55	Open
Cobra Head	70	6,300	\$10.09	Open
Cobra Head	150	11,500	\$10.39	Open
Cobra Head	250	21,000	\$11.74	Open
<u>Underground</u>				
Cobra Head	50	3,000	\$15.93	Open
Cobra Head	70	6,300	\$16.48	Open
Cobra Head	150	11,500	\$16.78	Open
Cobra Head	250	21,000	\$18.12	Open

Date of Issue:

Effective Date:

Issued by:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 40

RATE SCHEDULE CSL (continued)
(Contributed Street Lighting)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
All	50	3,600	\$5.18	Open
All	70	5,500	\$5.65	Open
All	100	8,500	\$6.31	Open
All	150	14,000	\$7.54	Open
All	250	24,750	\$10.27	Open
All	400	45,000	\$13.60	Open
<u>METAL HALIDE</u>				
Flood	1000		\$10.27	Open
Flood	175		\$9.69	Open
Decorative - Two Lights	175		\$32.94	Open
Decorative	175		\$23.23	Open

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Experimental</u>				
<u>LIGHT EMITTING DIODE (LED)</u>				
Cobra Head	50	3,000	\$3.32	Open
Cobra Head	70	4,000	\$3.32	Open
Cobra Head	100	7,000	\$3.32	Open
Cobra Head	150	10,000	\$3.32	Open
Cobra Head	250	17,000	\$3.32	Open
Post Top	150	10,000	\$3.32	Open
Colonial Post Top	70	4,000	\$3.32	Open
Colonial Post Top	100	7,000	\$3.32	Open
Shoe Box	100	7,000	\$3.32	Open
Shoe Box	150	10,000	\$3.32	Open
Shoe Box	250	17,000	\$3.32	Open
Tear Drop	100	7,000	\$3.32	Open
Tear Drop	150	10,000	\$3.32	Open
Flood	150		\$3.32	Open
Flood	250		\$3.32	Open
Flood	400		\$3.32	Open
Flood	1000		\$3.32	Open
<u>Experimental</u>				
<u>INDUCTION</u>				
Cobra Head	50	3,000	\$3.32	Open
Cobra Head	70	6,300	\$3.32	Open
Cobra Head	150	11,500	\$3.32	Open
Cobra Head	250	21,000	\$3.32	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances.

For fixtures mounted on an existing ornamental standard, the existing standard will continue to be supplied at an annual cost of \$65.81 until the expiration of its service life in addition to the appropriate rate for the fixtures on an existing pole.

Date of Issue:
Issued by:

Effective Date:

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV Revised Sheet Replaces Revised Sheet No. 44

RIDER STB-STANDBY SERVICE
(Applicable to MGS, AGS, TGS and SPP Rate Schedules)

AVAILABILITY

This rider is available to customers having other sources of electrical energy supply, but who desire to purchase Standby Service from the Company. The terms of this rider shall not be available in any month when the customer's Generation Availability for the current and preceding five (5) months does not exceed 50%.

DEFINITIONS

Standby Service:

Standby Service is defined as the additional electrical capacity available to a customer in the event of a forced outage and during a mutually agreed upon customer's scheduled maintenance shutdown of the customer owned electrical energy source.

Standby Service Capacity:

The Standby Service Capacity shall be the maximum electrical capacity in kW supplied by the customer owned electrical energy source during the current and preceding five (5) months. Such Standby Service Capacity may be revised with the Company's approval as changes in the customer's load conditions warrant.

Generation Availability:

Generation Availability is defined as the availability of the customer owned electrical energy source during the current and preceding five (5) months and shall be determined by dividing the Kwhrs produced during this period by the product of the Standby Service Capacity times 4380 hours.

MODIFICATION OF DEMAND DETERMINATION

The monthly billing demand shall be as defined under the "Demand Determination" section of the applicable rate schedule.

The Standby Service Demand shall be the "Standby Service Capacity" as defined above.

During the billing months in which a forced outage or mutually agreed upon customer's scheduled maintenance shutdown occurs, the billing demand will be determined by subtracting the Standby Service Capacity from the total demand and waives the minimum charge provision of the applicable rate schedule. Electric service is provided under the terms of the applicable rate schedule. Total demand is defined as the sum of the Company's demand meter plus demand supplied by the other sources of electrical energy, all computed to the nearest whole kilowatt during a fifteen minute period.

STANDBY SERVICE CHARGE

This rider imposes a Standby Service Charge at the following voltage levels:

<u>Tariff</u>	<u>Transmission Stand By Rate</u> <u>(\$/kW)</u>	<u>Distribution Stand By Rate</u> <u>(\$/kW)</u>
MGS-Secondary	\$0.25	\$0.13
MGS Primary	\$0.11	\$0.15
AGS Secondary	\$0.20	\$1.08
AGS Primary	\$0.10	\$0.84
TGS Sub Transmission	\$0.10	\$0.00
TGS Transmission	\$0.10	\$0.00

Date of Issue:
Issued by:

Effective Date:

RIDER SRR
SYSTEM RENEWAL RECOVERY CHARGE

APPLICABILITY:

The Distribution Charges billed under the Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, and SPP shall be subject to the System Renewal Recovery Charge as specified in the terms of this Rider. The System Renewal Recovery Charge provides for collection of the monthly charges and rates set forth.

The System Renewal Recovery Charge is specifically intended to recover reliability-related expenditures and emergency spend as approved by the NJ Board of Public Utilities for recovery through this capital investment tracker mechanism.

DETERMINATION OF CHARGE:

The System Renewal Recovery Charge will be based on revenue requirements calculated using projected annual expenditure and reconciled as defined herein. The revenue requirement will include the following items and adjustments.

1. Return on approved capital investment expenditures placed into service during the period at the authorized rate of return.
2. Recovery of approved capital investment expenditures placed into service during the period through depreciation expense.
3. A one-time bill adjustment to reflect any applicable customer credits based on the Company's earnings test established by the NJ Board of Public Utilities.
4. Reconciliation of the deferred balance upon termination of the System Renewal Recovery Charge. (See "Adjustment to Charge")
5. The System Renewal Recovery Charge is currently expected to remain in effect for approximately five years beginning in April 2018 and thereafter will continue in effect until completion of the first rate case filed after all of the approved investment projects are placed into service.
6. The System Renewal Recovery Charge will be capped so that the maximum average annual rate increase due to the System Renewal Recovery Charge in a single year will not exceed five percent of the average monthly bill for the typical residential customer over the annual period.

MONTHLY CHARGES AND RATES:

System Renewal Recovery Charge (Effective)

Rate Schedule

To be determined for each Rate Schedule upon the filing of the initial System Renewal Recovery Charge.

ADJUSTMENT TO CHARGE:

The System Renewal Recovery Charge is subject to deferred accounting. A monthly over/under recovery calculation will be performed based on actual revenues received under the System Renewal Recovery Charge and the actual revenue requirement in each month, and the over/under recovery will be tracked as a deferred balance. Interest on this balance will be calculated monthly using the Company's short term debt rate. The interest rate will be reset each month. The deferred balance will be reconciled upon termination of the System Renewal Recovery Charge and any over or under recovery will be shown as a rate making adjustment in the first rate case filed after all of the approved capital investment projects are placed into service.

Date of Issue:
Issued by:

Effective Date:

Schedule (EPT)-12

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Sixth~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 5

**RATE SCHEDULE RS
(Residential Service)**

AVAILABILITY

Available for full domestic service to individually metered residential customers, including rural domestic customers, engaged principally in agricultural pursuits.

	SUMMER June Through September	WINTER October Through May
Delivery Service Charges:		
Customer Charge (\$/Month)	\$ 46.44	\$ 46.44
Distribution Rates (\$/kWh)		
First Block (Summer <= 750 kWh; Winter <= 500kWh)	\$0. 050245060559	\$0. 046364055877
Excess kWh	\$0. 057764069619	\$0. 046364055877
Non-Utility Generation Charge (NGC) (\$/kWh)	See Rider NGC	
Societal Benefits Charge (\$/kWh)		
Clean Energy Program	See Rider SBC	
Universal Service Fund	See Rider SBC	
Lifeline	See Rider SBC	
Uncollectible Accounts	See Rider SBC	
Transition Bond Charge (TBC) (\$/kWh)	See Rider SEC	
Market Transition Charge Tax (MTC-Tax) (\$/kWh)	See Rider SEC	
Transmission Service Charges (\$/kWh):		
Transmission Rate	\$0.012293	\$0.012293
Reliability Must Run Transmission Surcharge	\$0.000000	\$0.000000
Transmission Enhancement Charge (\$/kWh)	See Rider BGS	
Basic Generation Service Charge (\$/kWh)	See Rider BGS	
Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh)	See Rider RGGI	
Infrastructure Investment Surcharge	See Rider IIS	

CORPORATE BUSINESS TAX (CBT)

Charges under this rate schedule include a component for Corporate Business Taxes as set forth in Rider CBT.

NEW JERSEY SALES AND USE TAX (SUT)

Charges under this rate schedule include a component for New Jersey Sales and Use Tax as set forth in Rider SUT.

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by:

~~Issued by: David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Seventh~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 17

**RATE SCHEDULE AGS-SECONDARY
(Annual General Service)**

AVAILABILITY

Available at any point ~~ef~~within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge ~~\$151.25~~ 170.18

Distribution Demand Charge (\$/kW) ~~\$8.82~~ 10.59

Reactive Demand (for each kvar over one-third of kW demand) \$0.~~67~~81

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

Societal Benefits Charge (\$/kWh)

Clean Energy Program See Rider SBC

Universal Service Fund See Rider SBC

Lifeline See Rider SBC

Uncollectible Accounts See Rider SBC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

CIEP Standby Fee (\$/kWh) See Rider BGS

Transmission Demand Charge (\$/kW) \$2.01

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Thirty-Seventh~~ Revised Sheet Replaces ~~Thirty-Sixth~~ Revised Sheet No. 19

**RATE SCHEDULE AGS-PRIMARY
(Annual General Service)**

AVAILABILITY

Available at any point ~~of~~within the Company's system where facilities of adequate character and capacity exist for the entire electric service requirements of any customer contracting for annual service delivered at one point and metered at or compensated to the voltage of delivery.

MONTHLY RATE

Delivery Service Charges:

Customer Charge ~~\$560.25~~639.60

Distribution Demand Charge (\$/kW) ~~\$7.248~~8.26

Reactive Demand (for each kvar over one-third of kW demand) ~~\$0.53~~61

Non-Utility Generation Charge (NGC) (\$/kWh) See Rider NGC

Societal Benefits Charge (\$/kWh)

Clean Energy Program See Rider SBC

Universal Service Fund See Rider SBC

Lifeline See Rider SBC

Uncollectible Accounts See Rider SBC

Transition Bond Charge (TBC) (\$/kWh) See Rider SEC

Market Transition Charge Tax (MTC-Tax) (\$/kWh) See Rider SEC

CIEP Standby Fee (\$/kWh) See Rider BGS

Transmission Demand Charge (\$/kW) \$0.96

Reliability Must Run Transmission Surcharge (\$/kWh) \$0.000000

Transmission Enhancement Charge (\$/kWh) See Rider BGS

Basic Generation Service Charge (\$/kWh) See Rider BGS

Regional Greenhouse Gas Initiative Recovery Charge (\$/kWh) See Rider RGGI

Infrastructure Investment Surcharge See Rider IIS

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by:

~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised
Sheet No. 36

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
RATE (Mounted on Existing Pole)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>INCANDESCENT</u>				
Standard	103	1,000	\$ 6.20 74	Closed
Standard	202	2,500	\$ 10.80 11.75	Closed
Standard	327	4,000	\$ 15.03 16.33	Closed
Standard	448	6,000	\$ 21.86 20.14	Closed
<u>MERCURY VAPOR</u>				
Standard	100	3,500	\$ 10.43 11.34	Closed
Standard	175	6,800	\$ 13.96 15.17	Closed
Standard	250	11,000	\$ 17.71 19.25	Closed
Standard	400	20,000	\$ 25.54 27.73	Closed
Standard	700	35,000	\$ 40.75 44.30	Closed
Standard	1,000	55,000	\$ 70.40 76.52	Closed
<u>HIGH PRESSURE SODIUM</u>				
Retrofit	150	11,000	\$ 12.79 13.91	Closed
Retrofit	360	30,000	\$ 23.87 25.94	Closed

RATE
(Overhead/RUE)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$ 11.37 12.36	Open
Cobra Head	70	5,500	\$ 11.79 12.81	Open
Cobra Head	100	8,500	\$ 12.43 13.51	Open
Cobra Head	150	14,000	\$ 13.53 14.71	Open
Cobra Head	250	24,750	\$ 19.19 20.87	Open
Cobra Head	400	45,000	\$ 22.25 24.19	Open
Shoe Box	150	14,000	\$ 16.52 17.96	Open
Shoe Box	250	24,750	\$ 21.43 23.29	Open
Shoe Box	400	45,000	\$ 24.80 26.95	Open
Post Top	50	3,600	\$ 12.65 13.76	Open
Post Top	100	8,500	\$	Open

				13.78 <u>14.97</u>	
				\$	
Post Top	150	14,000		16.24 <u>17.66</u>	Open
				\$	
Flood/Profile	150	14,000		13.25 <u>14.41</u>	Open
				\$	
Flood/Profile	250	24,750		16.76 <u>18.22</u>	Open
				\$	
Flood/Profile	400	45,000		21.45 <u>23.32</u>	Open
				\$	
Decorative	50			15.61 <u>16.97</u>	Open
				\$	
Decorative	70			15.61 <u>16.97</u>	Open
				\$	
Decorative	100			17.60 <u>19.13</u>	Open
				\$	
Decorative	150			19.40 <u>21.09</u>	Open
				\$	
<u>METAL HALIDE</u>					
				\$	
Flood/Profile	400	31,000		26.37 <u>28.66</u>	Open
				\$	
Flood/Profile	1,000	96,000		45.02 <u>48.93</u>	Open

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company
Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the
BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised
Sheet No. 37

RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)
Rate (Underground)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
Cobra Head	50	3,600	\$17.53 <u>19.05</u>	Open
Cobra Head	70	5,500	\$17.93 <u>19.49</u>	Open
Cobra Head	100	8,500	\$18.53 <u>20.14</u>	Open
Cobra Head	150	14,000	\$19.67 <u>21.38</u>	Open
Cobra Head	250	24,750	\$23.83 <u>25.91</u>	Open
Cobra Head	400	45,000	\$26.84 <u>29.17</u>	Open
Shoe Box	150	14,000	\$22.68 <u>24.65</u>	Open
Shoe Box	250	24,750	\$27.56 <u>29.96</u>	Open
Shoe Box	400	45,000	\$30.94 <u>33.63</u>	Open
Post Top	50	3,600	\$15.54 <u>16.86</u>	Open
Post Top	100	8,500	\$16.65 <u>18.10</u>	Open
Post Top	150	14,000	\$22.73 <u>24.71</u>	Open
Flood/Profile	150	14,000	\$20.74 <u>22.55</u>	Open
Flood/Profile	250	24,750	\$24.26 <u>26.37</u>	Open
Flood/Profile	400	45,000	\$27.62 <u>30.02</u>	Open
Flood/Profile	400	31,000	\$32.67 <u>35.51</u>	Open
Flood/Profile	1000	96,000	\$51.29 <u>55.75</u>	Open
Decorative	50		\$20.82 <u>22.63</u>	Open
Decorative	70		\$20.82 <u>22.63</u>	Open
Decorative	100		\$22.79 <u>24.77</u>	Open
Decorative	150		\$29.81 <u>32.40</u>	Open

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Ninth~~ Revised Sheet Replaces ~~Eighth~~ Revised Sheet No. 37a

**RATE SCHEDULE SPL (Continued)
(Street and Private Lighting)**

Experimental
LIGHT EMITTING DIODE (LED)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
Cobra Head	50	3,000	\$8.83 9.62	Open
Cobra Head	70	4,000	\$9.4798	Open
Cobra Head	100	7,000	\$9.45 10.25	Open
Cobra Head	150	10,000	\$10.0689	Open
Cobra Head	250	17,000	\$11.65 12.50	Open
Decorative	150	10,000	\$19.05 23.40	Open
Post Top	70	4,000	\$12.8880	Open
Post Top	100	7,000	\$13.3743	Open
Shoe Box	100	7,000	\$10.49 11.31	Open
Shoe Box	150	10,000	\$11.53 12.37	Open
Shoe Box	250	17,000	\$12.0994	Open
Tear Drop	100	7,000	\$20.56 21.57	Open
Tear Drop	150	10,000	\$21.7657	Open
Flood	150		\$14.95 15.65	Open
Flood	250		\$15.59 16.28	Open
Flood	400		\$18.02 18.71	Open
Flood	1000		\$18.77 19.46	Open

Underground

Cobra Head	50	3,000	\$15.24 16.01	Open
Cobra Head	70	4,000	\$15.59 16.36	Open
Cobra Head	100	7,000	\$15.86 16.64	Open
Cobra Head	150	10,000	\$16.48 17.27	Open
Cobra Head	250	17,000	\$18.07 18.88	Open
Decorative	150	10,000	\$25.47 29.78	Open
Post Top	70	4,000	\$19.3019	Open
Post Top	100	7,000	\$19.7982	Open
Shoe Box	100	7,000	\$16.90 17.70	Open
Shoe Box	150	10,000	\$17.95 18.76	Open
Shoe Box	250	17,000	\$18.50 19.32	Open
Tear Drop	100	7,000	\$26.98 27.95	Open
Tear Drop	150	10,000	\$28.18 27.95	Open
Flood	150		\$21.37 22.03	Open
Flood	250		\$22.01 22.67	Open
Flood	400		\$24.43 25.09	Open
Flood	1000		\$25.4985	Open

Experimental
INDUCTION

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Overhead</u>				
Cobra Head	50	3,000	\$8.79 9.55	Open
Cobra Head	70	6,300	\$9.30 10.09	Open
Cobra Head	150	11,500	\$9.57 10.39	Open
Cobra Head	250	21,000	\$10.81 11.74	Open
<u>Underground</u>				
Cobra Head	50	3,000	\$15.6593	Open
Cobra Head	70	6,300	\$16.4548	Open
Cobra Head	150	11,500	\$16.4378	Open
Cobra Head	250	21,000	\$17.66 18.12	Open

Date of Issue: ~~December 8, 2016~~

Effective Date: ~~January 1, 2017~~

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY
BPU NJ No. 11 Electric Service - Section IV ~~Fifty-Eighth~~ Revised Sheet Replaces ~~Fifty-Seventh~~ Revised Sheet No. 40

RATE SCHEDULE CSL (continued)
(Contributed Street Lighting)

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>HIGH PRESSURE SODIUM</u>				
All	50	3,600	\$4.78 <u>5.18</u>	Open
All	70	5,500	\$5.21 <u>5.65</u>	Open
All	100	8,500	\$5.84 <u>6.31</u>	Open
All	150	14,000	\$6.95 <u>7.54</u>	Open
All	250	24,750	\$9.47 <u>10.27</u>	Open
All	400	45,000	\$12.54 <u>13.60</u>	Open
<u>METAL HALIDE</u>				
Flood	1000		\$9.47 <u>10.27</u>	Open
Flood	175		\$8.93 <u>9.69</u>	Open
Decorative - Two Lights	175		\$30.36 <u>32.94</u>	Open
Decorative	175		\$21.42 <u>23.23</u>	Open

	<u>WATTS</u>	<u>LUMENS</u>	<u>MONTHLY DISTRIBUTION CHARGE</u>	<u>STATUS</u>
<u>Experimental</u>				
<u>LIGHT EMITTING DIODE (LED)</u>				
Cobra Head	50	3,000	\$2.64 <u>3.32</u>	Open
Cobra Head	70	4,000	\$2.64 <u>3.32</u>	Open
Cobra Head	100	7,000	\$2.64 <u>3.32</u>	Open
Cobra Head	150	10,000	\$2.64 <u>3.32</u>	Open
Cobra Head	250	17,000	\$2.64 <u>3.32</u>	Open
Post Top	150	10,000	\$2.64 <u>3.32</u>	Open
Colonial Post Top	70	4,000	\$2.64 <u>3.32</u>	Open
Colonial Post Top	100	7,000	\$2.64 <u>3.32</u>	Open
Shoe Box	100	7,000	\$2.64 <u>3.32</u>	Open
Shoe Box	150	10,000	\$2.64 <u>3.32</u>	Open
Shoe Box	250	17,000	\$2.64 <u>3.32</u>	Open
Tear Drop	100	7,000	\$2.64 <u>3.32</u>	Open
Tear Drop	150	10,000	\$2.64 <u>3.32</u>	Open
Flood	150		\$2.64 <u>3.32</u>	Open
Flood	250		\$2.64 <u>3.32</u>	Open
Flood	400		\$2.64 <u>3.32</u>	Open
Flood	1000		\$2.64 <u>3.32</u>	Open
<u>Experimental</u>				
<u>INDUCTION</u>				
Cobra Head	50	3,000	\$2.64 <u>3.32</u>	Open
Cobra Head	70	6,300	\$2.64 <u>3.32</u>	Open
Cobra Head	150	11,500	\$2.64 <u>3.32</u>	Open
Cobra Head	250	21,000	\$2.64 <u>3.32</u>	Open

Bill will be rendered monthly and be prorated based on the billing cycle

Lamp sizes listed are standard ratings. Actual output shall be within commercial tolerances.

For fixtures mounted on an existing ornamental standard, the existing standard will continue to be supplied at an annual cost of \$65.81 until the expiration of its service life in addition to the appropriate rate for the fixtures on an existing pole.

Issued by: ~~David M. Velazquez, President and Chief Executive Officer – Atlantic City Electric Company~~
~~Filed pursuant to Board of Public Utilities of the State of New Jersey directives associated with the~~
~~BPU Docket No. ER16111054~~

ATLANTIC CITY ELECTRIC COMPANY

BPU NJ No. 11 Electric Service - Section IV ~~Seventeenth~~ Revised Sheet Replaces ~~Sixteenth~~ Revised Sheet No. 44

RIDER STB-STANDBY SERVICE

(Applicable to MGS, AGS, TGS and SPP Rate Schedules)

AVAILABILITY

This rider is available to customers having other sources of electrical energy supply, but who desire to purchase Standby Service from the Company. The terms of this rider shall not be available in any month when the customer's Generation Availability for the current and preceding five (5) months does not exceed 50%.

DEFINITIONS

Standby Service:

Standby Service is defined as the additional electrical capacity available to a customer in the event of a forced outage and during a mutually agreed upon customer's scheduled maintenance shutdown of the customer owned electrical energy source.

Standby Service Capacity:

The Standby Service Capacity shall be the maximum electrical capacity in kW supplied by the customer owned electrical energy source during the current and preceding five (5) months. Such Standby Service Capacity may be revised with ~~Company~~the Company's approval as changes in the customer's load conditions warrant.

Generation Availability:

Generation Availability is defined as the availability of the customer owned electrical energy source during the current and preceding five (5) months and shall be determined by dividing the Kwhrs produced during this period by the product of the Standby Service Capacity times 4380 hours.

MODIFICATION OF DEMAND DETERMINATION

The monthly billing demand shall be as defined under the "Demand Determination" section of the applicable rate schedule.

The Standby Service Demand shall be the "Standby Service Capacity" as defined above.

During the billing months in which a forced outage or mutually agreed upon customer's scheduled maintenance shutdown occurs, the billing demand will be determined by subtracting the Standby Service Capacity from the total demand and waives the minimum charge provision of the applicable rate schedule. Electric service is provided under the terms of the applicable rate schedule. Total demand is defined as the sum of the Company's demand meter plus demand supplied by the other sources of electrical energy, all computed to the nearest whole kilowatt during a fifteen minute period.

STANDBY SERVICE CHARGE

This rider imposes a Standby Service Charge at the following voltage levels:

<u>Tariff</u>	<u>Transmission Stand By Rate</u> (\$/kW)	<u>Distribution Stand By Rate</u> (\$/kW)
MGS-Secondary	\$0.25	\$0.40 <u>13</u>
MGS Primary	\$0.11	\$0.43 <u>15</u>
AGS Secondary	\$0.20	\$0.90 <u>\$1.08</u>
AGS Primary	\$0.10	\$0.74 <u>84</u>
TGS Sub Transmission	\$0.10	\$0.00
TGS Transmission	\$0.10	\$0.00

Date of Issue: ~~August 31, 2016~~

Effective Date: ~~September 1, 2016~~

Issued by: ~~David M. Velazquez, President & CEO—Atlantic City Electric Company~~

~~Filed pursuant to Order of the Board of Public Utilities of the State of New Jersey as presented in Docket No. ER16070620~~

RIDER SRR
SYSTEM RENEWAL RECOVERY CHARGE

APPLICABILITY:

The Distribution Charges billed under the Electric Rate Schedules RS, MGS, AGS, TS, TGS, DDC, SPL, CSL, STB, and SPP shall be subject to the System Renewal Recovery Charge as specified in the terms of this Rider. The System Renewal Recovery Charge provides for collection of the monthly charges and rates set forth.

The System Renewal Recovery Charge is specifically intended to recover reliability-related expenditures and emergency spend as approved by the NJ Board of Public Utilities for recovery through this capital investment tracker mechanism.

DETERMINATION OF CHARGE:

The System Renewal Recovery Charge will be based on revenue requirements calculated using projected annual expenditure and reconciled as defined herein. The revenue requirement will include the following items and adjustments.

1. Return on approved capital investment expenditures placed into service during the period at the authorized rate of return.
2. Recovery of approved capital investment expenditures placed into service during the period through depreciation expense.
3. A one-time bill adjustment to reflect any applicable customer credits based on the Company's earnings test established by the NJ Board of Public Utilities.
4. Reconciliation of the deferred balance upon termination of the System Renewal Recovery Charge. (See "Adjustment to Charge")
5. The System Renewal Recovery Charge is currently expected to remain in effect for approximately five years beginning in April 2018 and thereafter will continue in effect until completion of the first rate case filed after all of the approved investment projects are placed into service.
6. The System Renewal Recovery Charge will be capped so that the maximum average annual rate increase due to the System Renewal Recovery Charge in a single year will not exceed five percent of the average monthly bill for the typical residential customer over the annual period.

MONTHLY CHARGES AND RATES:

System Renewal Recovery Charge (Effective)

Rate Schedule

To be determined for each Rate Schedule upon the filing of the initial System Renewal Recovery Charge.

ADJUSTMENT TO CHARGE:

The System Renewal Recovery Charge is subject to deferred accounting. A monthly over/under recovery calculation will be performed based on actual revenues received under the System Renewal Recovery Charge and the actual revenue requirement in each month, and the over/under recovery will be tracked as a deferred balance. Interest on this balance will be calculated monthly using the Company's short term debt rate. The interest rate will be reset each month. The deferred balance will be reconciled upon termination of the System Renewal Recovery Charge and any over or under recovery will be shown as a rate making adjustment in the first rate case filed after all of the approved capital investment projects are placed into service.

Date of Issue:
Issued by:

Effective Date:

Schedule (EPT)-13

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Class Allocation of Distribution Revenue Requirements

TABLE 1 Allocation of Operating Income Based on Per Books Cost of Service Study Results

	TOTAL ACE RETAIL	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Cost of Service Study Results (Schedule EPT-6)										
Operating Income	\$ 47,442,314	\$ 15,476,350	\$ 14,964,996	\$ 410,825	\$ 9,240,347	\$ 971,065	\$ 879,778	\$ 773,716	\$ 4,540,704	\$ 184,534
Distribution Rate Base	\$ 1,259,487,385	\$ 739,115,981	\$ 174,935,051	\$ 2,142,080	\$ 221,880,354	\$ 36,669,900	\$ 6,229,569	\$ 2,451,386	\$ 74,805,107	\$ 1,257,957
ROR	3.77%	2.09%	8.55%	19.18%	4.16%	2.65%	14.12%	31.56%	6.07%	14.67%
Unitized ROR	1.00	0.56	2.27	5.09	1.11	0.70	3.75	8.38	1.61	3.89
Revenue Requirements Results (Schedule JMZ-2)										
Pro-Forma Operating Income	\$ 65,939,159	\$ 21,510,281.34	\$ 20,799,561	\$ 570,998	\$ 12,842,981	\$ 1,349,664	\$ 1,222,786	\$ 1,075,372	\$ 6,311,037	\$ 256,480
Adjusted Net Distribution Rate Base	\$ 1,370,621,016	\$ 804,333,501	\$ 190,370,829	\$ 2,331,091	\$ 241,458,454	\$ 39,905,549	\$ 6,779,249	\$ 2,667,689	\$ 81,405,699	\$ 1,368,956
ROR	4.81%	2.67%	10.93%	24.49%	5.32%	3.38%	18.04%	40.31%	7.75%	18.74%
Unitized ROR	1.00	0.56	2.27	5.09	1.11	0.70	3.75	8.38	1.61	3.89

TABLE 2 Cost of Service Class Revenue Increase Allocation

Revenue Requirement (Schedule JMZ-2)	70,160,580									
Operating Income Deficiency (Schedule JMZ-2)	41,380,466									
ROR (Schedule JMZ-2)	7.83%									
Proposed Revenue Allocation										
UROR Adjustment Factor		0.6	0.5	0.5	0.5	0.5	0.5	0.4	1.0	0.5
Target UROR		0.80	1.64	3.13	1.05	0.85	2.30	5.15	1.03	2.39
ROR	7.83%	6.30%	12.81%	24.49%	8.24%	6.67%	18.04%	40.31%	8.05%	18.74%
Incremental Income	\$ 41,380,466	\$ 29,183,557	\$ 3,579,674	\$ -	\$ 7,061,448	\$ 1,310,965	\$ (0)	\$ -	\$ 244,822	\$ -
Revenue Conversion Factor	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955	1.6955
Revenue Requirement	\$ 70,160,580	\$ 49,480,720	\$ 6,069,338	\$ -	\$ 11,972,685	\$ 2,222,741	\$ (0)	\$ -	\$ 415,096	\$ -
Final Unitized ROR	1.00	0.80	1.64	3.13	1.05	0.85	2.30	5.15	1.03	2.39

TABLE 3 Rate Schedule Specific Revenue Increase Allocation

Rate Schedule	Total	RESIDENTIAL	MONTHLY GENERAL SERV SECONDARY	MONTHLY GENERAL SERV PRIMARY	ANNUAL GENERAL SERV SECONDARY	ANNUAL GENERAL SERV PRIMARY	TRANSMISSION GENERAL SERV SUB -TRANSMISSION	TRANSMISSION GENERAL SERV TRANSMISSION	STREET LIGHTING SERVICE	DIRECT DISTRIBUTION CONNECTION
Annualized Current Distribution Revenue	\$ 371,937,462	\$ 217,473,872	\$ 66,419,143	\$ 1,475,810	\$ 53,647,635	\$ 10,181,006	\$ 4,383,004	\$ 2,953,080	\$ 14,839,673	\$ 564,239
Revenue Change (\$)	\$ 70,160,580	\$ 49,480,720	\$ 6,069,338	\$ -	\$ 11,972,685	\$ 2,222,741	\$ (0)	\$ -	\$ 415,096	\$ -
Proposed Revenue	\$ 442,098,042	\$ 266,954,593	\$ 72,488,481	\$ 1,475,810	\$ 65,620,320	\$ 12,403,747	\$ 4,383,004	\$ 2,953,080	\$ 15,254,770	\$ 564,239
Revenue Change based on Annualized Current Revenue (%)	18.9%	22.8%	9.1%	0.0%	22.3%	21.8%	0.0%	0.0%	2.8%	0.0%
Rate Class Revenue Allocation Ratio		1.21	0.48	0.00	1.18	1.16	0.00	0.00	0.15	0.00

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule		RS
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	266,954,593
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	285,641,414

1	2	3	4	5	6	7	8	9	10
Blocks	Billing Determinants	Current Distribution Rates (including SUT)	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER	5,798,856	\$ 4.44	\$ 4.15	\$ 24,065,252	\$ 6.03	\$ 34,942,346	\$ 6.44	\$ 37,344,633	45%
SUM 'First 750 KWh	1,190,352,866	\$ 0.050245	\$ 0.047013	\$ 55,962,059	\$ 0.056397	\$ 67,132,331	\$ 0.060274	\$ 71,747,329	20%
SUM '> 750 KWh	852,095,745	\$ 0.057764	\$ 0.054048	\$ 46,054,071	\$ 0.064836	\$ 55,246,480	\$ 0.069293	\$ 59,044,270	20%
WIN	2,106,837,177	\$ 0.046361	\$ 0.043379	\$ 91,392,490	\$ 0.052037	\$ 109,633,486	\$ 0.055615	\$ 117,171,750	20%
TOTAL ENERGY	4,149,285,788		\$	\$ 193,408,620	\$	\$ 232,012,296	\$	\$ 247,963,349	
TOTAL REVENUE				\$ 217,473,872	\$	266,954,643	\$	285,307,981	
							\$	333,433	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS SECONDARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	72,488,481
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	77,562,674

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants		Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER										
Single Phase Service	493,423	\$	5.64	\$ 5.28	2,605,273	\$ 8.08	\$ 3,988,935	\$ 8.64	\$ 4,263,175	53.2%
3 Phase Service	158,240	\$	7.05	\$ 6.60	1,044,384	\$ 9.40	\$ 1,488,011	\$ 10.05	\$ 1,590,312	42.6%
DEMAND CHARGE - All kW's										
Summer	2,116,772	\$	1.90	\$ 1.78	3,767,853	\$ 2.16	\$ 4,572,226	\$ 2.31	\$ 4,889,742	21.6%
Winter	3,129,025	\$	1.56	\$ 1.46	4,568,377	\$ 1.77	\$ 5,538,375	\$ 1.89	\$ 5,913,858	21.2%
REACTIVE DEMAND	90,776	\$	0.46	\$ 0.43	39,034	\$ 0.49	\$ 44,580	\$ 0.52	\$ 47,204	13.0%
ENERGY CHARGE										
Summer	516,041,303	\$	0.050434	\$ 0.047190	24,351,989	\$ 0.049326	\$ 25,454,376	\$ 0.052717	\$ 27,204,149	4.5%
Winter	704,770,026	\$	0.045558	\$ 0.042627	30,042,232	\$ 0.044557	\$ 31,402,210	\$ 0.047620	\$ 33,561,149	4.5%
TOTAL	1,220,811,328				\$ 66,419,143		\$ 72,488,714		\$ 77,469,589	
							\$ (233)		\$ 93,086	

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	6.31
Proposed Distribution Rate Increase		14.2%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	2.16
Winter	\$	1.77

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.044556
Ratio of Summer Rate to Average		1.059116617
Ratio of Winter Rate to Average		0.956706168
Proposed Volumetric Distribution Revenue	\$	56,856,353 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.046573
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.049326 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.044557 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	MGS PRIMARY	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	1,475,810
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	1,579,117

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants		Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Proposed Distribution Rates (w/o SUT)	Recovery under Proposed Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change %
CUSTOMER										
Single Phase Service		314	\$ 5.32	\$ 4.98	\$ 1,564	\$ 4.98	\$ 1,564	\$ 5.32	\$ 1,670	0.0%
3 Phase Service		433	\$ 6.64	\$ 6.21	\$ 2,689	\$ 6.21	\$ 2,689	\$ 6.64	\$ 2,875	0.0%
DEMAND CHARGE										
SUM > 3 KW		42,238	\$ 1.53	\$ 1.43	\$ 60,401	\$ 1.43	\$ 60,401	\$ 1.53	\$ 64,624	0.0%
WIN > 3 KW		75,799	\$ 1.19	\$ 1.11	\$ 84,137	\$ 1.11	\$ 84,137	\$ 1.19	\$ 90,201	0.0%
REACTIVE DEMAND										
		42,543	\$ 0.43	\$ 0.40	\$ 17,017	\$ 0.40	\$ 17,017	\$ 0.43	\$ 18,293	0.0%
ENERGY CHARGE										
SUM < 300KWh		11,900,565	\$ 0.045258	\$ 0.042347	\$ 503,953	\$ 0.042347	\$ 503,953	\$ 0.045258	\$ 538,596	0.0%
WIN < 300 KWh		19,598,554	\$ 0.043956	\$ 0.041128	\$ 806,049	\$ 0.041128	\$ 806,049	\$ 0.043956	\$ 861,474	0.0%
TOTAL		<u><u>31,499,119</u></u>			<u><u>\$ 1,475,810</u></u>		<u><u>\$ 1,475,810</u></u>		<u><u>\$ 1,577,734</u></u>	
						\$	-	\$	1,382	

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$	355.39
Proposed Distribution Rate Increase		0.0%
Customer Charge at Proposed Increase %		
Single Phase Service	\$	4.98
3 Phase Service	\$	6.21

Demand Charge Rate Design

Demand Charge at Full Cost (w/o SUT)	\$	2.88
Proposed Distribution Rate Increase		0.0%
Demand Charge at 1.5 times proposed class increase %		
Summer	\$	1.43
Winter	\$	1.11

Volumetric Charge Rate Design

Current Average Volumetric Rate (\$/kWh)	\$	0.041589
Ratio of Summer Rate to Average		1.018225973
Ratio of Winter Rate to Average		0.988915338
Proposed Volumetric Distribution Revenue	\$	1,310,003 (=Proposed Total Distribution Revenue - (Customer Revenue +Demand Revenue))
Proposed Average Volumetric Rate (\$/kWh)	\$	0.041589
Proposed Winter Volumetric Rate (\$/kWh)	\$	0.042347 (=Proposed Average Rate x Summer to Average Ratio)
Proposed Summer Volumetric Rate (\$/kWh)	\$	0.041128 (=Proposed Average Rate x Winter to Average Ratio)

Atlantic City Electric Company
 Development of Proposed Distribution Rate
 Rate Design Worksheet

Rate Schedule	AGS SECONDARY
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 65,620,320
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 70,213,743

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER	43,535	\$ 151.25	\$ 141.52	\$ 6,161,073	\$ 161.00	\$ 7,009,135	\$ 172.07	\$ 7,491,067	13.8%	
DEMAND CHARGE	5,718,258	\$ 8.82	\$ 8.25	\$ 47,175,629	\$ 10.18	\$ 58,211,866	\$ 10.88	\$ 62,214,647	23.4%	
REACTIVE DEMAND	493,545	\$ 0.67	\$ 0.63	\$ 310,933	\$ 0.78	\$ 384,965	\$ 0.83	\$ 409,642	23.9%	
TOTAL REVENUE				<u>\$ 53,647,635</u>		<u>\$ 65,605,966</u>		<u>\$ 70,115,357</u>		
						\$ (14,354)		\$ (98,386)		

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 161.00
Proposed Distribution Rate Increase	22.3%
Customer Charge at Proposed Increase %	\$ 173.10
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)	\$ 161.00
Proposed Customer Charge Revenue	\$ 7,009,135
Proposed Demand Related Revenue	\$ 58,611,185
Demand Related Revenue Increase (\$)	\$ 11,124,624
Demand Related Revenue Increase (%)	23.4%

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	AGS PRIMARY
Distribution Functional Revenue Requirements Total (w/o SUT)	\$ 12,403,747
Distribution Functional Revenue Requirements Total (w/ SUT)	\$ 13,272,009

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER	1,506	\$ 560.25	\$ 524.21	\$ 789,460	\$ 638.66	\$ 961,822	\$ 682.57	\$ 1,027,950	21.8%	
DEMAND CHARGE	1,364,315	\$ 7.24	\$ 6.77	\$ 9,236,415	\$ 8.25	\$ 11,255,602	\$ 8.82	\$ 12,033,262	21.8%	
REACTIVE DEMAND	310,262	\$ 0.53	\$ 0.50	\$ 155,131	\$ 0.61	\$ 189,260	\$ 0.65	\$ 201,670.33	22.6%	
TOTAL REVENUE				\$ 10,181,006		\$ 12,406,684		\$ 13,262,882		
						\$ 2,937		\$ (9,127)		

Customer Charge Rate Design

Cust Charge at Full Cost (w/o SUT)	\$ 671.71
Proposed Distribution Rate Increase	21.8%
Customer Charge at Proposed Increase %	\$ 638.66
Proposed Customer Charge (Minimum of Full Cost Charge or Charge at % increase)	\$ 638.66
Proposed Customer Charge Revenue	\$ 961,822
Proposed Demand Related Revenue	\$ 11,441,925
Demand Related Revenue Increase (\$)	\$ 2,050,379
Demand Related Revenue Increase (%)	21.8%

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	TGS SUB TRANSMISSION	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	4,383,004
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	4,689,814

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER										
<5000 KW	336 \$	137.29 \$	128.46 \$	43,163 \$	128.46 \$	43,163 \$	137.29 \$	46,129	0.0%	
5000 - 9000 KW	108 \$	4,546.92 \$	4,254.43 \$	459,478 \$	4,254.43 \$	459,478 \$	4,546.92 \$	491,067	0.0%	
>9000 KW	108 \$	8,253.86 \$	7,722.91 \$	834,074 \$	7,722.91 \$	834,074 \$	8,253.86 \$	891,417	0.0%	
DEMAND CHARGE										
<5000 KW	343,901 \$	3.94 \$	3.69 \$	1,268,995 \$	3.69 \$	1,268,995 \$	3.94 \$	1,354,970	0.0%	
5000 - 9000 KW	313,157 \$	3.03 \$	2.84 \$	889,366 \$	2.84 \$	889,366 \$	3.03 \$	948,866	0.0%	
>9000 KW	532,394 \$	1.52 \$	1.42 \$	755,999 \$	1.42 \$	755,999 \$	1.52 \$	809,239	0.0%	
REACTIVE DEMAND										
<5000 KW	89,562 \$	0.54 \$	0.51 \$	45,677 \$	0.51 \$	45,677 \$	0.54 \$	48,363.48	0.0%	
5000 - 9000 KW	61,804 \$	0.54 \$	0.51 \$	31,520 \$	0.51 \$	31,520 \$	0.54 \$	33,374.16	0.0%	
>9000 KW	107,317 \$	0.54 \$	0.51 \$	54,732 \$	0.51 \$	54,732 \$	0.54 \$	57,951.18	0.0%	
TOTAL REVENUE				\$ 4,383,004		\$ 4,383,004		\$ 4,681,377		

Atlantic City Electric Company

Development of Proposed Distribution Rate

Rate Design Worksheet

Rate Schedule	TGS TRANSMISSION	
Distribution Functional Revenue Requirements Total (w/o SUT)	\$	2,953,080
Proposed Customer Charge Recovery	\$	2,953,080
Proposed Demand/Energy Charge Recovery	\$	-
Distribution Functional Revenue Requirements Total (w/ SUT)	\$	3,159,796

	1	2	3	4	5	6	7	8	9	10
BLOCK	Billing Determinants	Current Distribution Rates	Current Distribution Rates (w/o SUT)	Calculated Rate Class Revenue under Current Distribution Rates (w/o SUT) (See Note 1)	Preliminary Distribution Rate (w/o SUT)	Recovery under Preliminary Distribution Rates (w/o SUT)	Proposed Rate (including SUT)	Recovery under Proposed Distribution Rates (including SUT)	Distribution Rate Change	%
CUSTOMER										
<5000 KW	84	\$ 133.60	\$ 125.01	\$ 10,501	\$ 125.01	\$ 10,501	\$ 133.60	\$ 11,222	0.0%	
5000 - 9000 KW	48	\$ 4,424.86	\$ 4,140.22	\$ 198,731	\$ 4,140.22	\$ 198,731	\$ 4,424.86	\$ 212,393	0.0%	
>9000 KW	72	\$ 20,080.75	\$ 18,789.01	\$ 1,352,809	\$ 18,789.01	\$ 1,352,809	\$ 20,080.75	\$ 1,445,814	0.0%	
DEMAND CHARGE										
<5000 KW	157,631	\$ 3.07	\$ 2.87	\$ 452,401	\$ 2.87	\$ 452,401	\$ 3.07	\$ 483,927	0.0%	
5000 - 9000 KW	272,124	\$ 2.36	\$ 2.21	\$ 601,394	\$ 2.21	\$ 601,394	\$ 2.36	\$ 642,213	0.0%	
>9000 KW	1,111,326	\$ 0.15	\$ 0.14	\$ 155,586	\$ 0.14	\$ 155,586	\$ 0.15	\$ 166,699	0.0%	
REACTIVE DEMAND										
<5000 KW	65,134	\$ 0.52	\$ 0.49	\$ 31,916	\$ 0.49	\$ 31,916	\$ 0.52	\$ 33,870	0.0%	
5000 - 9000 KW	87,334	\$ 0.52	\$ 0.49	\$ 42,794	\$ 0.49	\$ 42,794	\$ 0.52	\$ 45,414	0.0%	
>9000 KW	218,265	\$ 0.52	\$ 0.49	\$ 106,950	\$ 0.49	\$ 106,950	\$ 0.52	\$ 113,498	0.0%	
TOTAL REVENUE				\$ 2,953,080		\$ 2,953,080		\$ 3,155,050		

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet

Rate Schedule	SPL CSL DDC	
Distribution Functional Revenue Requirements Total	w/o SUT	w/ SUT
SPL	\$ 13,206,842	\$ 14,131,321
CSL	\$ 2,047,927	\$ 2,191,282
DDC	\$ 564,239	\$ 603,735

Rate Schedule SPL (Street and Private Lighting)		Current Rate	Current Rate	Current Annualized Revenue	Proposed Rate	Proposed Rate	Proposed Annualized Revenue
Lamp Code	Watts Type	(w/ SUT)	(w/o SUT)	Number of Lights	(w/ SUT)	(w/ SUT)	Number of Lights
10	103 INCANDESCENT	\$ 5.47	\$ 5.12	1,043	\$ 5,267,461	\$ 5.63	1,043
50	202 INCANDESCENT	\$ 9.52	\$ 8.91	168	\$ 17,962.56	\$ 9.17	168
160	327 INCANDESCENT	\$ 13.25	\$ 12.40	27	\$ 4,017.60	\$ 12.76	27
210	448 INCANDESCENT	\$ 17.73	\$ 16.59	10	\$ 1,990.80	\$ 17.07	10
100	100 MERCURY VAPOR	\$ 9.19	\$ 8.60	7,076	\$ 730,243.20	\$ 8.85	9,46
300	175 MERCURY VAPOR	\$ 12.31	\$ 11.52	1,077	\$ 148,884.48	\$ 11.85	1,077
400	250 MERCURY VAPOR	\$ 15.61	\$ 14.61	378	\$ 66,270.96	\$ 15.03	378
510	400 MERCURY VAPOR	\$ 22.49	\$ 21.04	283	\$ 71,451.84	\$ 21.65	283
730	700 MERCURY VAPOR	\$ 35.92	\$ 33.61	2	\$ 806.64	\$ 34.58	2
881	1000 MERCURY VAPOR	\$ 62.06	\$ 58.07	37	\$ 25,783.08	\$ 59.74	37
450	150 HPS	\$ 11.28	\$ 10.55	8,892	\$ 1,125,727.20	\$ 10.85	11,60
630	360 HPS	\$ 21.05	\$ 19.70	1,048	\$ 247,747.20	\$ 20.27	1,048
14	50 HPS OH	\$ 10.03	\$ 9.38	18,378	\$ 2,068,627.68	\$ 9.65	18,378
15	70 HPS OH	\$ 10.39	\$ 9.72	9,870	\$ 1,151,236.80	\$ 10.00	10,89
17	100 HPS OH	\$ 10.96	\$ 10.25	8,203	\$ 1,008,969.00	\$ 10.55	11,27
17	150 HPS OH	\$ 11.93	\$ 11.16	6,130	\$ 820,929.60	\$ 11.48	6,130
18	250 HPS OH	\$ 16.93	\$ 15.84	2,083	\$ 395,936.64	\$ 16.30	2,083
19	400 HPS OH	\$ 19.61	\$ 18.35	1,189	\$ 261,817.80	\$ 18.88	2,018
26	150 HPS OH	\$ 14.56	\$ 13.62	80	\$ 13,075.20	\$ 14.01	14,98
27	250 HPS OH	\$ 18.90	\$ 17.68	59	\$ 12,517.44	\$ 18.19	19,44
28	400 HPS OH	\$ 21.86	\$ 20.45	46	\$ 11,288.40	\$ 21.04	22,49
63	50 HPS OH	\$ 11.15	\$ 10.43	125	\$ 15,645.00	\$ 10.73	11,47
64	100 HPS OH	\$ 12.14	\$ 11.36	374	\$ 50,935.68	\$ 11.69	12,49
65	150 HPS OH	\$ 14.32	\$ 13.40	47	\$ 7,557.60	\$ 13.79	14,73
69	150 HPS OH	\$ 11.68	\$ 10.93	1,419	\$ 186,116.04	\$ 11.24	1,419
70	250 HPS OH	\$ 14.78	\$ 13.83	2,338	\$ 388,014.48	\$ 14.23	15,21
71	400 HPS OH	\$ 18.91	\$ 17.69	3,529	\$ 749,136.12	\$ 18.20	19,45
800	50/70 HPS OH	\$ 13.76	\$ 12.87	2	\$ 308.88	\$ 13.24	14,15
801	100 HPS OH	\$ 15.51	\$ 14.51	52	\$ 9,654.24	\$ 14.93	15,95
802	150 HPS OH	\$ 17.10	\$ 16.10	9	\$ 17,728.00	\$ 16.90	17,777
106	400 METAL HALIDE	\$ 23.25	\$ 21.75	686	\$ 179,046.00	\$ 22.38	23,91
107	1000 METAL HALIDE	\$ 39.69	\$ 37.14	654	\$ 291,474.72	\$ 38.21	40,84
1	50 HPS UG	\$ 15.45	\$ 14.46	911	\$ 158,076.72	\$ 14.88	15,90
2	70 HPS UG	\$ 15.80	\$ 14.78	460	\$ 81,585.60	\$ 15.21	16,25
3	100 HPS UG	\$ 16.34	\$ 15.29	315	\$ 57,796.20	\$ 15.73	18,81
4	150 HPS UG	\$ 17.35	\$ 16.23	947	\$ 184,437.72	\$ 16.70	17,85
5	250 HPS UG	\$ 21.00	\$ 19.65	693	\$ 163,409.40	\$ 20.22	21,81
6	400 HPS UG	\$ 23.66	\$ 22.14	541	\$ 143,732.88	\$ 22.78	24,34
51	150 HPS UG	\$ 20.00	\$ 18.71	477	\$ 107,096.04	\$ 19.25	20,57
52	250 HPS UG	\$ 24.30	\$ 22.74	395	\$ 107,787.60	\$ 23.39	25,00
53	400 HPS UG	\$ 27.27	\$ 25.52	519	\$ 158,938.56	\$ 26.26	28,06
66	50 HPS UG	\$ 13.67	\$ 12.79	703	\$ 107,896.44	\$ 13.16	14,06
67	100 HPS UG	\$ 14.68	\$ 13.74	2,397	\$ 395,217.36	\$ 14.14	15,11
68	150 HPS UG	\$ 20.04	\$ 18.75	782	\$ 175,950.00	\$ 19.29	20,62
93	150 HPS UG	\$ 18.29	\$ 17.11	115	\$ 23,611.80	\$ 17.60	18,81
94	250 HPS UG	\$ 21.39	\$ 20.01	201	\$ 48,264.12	\$ 20.59	22,00
95	400 HPS UG	\$ 24.35	\$ 22.78	513	\$ 140,233.68	\$ 23.44	25,05
115	400 HPS UG	\$ 28.80	\$ 26.95	115	\$ 37,191.00	\$ 27.73	29,63
116	1000 HPS UG	\$ 45.22	\$ 42.31	136	\$ 69,049.92	\$ 43.53	46,52
811	50/70 HPS UG	\$ 18.35	\$ 17.17	67	\$ 13,804.68	\$ 17.66	18,88
812	100 HPS UG	\$ 20.09	\$ 18.80	294	\$ 66,326.40	\$ 19.34	20,67
813	150 HPS UG	\$ 26.28	\$ 24.59	369	\$ 108,984.52	\$ 25.30	27,04
	Wood/Decorative Poles			86,264	\$ 12,477,721.44		\$ 12,837,091.62
				53,770	\$ 369,750.52		\$ 369,750.52
					\$ 12,847,471.96		\$ 13,206,842.14

Rate Schedule CSL (Contributed Street Lighting)		Current Rate	Current Rate	Annualized Revenue	Proposed Rate	Proposed Rate	Annualized Revenue
Lamp Code	Watts Type	(w/ SUT)	(w/o SUT)	Number of Lights	(w/ SUT)	(w/ SUT)	Number of Lights
201	50	\$ 4.23	\$ 3.96	13,135	\$ 624,175.20	\$ 4.07	13,135
202	70	\$ 4.61	\$ 4.31	5,875	\$ 303,855.00	\$ 4.43	5,875
203	100	\$ 5.14	\$ 4.81	7,441	\$ 429,494.52	\$ 4.94	7,441
204	150	\$ 6.15	\$ 5.75	5,253	\$ 362,457.00	\$ 5.91	5,253
205	250	\$ 8.38	\$ 7.84	710	\$ 66,796.80	\$ 8.06	710
206	400	\$ 11.10	\$ 10.39	520	\$ 64,833.60	\$ 10.68	520
271	1000	\$ 8.38	\$ 7.86	2	\$ 186.16	\$ 8.06	2
286	175	\$ 7.90	\$ 7.39	45	\$ 3,990.60	\$ 7.60	45
308	175	\$ 26.86	\$ 25.13	446	\$ 134,495.76	\$ 25.83	446
309	175	\$ 18.95	\$ 17.73	9	\$ 1,914.84	\$ 18.23	9
					\$ 1,992,201.48		\$ 2,047,927.45
					\$ 14,839,673.44		\$ 15,254,769.59

DDC	Current Rate (w/ SUT)	Current Rate (w/o SUT)	Proposed Rate (w/o SUT)	Proposed Rate (w/ SUT)
Service and Demand (per day per connection)	975,280 \$ 0.168098	\$ 0.157285	\$ 153,397	\$ 0.157285 \$ 153,397
Energy (per day for each kW of effective load)	542,308 \$ 0.809664	\$ 0.757580	\$ 410,842	\$ 0.757580 \$ 410,842
		\$ 564,239	\$ 564,239	

Atlantic City Electric Company
Development of Proposed Distribution Rate
Rate Design Worksheet
Stand By Rate

Rate Schedule	Demand Rates (\$/kW)		Standby Rates (\$/kW)		Distribution
		Distribution		Distribution	Standby Factor
MGS Secondary	\$	2.06	\$	0.13	0.060975610
MGS Primary	\$	1.31	\$	0.13	0.101604278
AGS Secondary	\$	10.88	\$	1.11	0.101604278
AGS Primary	\$	8.82	\$	0.90	0.101604278
TGS - Sub Transmission	\$	-	\$	-	0.101604278
TGS Transmission	\$	-	\$	-	

Schedule (EPT)-14

Atlantic City Electric Company
Revenue Requirement Calculation

AVG

Rate Base:
Gross Plant
Accumulated Depreciation
Deferred Tax Asset
Deferred Tax Liability
Net Rate Base

	2018	2019	2020	2021
	Year 1	Year 2	Year 3	Year 4
\$	97,537,643	186,626,945	278,906,935	373,410,252
\$	1,213,056	4,748,246	10,531,437	18,632,722
\$	14,107,081	24,847,856	27,582,008	31,833,308
\$	82,217,506	157,030,843	240,793,490	322,944,221

Operating Income:
Operation & Maintenance (Continue to Defer & Amortize Annually)

Depreciation	\$ 1,213,056	\$ 3,535,190	\$ 5,783,191	\$ 8,101,286
Subtotal	\$ 1,213,056	\$ 3,535,190	\$ 5,783,191	\$ 8,101,286
SIT-Current	\$ (430,880)	\$ (1,228,926)	\$ (1,964,046)	\$ (2,685,561)
FTT-Current	\$ (14,636,379)	\$ (12,304,657)	\$ (5,370,529)	\$ (8,042,340)
Deferred Taxes	\$ 14,107,081	\$ 10,740,775	\$ 2,734,152	\$ 4,251,300
Required Operating Income	\$ 252,879	\$ 742,382	\$ 1,182,768	\$ 1,624,685
Return Required	\$ 3,218,815	\$ 9,366,573	\$ 15,574,823	\$ 22,070,331
Revenue Requirement	\$ 5,886,140	\$ 17,139,393	\$ 28,411,932	\$ 40,174,103

Sales & Use Tax Factor
Revenue Requirement (Adjusted for Sales & Use Tax)

1.06625

\$	6,276,097	\$ 18,274,877	\$ 30,294,222	\$ 42,835,637
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Income Statement Check

Revenue	\$ 5,886,140	\$ 17,139,393	\$ 28,411,932	\$ 40,174,103
Oper. & Maint.	\$ -	\$ -	\$ -	\$ -
Depreciation & Amortization	\$ 1,213,056	\$ 3,535,190	\$ 5,783,191	\$ 8,101,286
Other Taxes	\$ 16,835	\$ 49,021	\$ 81,262	\$ 114,904
Interest Expense	\$ 1,138,712	\$ 3,313,590	\$ 5,509,867	\$ 7,807,767
Net income before Taxes	\$ 3,517,536	\$ 10,241,592	\$ 17,037,612	\$ 24,150,146

Income Tax - State Current	97,358	309,207	585,714	919,767
Income Tax - Federal Current	(12,767,005)	(6,861,374)	3,652,790	4,716,515
Income Tax - Deferred	14,107,081	10,740,775	2,734,152	4,251,300

Earnings	\$ 2,080,103	\$ 6,052,983	\$ 10,064,956	\$ 14,262,564
Return on Equity per WACC	\$ 2,080,103	\$ 6,052,983	\$ 10,064,956	\$ 14,262,564

Effective Tax Rate Check	40.86%	40.90%	40.93%	40.94%
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State Tax Depreciation	\$ 3,648,841	\$ 10,341,143	\$ 16,312,865	\$ 22,031,801
Federal Tax Depreciation	\$ 41,110,392	\$ 33,071,499	\$ 11,798,546	\$ 17,855,908

CALCULATION OF DEFERRED INCOME TAX LIABILITY:

Plus: Book Depreciation of AFUDC-Equity	1,273	12,041	31,313	54,459
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State Deferred Income tax

Book Depreciation (Less Book Depr on AFUDC-Equity)	\$ 1,211,783	\$ 3,523,149	\$ 5,751,878	\$ 8,046,826
Tax Depreciation	(3,648,841)	(10,341,143)	(16,312,865)	(22,031,801)
Net Temporary Differences (Before NOLC)	(2,437,058)	(6,817,994)	(10,560,987)	(13,984,975)
Deferred Income Taxes @ 9.00%	(219,335)	(613,619)	(950,489)	(1,258,648)
Cumulative Deferred Income Tax Liability	(219,335)	(832,954)	(1,783,443)	(3,042,091)

Federal Deferred Income tax

Book Depreciation (Less Book Depr on AFUDC-Equity)	\$ 1,211,783	\$ 3,523,149	\$ 5,751,878	\$ 8,046,826
Tax Depreciation	(40,891,057)	(32,457,880)	(10,848,057)	(16,597,260)
Net Temporary Differences (Before NOLC)	(39,679,274)	(28,934,732)	(5,096,180)	(8,550,433)
Deferred Income Taxes @ 35.00%	(13,887,746)	(10,127,156)	(1,783,663)	(2,992,652)
Cumulative Deferred Income Tax Liability	(13,887,746)	(24,014,902)	(25,798,565)	(28,791,217)

Atlantic City Electric Company
System Renewal Recovery Charge Rate Design - 2018 Period 1

Distribution Demand/Energy Revenue Requirements

	Total	RS	MGS Secondary	MGS Primary	AGS Secondary	AGS Primary	SPL/CSL	TGS Sub Trans	TGS Trans	DDC
Proposed Demand/Energy Charge Recovery	\$ 376,578,148	\$ 233,107,101	\$ 67,233,925	\$ 1,559,743	\$ 57,043,031	\$ 10,723,007	\$ 2,063,651	\$ 3,046,288	\$ 1,391,040	\$ 410,362
Revenue Allocation: Grid Resiliency Charge										
Revenue Requirements	\$ 6,276,097									
Rate Class Revenue Requirement	\$ 3,884,991	\$ 1,120,529	\$ 25,995	\$ 950,686	\$ 178,711	\$ 34,393	\$ 50,770	\$ 23,183	\$ 6,839	
Class Billing Determinants and Rate Calculation										
Demand (kW) Max			5,245,797	118,037	5,718,258	1,364,315		1,189,452	1,541,081	
Demand (kW) Revenue Requirement			\$ 156,874	\$ 2,599						
Demand (\$/kW)			\$ 0.029905	\$ 0.022023	\$ 0.166254	\$ 0.130989	\$	\$ 0.042683	\$ 0.015043	
Energy (kWh)	4,149,285,788		1,220,811,328	31,499,119						13,110,723
Energy (kWh) Revenue Requirement			\$ 963,655	\$ 23,395						
Energy (\$/kWhr)	\$ 0.000936	\$	\$ 0.000789	\$ 0.000743						\$ 0.000522
Number of Lights							119,700			
Rate (\$/light per month)						\$	0.02			

Atlantic City Electric Company
System Renewal Recovery Charge Rate Design - 2019 Period 2

Distribution Demand/Energy Revenue Requirements

	Total	RS	MGS Secondary	MGS Primary	AGS Secondary	AGS Primary	SPL/CSL	TGS Sub Trans	TGS Trans	DDC
Proposed Demand/Energy Charge Recovery	\$ 376,578,148	\$ 233,107,101	\$ 67,233,925	\$ 1,559,743	\$ 57,043,031	\$ 10,723,007	\$ 2,063,651	\$ 3,046,288	\$ 1,391,040	\$ 410,362
Revenue Allocation: Grid Resiliency Charge										
Revenue Requirements	\$ 18,274,877									
Rate Class Revenue Requirement	\$ 11,312,403	\$ 3,262,780	\$ 75,692	\$ 2,768,229	\$ 520,374	\$ 100,146	\$ 147,833	\$ 67,505	\$ 19,914	
Class Billing Determinants and Rate Calculation										
Demand (kW) Max			5,245,797	118,037	5,718,258	1,364,315		1,189,452	1,541,081	
Demand (kW) Revenue Requirement			\$ 456,789	\$ 7,569						
Demand (\$/kW)			\$ 0.087077	\$ 0.064126	\$ 0.484103	\$ 0.381418	\$	0.124286	\$ 0.043804	
Energy (kWh)	4,149,285,788		1,220,811,328	31,499,119						13,110,723
Energy (kWh) Revenue Requirement			\$ 2,805,991	\$ 68,123						
Energy (\$/kWhr)	\$ 0.002726	\$	0.002298	\$ 0.002163						\$ 0.001519
Number of Lights							119,700			
Rate (\$/light per month)						\$	0.07			

Atlantic City Electric Company
System Renewal Recovery Charge Rate Design - 2020 Period 3

Distribution Demand/Energy Revenue Requirements	Total	RS	MGS Secondary	MGS Primary	AGS Secondary	AGS Primary	SPL/CSL	TGS Sub Trans	TGS Trans	DDC
Proposed Demand/Energy Charge Recovery	\$ 376,578,148	\$ 233,107,101	\$ 67,233,925	\$ 1,559,743	\$ 57,043,031	\$ 10,723,007	\$ 2,063,651	\$ 3,046,288	\$ 1,391,040	\$ 410,362
Revenue Allocation: Grid Resiliency Charge										
Revenue Requirements	\$ 30,294,222									
Rate Class Revenue Requirement	\$ 18,752,544	\$ 5,408,703	\$ 125,475	\$ 4,588,886	\$ 862,623	\$ 166,013	\$ 245,062	\$ 111,904	\$ 33,012	
Class Billing Determinants and Rate Calculation										
Demand (kW) Max			5,245,797	118,037	5,718,258	1,364,315		1,189,452	1,541,081	
Demand (kW) Revenue Requirement			\$ 757,218	\$ 12,548						
Demand (\$/kW)			\$ 0.144348	\$ 0.106301	\$ 0.802497	\$ 0.632276	\$	\$ 0.206029	\$ 0.072614	
Energy (kWh)	4,149,285,788		1,220,811,328	31,499,119						13,110,723
Energy (kWh) Revenue Requirement			\$ 4,651,485	\$ 112,928						
Energy (\$/kWhr)	\$ 0.004519	\$ 0.003810	\$ 0.003585							\$ 0.002518
Number of Lights							119,700			
Rate (\$/light per month)							\$ 0.12			

Atlantic City Electric Company
System Renewal Recovery Charge Rate Design - 2021 Period 4

Distribution Demand/Energy Revenue Requirements

	Total	RS	MGS Secondary	MGS Primary	AGS Secondary	AGS Primary	SPL/CSL	TGS Sub Trans	TGS Trans	DDC
Proposed Demand/Energy Charge Recovery	\$ 376,578,148	\$ 233,107,101	\$ 67,233,925	\$ 1,559,743	\$ 57,043,031	\$ 10,723,007	\$ 2,063,651	\$ 3,046,288	\$ 1,391,040	\$ 410,362
Revenue Allocation: Grid Resiliency Charge										
Revenue Requirements	\$ 40,174,103									
Rate Class Revenue Requirement	\$ 24,868,327	\$ 7,172,648	\$ 166,396	\$ 6,085,464	\$ 1,143,952	\$ 220,154	\$ 324,984	\$ 148,399	\$ 43,778	
Class Billing Determinants and Rate Calculation										
Demand (kW) Max			5,245,797	118,037	5,718,258	1,364,315		1,189,452	1,541,081	
Demand (kW) Revenue Requirement			\$ 1,004,171	\$ 16,640						
Demand (\$/kW)			\$ 0.191424	\$ 0.140969	\$ 1.064216	\$ 0.838481	\$	0.273222	\$ 0.096295	
Energy (kWh)	4,149,285,788		1,220,811,328	31,499,119						13,110,723
Energy (kWh) Revenue Requirement			\$ 6,168,478	\$ 149,757						
Energy (\$/kWhr)	\$ 0.005993	\$	0.005053	\$ 0.004754						\$ 0.003339
Number of Lights							119,700			
Rate (\$/light per month)							\$ 0.15			

Schedule (EPT)-15

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
8 WINTER MONTHS (October Through May)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total	(%)
							Delivery (\$)	Supply+T (\$)	Difference (\$)	
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.40	\$ 2.68	\$ 9.08	\$ 6.43	\$ 2.68	\$ 9.11	\$ 0.03	\$ -	\$ 0.03	0.33%
50	\$ 8.37	\$ 5.36	\$ 13.73	\$ 8.41	\$ 5.36	\$ 13.77	\$ 0.04	\$ -	\$ 0.04	0.29%
75	\$ 10.33	\$ 8.04	\$ 18.37	\$ 10.40	\$ 8.04	\$ 18.44	\$ 0.07	\$ -	\$ 0.07	0.38%
100	\$ 12.30	\$ 10.72	\$ 23.02	\$ 12.39	\$ 10.72	\$ 23.11	\$ 0.09	\$ -	\$ 0.09	0.39%
150	\$ 16.22	\$ 16.08	\$ 32.30	\$ 16.36	\$ 16.08	\$ 32.44	\$ 0.14	\$ -	\$ 0.14	0.43%
200	\$ 20.15	\$ 21.44	\$ 41.59	\$ 20.34	\$ 21.44	\$ 41.78	\$ 0.19	\$ -	\$ 0.19	0.46%
250	\$ 24.08	\$ 26.80	\$ 50.88	\$ 24.31	\$ 26.80	\$ 51.11	\$ 0.23	\$ -	\$ 0.23	0.45%
300	\$ 28.01	\$ 32.15	\$ 60.16	\$ 28.29	\$ 32.15	\$ 60.44	\$ 0.28	\$ -	\$ 0.28	0.47%
350	\$ 31.93	\$ 37.51	\$ 69.44	\$ 32.26	\$ 37.51	\$ 69.77	\$ 0.33	\$ -	\$ 0.33	0.48%
400	\$ 35.86	\$ 42.87	\$ 78.73	\$ 36.24	\$ 42.87	\$ 79.11	\$ 0.38	\$ -	\$ 0.38	0.48%
450	\$ 39.79	\$ 48.23	\$ 88.02	\$ 40.21	\$ 48.23	\$ 88.44	\$ 0.42	\$ -	\$ 0.42	0.48%
500	\$ 43.72	\$ 53.59	\$ 97.31	\$ 44.19	\$ 53.59	\$ 97.78	\$ 0.47	\$ -	\$ 0.47	0.48%
600	\$ 51.57	\$ 64.31	\$ 115.88	\$ 52.14	\$ 64.31	\$ 116.45	\$ 0.57	\$ -	\$ 0.57	0.49%
700	\$ 59.43	\$ 75.03	\$ 134.46	\$ 60.09	\$ 75.03	\$ 135.12	\$ 0.66	\$ -	\$ 0.66	0.49%
716	\$ 60.69	\$ 76.74	\$ 137.43	\$ 61.36	\$ 76.74	\$ 138.10	\$ 0.67	\$ -	\$ 0.67	0.49%
750	\$ 63.36	\$ 80.39	\$ 143.75	\$ 64.06	\$ 80.39	\$ 144.45	\$ 0.70	\$ -	\$ 0.70	0.49%
800	\$ 67.29	\$ 85.75	\$ 153.04	\$ 68.03	\$ 85.75	\$ 153.78	\$ 0.74	\$ -	\$ 0.74	0.48%
900	\$ 75.14	\$ 96.46	\$ 171.60	\$ 75.98	\$ 96.46	\$ 172.44	\$ 0.84	\$ -	\$ 0.84	0.49%
1000	\$ 83.00	\$ 107.18	\$ 190.18	\$ 83.93	\$ 107.18	\$ 191.11	\$ 0.93	\$ -	\$ 0.93	0.49%
1200	\$ 98.71	\$ 128.62	\$ 227.33	\$ 99.83	\$ 128.62	\$ 228.45	\$ 1.12	\$ -	\$ 1.12	0.49%
1500	\$ 122.28	\$ 160.77	\$ 283.05	\$ 123.68	\$ 160.77	\$ 284.45	\$ 1.40	\$ -	\$ 1.40	0.49%
2000	\$ 161.55	\$ 214.36	\$ 375.91	\$ 163.43	\$ 214.36	\$ 377.79	\$ 1.88	\$ -	\$ 1.88	0.50%
2500	\$ 200.83	\$ 267.96	\$ 468.79	\$ 203.17	\$ 267.96	\$ 471.13	\$ 2.34	\$ -	\$ 2.34	0.50%
3000	\$ 240.11	\$ 321.55	\$ 561.66	\$ 242.92	\$ 321.55	\$ 564.47	\$ 2.81	\$ -	\$ 2.81	0.50%
3500	\$ 279.39	\$ 375.14	\$ 654.53	\$ 282.67	\$ 375.14	\$ 657.81	\$ 3.28	\$ -	\$ 3.28	0.50%
4000	\$ 318.67	\$ 428.73	\$ 747.40	\$ 322.41	\$ 428.73	\$ 751.14	\$ 3.74	\$ -	\$ 3.74	0.50%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
4 SUMMER MONTHS (June Through September)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.50	\$ 2.53	\$ 9.03	\$ 6.52	\$ 2.53	\$ 9.05	\$ 0.02	\$ -	\$ 0.02	0.22%
50	\$ 8.56	\$ 5.05	\$ 13.61	\$ 8.61	\$ 5.05	\$ 13.66	\$ 0.05	\$ -	\$ 0.05	0.37%
75	\$ 10.62	\$ 7.58	\$ 18.20	\$ 10.69	\$ 7.58	\$ 18.27	\$ 0.07	\$ -	\$ 0.07	0.38%
100	\$ 12.68	\$ 10.10	\$ 22.78	\$ 12.78	\$ 10.10	\$ 22.88	\$ 0.10	\$ -	\$ 0.10	0.44%
150	\$ 16.81	\$ 15.16	\$ 31.97	\$ 16.95	\$ 15.16	\$ 32.11	\$ 0.14	\$ -	\$ 0.14	0.44%
200	\$ 20.93	\$ 20.21	\$ 41.14	\$ 21.12	\$ 20.21	\$ 41.33	\$ 0.19	\$ -	\$ 0.19	0.46%
250	\$ 25.05	\$ 25.26	\$ 50.31	\$ 25.28	\$ 25.26	\$ 50.54	\$ 0.23	\$ -	\$ 0.23	0.46%
300	\$ 29.17	\$ 30.31	\$ 59.48	\$ 29.45	\$ 30.31	\$ 59.76	\$ 0.28	\$ -	\$ 0.28	0.47%
350	\$ 33.29	\$ 35.37	\$ 68.66	\$ 33.62	\$ 35.37	\$ 68.99	\$ 0.33	\$ -	\$ 0.33	0.48%
400	\$ 37.42	\$ 40.42	\$ 77.84	\$ 37.79	\$ 40.42	\$ 78.21	\$ 0.37	\$ -	\$ 0.37	0.48%
450	\$ 41.54	\$ 45.47	\$ 87.01	\$ 41.96	\$ 45.47	\$ 87.43	\$ 0.42	\$ -	\$ 0.42	0.48%
500	\$ 45.66	\$ 50.52	\$ 96.18	\$ 46.13	\$ 50.52	\$ 96.65	\$ 0.47	\$ -	\$ 0.47	0.49%
600	\$ 53.90	\$ 60.63	\$ 114.53	\$ 54.47	\$ 60.63	\$ 115.10	\$ 0.57	\$ -	\$ 0.57	0.50%
700	\$ 62.15	\$ 70.73	\$ 132.88	\$ 62.80	\$ 70.73	\$ 133.53	\$ 0.65	\$ -	\$ 0.65	0.49%
716	\$ 63.47	\$ 72.35	\$ 135.82	\$ 64.14	\$ 72.35	\$ 136.49	\$ 0.67	\$ -	\$ 0.67	0.49%
750	\$ 66.27	\$ 75.78	\$ 142.05	\$ 66.97	\$ 75.78	\$ 142.75	\$ 0.70	\$ -	\$ 0.70	0.49%
800	\$ 70.77	\$ 81.33	\$ 152.10	\$ 71.52	\$ 81.33	\$ 152.85	\$ 0.75	\$ -	\$ 0.75	0.49%
900	\$ 79.76	\$ 92.42	\$ 172.18	\$ 80.61	\$ 92.42	\$ 173.03	\$ 0.85	\$ -	\$ 0.85	0.49%
1000	\$ 88.76	\$ 103.52	\$ 192.28	\$ 89.70	\$ 103.52	\$ 193.22	\$ 0.94	\$ -	\$ 0.94	0.49%
1200	\$ 106.75	\$ 125.70	\$ 232.45	\$ 107.88	\$ 125.70	\$ 233.58	\$ 1.13	\$ -	\$ 1.13	0.49%
1500	\$ 133.74	\$ 158.98	\$ 292.72	\$ 135.14	\$ 158.98	\$ 294.12	\$ 1.40	\$ -	\$ 1.40	0.48%
2000	\$ 178.72	\$ 214.45	\$ 393.17	\$ 180.59	\$ 214.45	\$ 395.04	\$ 1.87	\$ -	\$ 1.87	0.48%
2500	\$ 223.70	\$ 269.92	\$ 493.62	\$ 226.04	\$ 269.92	\$ 495.96	\$ 2.34	\$ -	\$ 2.34	0.47%
3000	\$ 268.68	\$ 325.38	\$ 594.06	\$ 271.49	\$ 325.38	\$ 596.87	\$ 2.81	\$ -	\$ 2.81	0.47%
3500	\$ 313.66	\$ 380.85	\$ 694.51	\$ 316.94	\$ 380.85	\$ 697.79	\$ 3.28	\$ -	\$ 3.28	0.47%
4000	\$ 358.64	\$ 436.32	\$ 794.96	\$ 362.38	\$ 436.32	\$ 798.70	\$ 3.74	\$ -	\$ 3.74	0.47%

ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
Annual Average

Present Rates
vs.
Proposed Rates

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.43	\$ 2.63	\$ 9.06	\$ 6.46	\$ 2.63	\$ 9.09	\$ 0.03	\$ -	\$ 0.03	0.33%
50	\$ 8.43	\$ 5.26	\$ 13.69	\$ 8.48	\$ 5.26	\$ 13.74	\$ 0.05	\$ -	\$ 0.05	0.37%
75	\$ 10.43	\$ 7.89	\$ 18.32	\$ 10.50	\$ 7.89	\$ 18.39	\$ 0.07	\$ -	\$ 0.07	0.38%
100	\$ 12.43	\$ 10.51	\$ 22.94	\$ 12.52	\$ 10.51	\$ 23.03	\$ 0.09	\$ -	\$ 0.09	0.39%
150	\$ 16.42	\$ 15.77	\$ 32.19	\$ 16.56	\$ 15.77	\$ 32.33	\$ 0.14	\$ -	\$ 0.14	0.43%
200	\$ 20.41	\$ 21.03	\$ 41.44	\$ 20.60	\$ 21.03	\$ 41.63	\$ 0.19	\$ -	\$ 0.19	0.46%
250	\$ 24.40	\$ 26.29	\$ 50.69	\$ 24.63	\$ 26.29	\$ 50.92	\$ 0.23	\$ -	\$ 0.23	0.45%
300	\$ 28.40	\$ 31.54	\$ 59.94	\$ 28.68	\$ 31.54	\$ 60.22	\$ 0.28	\$ -	\$ 0.28	0.47%
350	\$ 32.38	\$ 36.80	\$ 69.18	\$ 32.71	\$ 36.80	\$ 69.51	\$ 0.33	\$ -	\$ 0.33	0.48%
400	\$ 36.38	\$ 42.05	\$ 78.43	\$ 36.76	\$ 42.05	\$ 78.81	\$ 0.38	\$ -	\$ 0.38	0.48%
450	\$ 40.37	\$ 47.31	\$ 87.68	\$ 40.79	\$ 47.31	\$ 88.10	\$ 0.42	\$ -	\$ 0.42	0.48%
500	\$ 44.37	\$ 52.57	\$ 96.94	\$ 44.84	\$ 52.57	\$ 97.41	\$ 0.47	\$ -	\$ 0.47	0.48%
600	\$ 52.35	\$ 63.08	\$ 115.43	\$ 52.92	\$ 63.08	\$ 116.00	\$ 0.57	\$ -	\$ 0.57	0.49%
700	\$ 60.34	\$ 73.60	\$ 133.94	\$ 60.99	\$ 73.60	\$ 134.59	\$ 0.65	\$ -	\$ 0.65	0.49%
716	\$ 61.62	\$ 75.28	\$ 136.90	\$ 62.29	\$ 75.28	\$ 137.57	\$ 0.67	\$ -	\$ 0.67	0.49%
750	\$ 64.33	\$ 78.85	\$ 143.18	\$ 65.03	\$ 78.85	\$ 143.88	\$ 0.70	\$ -	\$ 0.70	0.49%
800	\$ 68.45	\$ 84.28	\$ 152.73	\$ 69.19	\$ 84.28	\$ 153.47	\$ 0.74	\$ -	\$ 0.74	0.48%
900	\$ 76.68	\$ 95.11	\$ 171.79	\$ 77.52	\$ 95.11	\$ 172.63	\$ 0.84	\$ -	\$ 0.84	0.49%
1000	\$ 84.92	\$ 105.96	\$ 190.88	\$ 85.85	\$ 105.96	\$ 191.81	\$ 0.93	\$ -	\$ 0.93	0.49%
1200	\$ 101.39	\$ 127.65	\$ 229.04	\$ 102.51	\$ 127.65	\$ 230.16	\$ 1.12	\$ -	\$ 1.12	0.49%
1500	\$ 126.10	\$ 160.17	\$ 286.27	\$ 127.50	\$ 160.17	\$ 287.67	\$ 1.40	\$ -	\$ 1.40	0.49%
2000	\$ 167.27	\$ 214.39	\$ 381.66	\$ 169.15	\$ 214.39	\$ 383.54	\$ 1.88	\$ -	\$ 1.88	0.49%
2500	\$ 208.45	\$ 268.61	\$ 477.06	\$ 210.79	\$ 268.61	\$ 479.40	\$ 2.34	\$ -	\$ 2.34	0.49%
3000	\$ 249.63	\$ 322.83	\$ 572.46	\$ 252.44	\$ 322.83	\$ 575.27	\$ 2.81	\$ -	\$ 2.81	0.49%
3500	\$ 290.81	\$ 377.04	\$ 667.85	\$ 294.09	\$ 377.04	\$ 671.13	\$ 3.28	\$ -	\$ 3.28	0.49%
4000	\$ 331.99	\$ 431.26	\$ 763.25	\$ 335.73	\$ 431.26	\$ 766.99	\$ 3.74	\$ -	\$ 3.74	0.49%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
8 WINTER MONTHS (October Through May)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present Delivery	Present Supply+T	Present Total	New Delivery	New Supply+T	New Total	Difference		Total Difference	(%)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Delivery (\$)	Supply+T (\$)	(\$)	
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.40	\$ 2.68	\$ 9.08	\$ 6.47	\$ 2.68	\$ 9.15	\$ 0.07	\$ -	\$ 0.07	0.77%
50	\$ 8.37	\$ 5.36	\$ 13.73	\$ 8.50	\$ 5.36	\$ 13.86	\$ 0.13	\$ -	\$ 0.13	0.95%
75	\$ 10.33	\$ 8.04	\$ 18.37	\$ 10.54	\$ 8.04	\$ 18.58	\$ 0.21	\$ -	\$ 0.21	1.14%
100	\$ 12.30	\$ 10.72	\$ 23.02	\$ 12.57	\$ 10.72	\$ 23.29	\$ 0.27	\$ -	\$ 0.27	1.17%
150	\$ 16.22	\$ 16.08	\$ 32.30	\$ 16.63	\$ 16.08	\$ 32.71	\$ 0.41	\$ -	\$ 0.41	1.27%
200	\$ 20.15	\$ 21.44	\$ 41.59	\$ 20.70	\$ 21.44	\$ 42.14	\$ 0.55	\$ -	\$ 0.55	1.32%
250	\$ 24.08	\$ 26.80	\$ 50.88	\$ 24.76	\$ 26.80	\$ 51.56	\$ 0.68	\$ -	\$ 0.68	1.34%
300	\$ 28.01	\$ 32.15	\$ 60.16	\$ 28.82	\$ 32.15	\$ 60.97	\$ 0.81	\$ -	\$ 0.81	1.35%
350	\$ 31.93	\$ 37.51	\$ 69.44	\$ 32.89	\$ 37.51	\$ 70.40	\$ 0.96	\$ -	\$ 0.96	1.38%
400	\$ 35.86	\$ 42.87	\$ 78.73	\$ 36.95	\$ 42.87	\$ 79.82	\$ 1.09	\$ -	\$ 1.09	1.38%
450	\$ 39.79	\$ 48.23	\$ 88.02	\$ 41.02	\$ 48.23	\$ 89.25	\$ 1.23	\$ -	\$ 1.23	1.40%
500	\$ 43.72	\$ 53.59	\$ 97.31	\$ 45.08	\$ 53.59	\$ 98.67	\$ 1.36	\$ -	\$ 1.36	1.40%
600	\$ 51.57	\$ 64.31	\$ 115.88	\$ 53.21	\$ 64.31	\$ 117.52	\$ 1.64	\$ -	\$ 1.64	1.42%
700	\$ 59.43	\$ 75.03	\$ 134.46	\$ 61.34	\$ 75.03	\$ 136.37	\$ 1.91	\$ -	\$ 1.91	1.42%
716	\$ 60.69	\$ 76.74	\$ 137.43	\$ 62.64	\$ 76.74	\$ 139.38	\$ 1.95	\$ -	\$ 1.95	1.42%
750	\$ 63.36	\$ 80.39	\$ 143.75	\$ 65.40	\$ 80.39	\$ 145.79	\$ 2.04	\$ -	\$ 2.04	1.42%
800	\$ 67.29	\$ 85.75	\$ 153.04	\$ 69.47	\$ 85.75	\$ 155.22	\$ 2.18	\$ -	\$ 2.18	1.42%
900	\$ 75.14	\$ 96.46	\$ 171.60	\$ 77.59	\$ 96.46	\$ 174.05	\$ 2.45	\$ -	\$ 2.45	1.43%
1000	\$ 83.00	\$ 107.18	\$ 190.18	\$ 85.72	\$ 107.18	\$ 192.90	\$ 2.72	\$ -	\$ 2.72	1.43%
1200	\$ 98.71	\$ 128.62	\$ 227.33	\$ 101.98	\$ 128.62	\$ 230.60	\$ 3.27	\$ -	\$ 3.27	1.44%
1500	\$ 122.28	\$ 160.77	\$ 283.05	\$ 126.36	\$ 160.77	\$ 287.13	\$ 4.08	\$ -	\$ 4.08	1.44%
2000	\$ 161.55	\$ 214.36	\$ 375.91	\$ 167.01	\$ 214.36	\$ 381.37	\$ 5.46	\$ -	\$ 5.46	1.45%
2500	\$ 200.83	\$ 267.96	\$ 468.79	\$ 207.65	\$ 267.96	\$ 475.61	\$ 6.82	\$ -	\$ 6.82	1.45%
3000	\$ 240.11	\$ 321.55	\$ 561.66	\$ 248.29	\$ 321.55	\$ 569.84	\$ 8.18	\$ -	\$ 8.18	1.46%
3500	\$ 279.39	\$ 375.14	\$ 654.53	\$ 288.93	\$ 375.14	\$ 664.07	\$ 9.54	\$ -	\$ 9.54	1.46%
4000	\$ 318.67	\$ 428.73	\$ 747.40	\$ 329.57	\$ 428.73	\$ 758.30	\$ 10.90	\$ -	\$ 10.90	1.46%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
4 SUMMER MONTHS (June Through September)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.50	\$ 2.53	\$ 9.03	\$ 6.57	\$ 2.53	\$ 9.10	\$ 0.07	\$ -	\$ 0.07	0.78%
50	\$ 8.56	\$ 5.05	\$ 13.61	\$ 8.70	\$ 5.05	\$ 13.75	\$ 0.14	\$ -	\$ 0.14	1.03%
75	\$ 10.62	\$ 7.58	\$ 18.20	\$ 10.83	\$ 7.58	\$ 18.41	\$ 0.21	\$ -	\$ 0.21	1.15%
100	\$ 12.68	\$ 10.10	\$ 22.78	\$ 12.96	\$ 10.10	\$ 23.06	\$ 0.28	\$ -	\$ 0.28	1.23%
150	\$ 16.81	\$ 15.16	\$ 31.97	\$ 17.22	\$ 15.16	\$ 32.38	\$ 0.41	\$ -	\$ 0.41	1.28%
200	\$ 20.93	\$ 20.21	\$ 41.14	\$ 21.47	\$ 20.21	\$ 41.68	\$ 0.54	\$ -	\$ 0.54	1.31%
250	\$ 25.05	\$ 25.26	\$ 50.31	\$ 25.73	\$ 25.26	\$ 50.99	\$ 0.68	\$ -	\$ 0.68	1.35%
300	\$ 29.17	\$ 30.31	\$ 59.48	\$ 29.99	\$ 30.31	\$ 60.30	\$ 0.82	\$ -	\$ 0.82	1.38%
350	\$ 33.29	\$ 35.37	\$ 68.66	\$ 34.25	\$ 35.37	\$ 69.62	\$ 0.96	\$ -	\$ 0.96	1.40%
400	\$ 37.42	\$ 40.42	\$ 77.84	\$ 38.51	\$ 40.42	\$ 78.93	\$ 1.09	\$ -	\$ 1.09	1.40%
450	\$ 41.54	\$ 45.47	\$ 87.01	\$ 42.77	\$ 45.47	\$ 88.24	\$ 1.23	\$ -	\$ 1.23	1.41%
500	\$ 45.66	\$ 50.52	\$ 96.18	\$ 47.02	\$ 50.52	\$ 97.54	\$ 1.36	\$ -	\$ 1.36	1.41%
600	\$ 53.90	\$ 60.63	\$ 114.53	\$ 55.54	\$ 60.63	\$ 116.17	\$ 1.64	\$ -	\$ 1.64	1.43%
700	\$ 62.15	\$ 70.73	\$ 132.88	\$ 64.06	\$ 70.73	\$ 134.79	\$ 1.91	\$ -	\$ 1.91	1.44%
716	\$ 63.47	\$ 72.35	\$ 135.82	\$ 65.42	\$ 72.35	\$ 137.77	\$ 1.95	\$ -	\$ 1.95	1.44%
750	\$ 66.27	\$ 75.78	\$ 142.05	\$ 68.32	\$ 75.78	\$ 144.10	\$ 2.05	\$ -	\$ 2.05	1.44%
800	\$ 70.77	\$ 81.33	\$ 152.10	\$ 72.95	\$ 81.33	\$ 154.28	\$ 2.18	\$ -	\$ 2.18	1.43%
900	\$ 79.76	\$ 92.42	\$ 172.18	\$ 82.22	\$ 92.42	\$ 174.64	\$ 2.46	\$ -	\$ 2.46	1.43%
1000	\$ 88.76	\$ 103.52	\$ 192.28	\$ 91.49	\$ 103.52	\$ 195.01	\$ 2.73	\$ -	\$ 2.73	1.42%
1200	\$ 106.75	\$ 125.70	\$ 232.45	\$ 110.02	\$ 125.70	\$ 235.72	\$ 3.27	\$ -	\$ 3.27	1.41%
1500	\$ 133.74	\$ 158.98	\$ 292.72	\$ 137.83	\$ 158.98	\$ 296.81	\$ 4.09	\$ -	\$ 4.09	1.40%
2000	\$ 178.72	\$ 214.45	\$ 393.17	\$ 184.17	\$ 214.45	\$ 398.62	\$ 5.45	\$ -	\$ 5.45	1.39%
2500	\$ 223.70	\$ 269.92	\$ 493.62	\$ 230.52	\$ 269.92	\$ 500.44	\$ 6.82	\$ -	\$ 6.82	1.38%
3000	\$ 268.68	\$ 325.38	\$ 594.06	\$ 276.86	\$ 325.38	\$ 602.24	\$ 8.18	\$ -	\$ 8.18	1.38%
3500	\$ 313.66	\$ 380.85	\$ 694.51	\$ 323.20	\$ 380.85	\$ 704.05	\$ 9.54	\$ -	\$ 9.54	1.37%
4000	\$ 358.64	\$ 436.32	\$ 794.96	\$ 369.54	\$ 436.32	\$ 805.86	\$ 10.90	\$ -	\$ 10.90	1.37%

ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
Annual Average

Present Rates
vs.
Proposed Rates

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.43	\$ 2.63	\$ 9.06	\$ 6.50	\$ 2.63	\$ 9.13	\$ 0.07	\$ -	\$ 0.07	0.77%
50	\$ 8.43	\$ 5.26	\$ 13.69	\$ 8.57	\$ 5.26	\$ 13.83	\$ 0.14	\$ -	\$ 0.14	1.02%
75	\$ 10.43	\$ 7.89	\$ 18.32	\$ 10.64	\$ 7.89	\$ 18.53	\$ 0.21	\$ -	\$ 0.21	1.15%
100	\$ 12.43	\$ 10.51	\$ 22.94	\$ 12.70	\$ 10.51	\$ 23.21	\$ 0.27	\$ -	\$ 0.27	1.18%
150	\$ 16.42	\$ 15.77	\$ 32.19	\$ 16.83	\$ 15.77	\$ 32.60	\$ 0.41	\$ -	\$ 0.41	1.27%
200	\$ 20.41	\$ 21.03	\$ 41.44	\$ 20.96	\$ 21.03	\$ 41.99	\$ 0.55	\$ -	\$ 0.55	1.33%
250	\$ 24.40	\$ 26.29	\$ 50.69	\$ 25.08	\$ 26.29	\$ 51.37	\$ 0.68	\$ -	\$ 0.68	1.34%
300	\$ 28.40	\$ 31.54	\$ 59.94	\$ 29.21	\$ 31.54	\$ 60.75	\$ 0.81	\$ -	\$ 0.81	1.35%
350	\$ 32.38	\$ 36.80	\$ 69.18	\$ 33.34	\$ 36.80	\$ 70.14	\$ 0.96	\$ -	\$ 0.96	1.39%
400	\$ 36.38	\$ 42.05	\$ 78.43	\$ 37.47	\$ 42.05	\$ 79.52	\$ 1.09	\$ -	\$ 1.09	1.39%
450	\$ 40.37	\$ 47.31	\$ 87.68	\$ 41.60	\$ 47.31	\$ 88.91	\$ 1.23	\$ -	\$ 1.23	1.40%
500	\$ 44.37	\$ 52.57	\$ 96.94	\$ 45.73	\$ 52.57	\$ 98.30	\$ 1.36	\$ -	\$ 1.36	1.40%
600	\$ 52.35	\$ 63.08	\$ 115.43	\$ 53.99	\$ 63.08	\$ 117.07	\$ 1.64	\$ -	\$ 1.64	1.42%
700	\$ 60.34	\$ 73.60	\$ 133.94	\$ 62.25	\$ 73.60	\$ 135.85	\$ 1.91	\$ -	\$ 1.91	1.43%
716	\$ 61.62	\$ 75.28	\$ 136.90	\$ 63.57	\$ 75.28	\$ 138.85	\$ 1.95	\$ -	\$ 1.95	1.42%
750	\$ 64.33	\$ 78.85	\$ 143.18	\$ 66.37	\$ 78.85	\$ 145.22	\$ 2.04	\$ -	\$ 2.04	1.42%
800	\$ 68.45	\$ 84.28	\$ 152.73	\$ 70.63	\$ 84.28	\$ 154.91	\$ 2.18	\$ -	\$ 2.18	1.43%
900	\$ 76.68	\$ 95.11	\$ 171.79	\$ 79.13	\$ 95.11	\$ 174.24	\$ 2.45	\$ -	\$ 2.45	1.43%
1000	\$ 84.92	\$ 105.96	\$ 190.88	\$ 87.64	\$ 105.96	\$ 193.60	\$ 2.72	\$ -	\$ 2.72	1.42%
1200	\$ 101.39	\$ 127.65	\$ 229.04	\$ 104.66	\$ 127.65	\$ 232.31	\$ 3.27	\$ -	\$ 3.27	1.43%
1500	\$ 126.10	\$ 160.17	\$ 286.27	\$ 130.18	\$ 160.17	\$ 290.35	\$ 4.08	\$ -	\$ 4.08	1.43%
2000	\$ 167.27	\$ 214.39	\$ 381.66	\$ 172.73	\$ 214.39	\$ 387.12	\$ 5.46	\$ -	\$ 5.46	1.43%
2500	\$ 208.45	\$ 268.61	\$ 477.06	\$ 215.27	\$ 268.61	\$ 483.88	\$ 6.82	\$ -	\$ 6.82	1.43%
3000	\$ 249.63	\$ 322.83	\$ 572.46	\$ 257.81	\$ 322.83	\$ 580.64	\$ 8.18	\$ -	\$ 8.18	1.43%
3500	\$ 290.81	\$ 377.04	\$ 667.85	\$ 300.35	\$ 377.04	\$ 677.39	\$ 9.54	\$ -	\$ 9.54	1.43%
4000	\$ 331.99	\$ 431.26	\$ 763.25	\$ 342.89	\$ 431.26	\$ 774.15	\$ 10.90	\$ -	\$ 10.90	1.43%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
8 WINTER MONTHS (October Through May)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present Delivery	Present Supply+T	Present Total	New Delivery	New Supply+T	New Total	Difference		Total Difference	(%)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Delivery (\$)	Supply+T (\$)	(\$)	
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.40	\$ 2.68	\$ 9.08	\$ 6.52	\$ 2.68	\$ 9.20	\$ 0.12	\$ -	\$ 0.12	1.32%
50	\$ 8.37	\$ 5.36	\$ 13.73	\$ 8.59	\$ 5.36	\$ 13.95	\$ 0.22	\$ -	\$ 0.22	1.60%
75	\$ 10.33	\$ 8.04	\$ 18.37	\$ 10.67	\$ 8.04	\$ 18.71	\$ 0.34	\$ -	\$ 0.34	1.85%
100	\$ 12.30	\$ 10.72	\$ 23.02	\$ 12.75	\$ 10.72	\$ 23.47	\$ 0.45	\$ -	\$ 0.45	1.95%
150	\$ 16.22	\$ 16.08	\$ 32.30	\$ 16.90	\$ 16.08	\$ 32.98	\$ 0.68	\$ -	\$ 0.68	2.11%
200	\$ 20.15	\$ 21.44	\$ 41.59	\$ 21.06	\$ 21.44	\$ 42.50	\$ 0.91	\$ -	\$ 0.91	2.19%
250	\$ 24.08	\$ 26.80	\$ 50.88	\$ 25.21	\$ 26.80	\$ 52.01	\$ 1.13	\$ -	\$ 1.13	2.22%
300	\$ 28.01	\$ 32.15	\$ 60.16	\$ 29.36	\$ 32.15	\$ 61.51	\$ 1.35	\$ -	\$ 1.35	2.24%
350	\$ 31.93	\$ 37.51	\$ 69.44	\$ 33.52	\$ 37.51	\$ 71.03	\$ 1.59	\$ -	\$ 1.59	2.29%
400	\$ 35.86	\$ 42.87	\$ 78.73	\$ 37.67	\$ 42.87	\$ 80.54	\$ 1.81	\$ -	\$ 1.81	2.30%
450	\$ 39.79	\$ 48.23	\$ 88.02	\$ 41.82	\$ 48.23	\$ 90.05	\$ 2.03	\$ -	\$ 2.03	2.31%
500	\$ 43.72	\$ 53.59	\$ 97.31	\$ 45.98	\$ 53.59	\$ 99.57	\$ 2.26	\$ -	\$ 2.26	2.32%
600	\$ 51.57	\$ 64.31	\$ 115.88	\$ 54.29	\$ 64.31	\$ 118.60	\$ 2.72	\$ -	\$ 2.72	2.35%
700	\$ 59.43	\$ 75.03	\$ 134.46	\$ 62.59	\$ 75.03	\$ 137.62	\$ 3.16	\$ -	\$ 3.16	2.35%
716	\$ 60.69	\$ 76.74	\$ 137.43	\$ 63.92	\$ 76.74	\$ 140.66	\$ 3.23	\$ -	\$ 3.23	2.35%
750	\$ 63.36	\$ 80.39	\$ 143.75	\$ 66.75	\$ 80.39	\$ 147.14	\$ 3.39	\$ -	\$ 3.39	2.36%
800	\$ 67.29	\$ 85.75	\$ 153.04	\$ 70.90	\$ 85.75	\$ 156.65	\$ 3.61	\$ -	\$ 3.61	2.36%
900	\$ 75.14	\$ 96.46	\$ 171.60	\$ 79.21	\$ 96.46	\$ 175.67	\$ 4.07	\$ -	\$ 4.07	2.37%
1000	\$ 83.00	\$ 107.18	\$ 190.18	\$ 87.52	\$ 107.18	\$ 194.70	\$ 4.52	\$ -	\$ 4.52	2.38%
1200	\$ 98.71	\$ 128.62	\$ 227.33	\$ 104.13	\$ 128.62	\$ 232.75	\$ 5.42	\$ -	\$ 5.42	2.38%
1500	\$ 122.28	\$ 160.77	\$ 283.05	\$ 129.05	\$ 160.77	\$ 289.82	\$ 6.77	\$ -	\$ 6.77	2.39%
2000	\$ 161.55	\$ 214.36	\$ 375.91	\$ 170.59	\$ 214.36	\$ 384.95	\$ 9.04	\$ -	\$ 9.04	2.40%
2500	\$ 200.83	\$ 267.96	\$ 468.79	\$ 212.13	\$ 267.96	\$ 480.09	\$ 11.30	\$ -	\$ 11.30	2.41%
3000	\$ 240.11	\$ 321.55	\$ 561.66	\$ 253.67	\$ 321.55	\$ 575.22	\$ 13.56	\$ -	\$ 13.56	2.41%
3500	\$ 279.39	\$ 375.14	\$ 654.53	\$ 295.21	\$ 375.14	\$ 670.35	\$ 15.82	\$ -	\$ 15.82	2.42%
4000	\$ 318.67	\$ 428.73	\$ 747.40	\$ 336.74	\$ 428.73	\$ 765.47	\$ 18.07	\$ -	\$ 18.07	2.42%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
4 SUMMER MONTHS (June Through September)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.50	\$ 2.53	\$ 9.03	\$ 6.61	\$ 2.53	\$ 9.14	\$ 0.11	\$ -	\$ 0.11	1.22%
50	\$ 8.56	\$ 5.05	\$ 13.61	\$ 8.79	\$ 5.05	\$ 13.84	\$ 0.23	\$ -	\$ 0.23	1.69%
75	\$ 10.62	\$ 7.58	\$ 18.20	\$ 10.96	\$ 7.58	\$ 18.54	\$ 0.34	\$ -	\$ 0.34	1.87%
100	\$ 12.68	\$ 10.10	\$ 22.78	\$ 13.14	\$ 10.10	\$ 23.24	\$ 0.46	\$ -	\$ 0.46	2.02%
150	\$ 16.81	\$ 15.16	\$ 31.97	\$ 17.48	\$ 15.16	\$ 32.64	\$ 0.67	\$ -	\$ 0.67	2.10%
200	\$ 20.93	\$ 20.21	\$ 41.14	\$ 21.83	\$ 20.21	\$ 42.04	\$ 0.90	\$ -	\$ 0.90	2.19%
250	\$ 25.05	\$ 25.26	\$ 50.31	\$ 26.18	\$ 25.26	\$ 51.44	\$ 1.13	\$ -	\$ 1.13	2.25%
300	\$ 29.17	\$ 30.31	\$ 59.48	\$ 30.53	\$ 30.31	\$ 60.84	\$ 1.36	\$ -	\$ 1.36	2.29%
350	\$ 33.29	\$ 35.37	\$ 68.66	\$ 34.88	\$ 35.37	\$ 70.25	\$ 1.59	\$ -	\$ 1.59	2.32%
400	\$ 37.42	\$ 40.42	\$ 77.84	\$ 39.22	\$ 40.42	\$ 79.64	\$ 1.80	\$ -	\$ 1.80	2.31%
450	\$ 41.54	\$ 45.47	\$ 87.01	\$ 43.57	\$ 45.47	\$ 89.04	\$ 2.03	\$ -	\$ 2.03	2.33%
500	\$ 45.66	\$ 50.52	\$ 96.18	\$ 47.92	\$ 50.52	\$ 98.44	\$ 2.26	\$ -	\$ 2.26	2.35%
600	\$ 53.90	\$ 60.63	\$ 114.53	\$ 56.62	\$ 60.63	\$ 117.25	\$ 2.72	\$ -	\$ 2.72	2.37%
700	\$ 62.15	\$ 70.73	\$ 132.88	\$ 65.31	\$ 70.73	\$ 136.04	\$ 3.16	\$ -	\$ 3.16	2.38%
716	\$ 63.47	\$ 72.35	\$ 135.82	\$ 66.70	\$ 72.35	\$ 139.05	\$ 3.23	\$ -	\$ 3.23	2.38%
750	\$ 66.27	\$ 75.78	\$ 142.05	\$ 69.66	\$ 75.78	\$ 145.44	\$ 3.39	\$ -	\$ 3.39	2.39%
800	\$ 70.77	\$ 81.33	\$ 152.10	\$ 74.38	\$ 81.33	\$ 155.71	\$ 3.61	\$ -	\$ 3.61	2.37%
900	\$ 79.76	\$ 92.42	\$ 172.18	\$ 83.83	\$ 92.42	\$ 176.25	\$ 4.07	\$ -	\$ 4.07	2.36%
1000	\$ 88.76	\$ 103.52	\$ 192.28	\$ 93.28	\$ 103.52	\$ 196.80	\$ 4.52	\$ -	\$ 4.52	2.35%
1200	\$ 106.75	\$ 125.70	\$ 232.45	\$ 112.18	\$ 125.70	\$ 237.88	\$ 5.43	\$ -	\$ 5.43	2.34%
1500	\$ 133.74	\$ 158.98	\$ 292.72	\$ 140.52	\$ 158.98	\$ 299.50	\$ 6.78	\$ -	\$ 6.78	2.32%
2000	\$ 178.72	\$ 214.45	\$ 393.17	\$ 187.76	\$ 214.45	\$ 402.21	\$ 9.04	\$ -	\$ 9.04	2.30%
2500	\$ 223.70	\$ 269.92	\$ 493.62	\$ 235.00	\$ 269.92	\$ 504.92	\$ 11.30	\$ -	\$ 11.30	2.29%
3000	\$ 268.68	\$ 325.38	\$ 594.06	\$ 282.24	\$ 325.38	\$ 607.62	\$ 13.56	\$ -	\$ 13.56	2.28%
3500	\$ 313.66	\$ 380.85	\$ 694.51	\$ 329.48	\$ 380.85	\$ 710.33	\$ 15.82	\$ -	\$ 15.82	2.28%
4000	\$ 358.64	\$ 436.32	\$ 794.96	\$ 376.72	\$ 436.32	\$ 813.04	\$ 18.08	\$ -	\$ 18.08	2.27%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
Annual Average**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present			New			Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.43	\$ 2.63	\$ 9.06	\$ 6.55	\$ 2.63	\$ 9.18	\$ 0.12	\$ -	\$ 0.12	1.32%
50	\$ 8.43	\$ 5.26	\$ 13.69	\$ 8.66	\$ 5.26	\$ 13.92	\$ 0.23	\$ -	\$ 0.23	1.68%
75	\$ 10.43	\$ 7.89	\$ 18.32	\$ 10.77	\$ 7.89	\$ 18.66	\$ 0.34	\$ -	\$ 0.34	1.86%
100	\$ 12.43	\$ 10.51	\$ 22.94	\$ 12.88	\$ 10.51	\$ 23.39	\$ 0.45	\$ -	\$ 0.45	1.96%
150	\$ 16.42	\$ 15.77	\$ 32.19	\$ 17.09	\$ 15.77	\$ 32.86	\$ 0.67	\$ -	\$ 0.67	2.08%
200	\$ 20.41	\$ 21.03	\$ 41.44	\$ 21.32	\$ 21.03	\$ 42.35	\$ 0.91	\$ -	\$ 0.91	2.20%
250	\$ 24.40	\$ 26.29	\$ 50.69	\$ 25.53	\$ 26.29	\$ 51.82	\$ 1.13	\$ -	\$ 1.13	2.23%
300	\$ 28.40	\$ 31.54	\$ 59.94	\$ 29.75	\$ 31.54	\$ 61.29	\$ 1.35	\$ -	\$ 1.35	2.25%
350	\$ 32.38	\$ 36.80	\$ 69.18	\$ 33.97	\$ 36.80	\$ 70.77	\$ 1.59	\$ -	\$ 1.59	2.30%
400	\$ 36.38	\$ 42.05	\$ 78.43	\$ 38.19	\$ 42.05	\$ 80.24	\$ 1.81	\$ -	\$ 1.81	2.31%
450	\$ 40.37	\$ 47.31	\$ 87.68	\$ 42.40	\$ 47.31	\$ 89.71	\$ 2.03	\$ -	\$ 2.03	2.32%
500	\$ 44.37	\$ 52.57	\$ 96.94	\$ 46.63	\$ 52.57	\$ 99.20	\$ 2.26	\$ -	\$ 2.26	2.33%
600	\$ 52.35	\$ 63.08	\$ 115.43	\$ 55.07	\$ 63.08	\$ 118.15	\$ 2.72	\$ -	\$ 2.72	2.36%
700	\$ 60.34	\$ 73.60	\$ 133.94	\$ 63.50	\$ 73.60	\$ 137.10	\$ 3.16	\$ -	\$ 3.16	2.36%
716	\$ 61.62	\$ 75.28	\$ 136.90	\$ 64.85	\$ 75.28	\$ 140.13	\$ 3.23	\$ -	\$ 3.23	2.36%
750	\$ 64.33	\$ 78.85	\$ 143.18	\$ 67.72	\$ 78.85	\$ 146.57	\$ 3.39	\$ -	\$ 3.39	2.37%
800	\$ 68.45	\$ 84.28	\$ 152.73	\$ 72.06	\$ 84.28	\$ 156.34	\$ 3.61	\$ -	\$ 3.61	2.36%
900	\$ 76.68	\$ 95.11	\$ 171.79	\$ 80.75	\$ 95.11	\$ 175.86	\$ 4.07	\$ -	\$ 4.07	2.37%
1000	\$ 84.92	\$ 105.96	\$ 190.88	\$ 89.44	\$ 105.96	\$ 195.40	\$ 4.52	\$ -	\$ 4.52	2.37%
1200	\$ 101.39	\$ 127.65	\$ 229.04	\$ 106.81	\$ 127.65	\$ 234.46	\$ 5.42	\$ -	\$ 5.42	2.37%
1500	\$ 126.10	\$ 160.17	\$ 286.27	\$ 132.87	\$ 160.17	\$ 293.04	\$ 6.77	\$ -	\$ 6.77	2.36%
2000	\$ 167.27	\$ 214.39	\$ 381.66	\$ 176.31	\$ 214.39	\$ 390.70	\$ 9.04	\$ -	\$ 9.04	2.37%
2500	\$ 208.45	\$ 268.61	\$ 477.06	\$ 219.75	\$ 268.61	\$ 488.36	\$ 11.30	\$ -	\$ 11.30	2.37%
3000	\$ 249.63	\$ 322.83	\$ 572.46	\$ 263.19	\$ 322.83	\$ 586.02	\$ 13.56	\$ -	\$ 13.56	2.37%
3500	\$ 290.81	\$ 377.04	\$ 667.85	\$ 306.63	\$ 377.04	\$ 683.67	\$ 15.82	\$ -	\$ 15.82	2.37%
4000	\$ 331.99	\$ 431.26	\$ 763.25	\$ 350.07	\$ 431.26	\$ 781.33	\$ 18.08	\$ -	\$ 18.08	2.37%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
8 WINTER MONTHS (October Through May)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present Delivery (\$)	Present Supply+T (\$)	Present Total (\$)	New Delivery (\$)	New Supply+T (\$)	New Total (\$)	Difference		Total	(%)
							Delivery (\$)	Supply+T (\$)	Difference (\$)	
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.40	\$ 2.68	\$ 9.08	\$ 6.55	\$ 2.68	\$ 9.23	\$ 0.15	\$ -	\$ 0.15	1.65%
50	\$ 8.37	\$ 5.36	\$ 13.73	\$ 8.67	\$ 5.36	\$ 14.03	\$ 0.30	\$ -	\$ 0.30	2.18%
75	\$ 10.33	\$ 8.04	\$ 18.37	\$ 10.78	\$ 8.04	\$ 18.82	\$ 0.45	\$ -	\$ 0.45	2.45%
100	\$ 12.30	\$ 10.72	\$ 23.02	\$ 12.90	\$ 10.72	\$ 23.62	\$ 0.60	\$ -	\$ 0.60	2.61%
150	\$ 16.22	\$ 16.08	\$ 32.30	\$ 17.12	\$ 16.08	\$ 33.20	\$ 0.90	\$ -	\$ 0.90	2.79%
200	\$ 20.15	\$ 21.44	\$ 41.59	\$ 21.35	\$ 21.44	\$ 42.79	\$ 1.20	\$ -	\$ 1.20	2.89%
250	\$ 24.08	\$ 26.80	\$ 50.88	\$ 25.58	\$ 26.80	\$ 52.38	\$ 1.50	\$ -	\$ 1.50	2.95%
300	\$ 28.01	\$ 32.15	\$ 60.16	\$ 29.81	\$ 32.15	\$ 61.96	\$ 1.80	\$ -	\$ 1.80	2.99%
350	\$ 31.93	\$ 37.51	\$ 69.44	\$ 34.03	\$ 37.51	\$ 71.54	\$ 2.10	\$ -	\$ 2.10	3.02%
400	\$ 35.86	\$ 42.87	\$ 78.73	\$ 38.26	\$ 42.87	\$ 81.13	\$ 2.40	\$ -	\$ 2.40	3.05%
450	\$ 39.79	\$ 48.23	\$ 88.02	\$ 42.49	\$ 48.23	\$ 90.72	\$ 2.70	\$ -	\$ 2.70	3.07%
500	\$ 43.72	\$ 53.59	\$ 97.31	\$ 46.72	\$ 53.59	\$ 100.31	\$ 3.00	\$ -	\$ 3.00	3.08%
600	\$ 51.57	\$ 64.31	\$ 115.88	\$ 55.17	\$ 64.31	\$ 119.48	\$ 3.60	\$ -	\$ 3.60	3.11%
700	\$ 59.43	\$ 75.03	\$ 134.46	\$ 63.63	\$ 75.03	\$ 138.66	\$ 4.20	\$ -	\$ 4.20	3.12%
716	\$ 60.69	\$ 76.74	\$ 137.43	\$ 64.98	\$ 76.74	\$ 141.72	\$ 4.29	\$ -	\$ 4.29	3.12%
750	\$ 63.36	\$ 80.39	\$ 143.75	\$ 67.85	\$ 80.39	\$ 148.24	\$ 4.49	\$ -	\$ 4.49	3.12%
800	\$ 67.29	\$ 85.75	\$ 153.04	\$ 72.08	\$ 85.75	\$ 157.83	\$ 4.79	\$ -	\$ 4.79	3.13%
900	\$ 75.14	\$ 96.46	\$ 171.60	\$ 80.54	\$ 96.46	\$ 177.00	\$ 5.40	\$ -	\$ 5.40	3.15%
1000	\$ 83.00	\$ 107.18	\$ 190.18	\$ 88.99	\$ 107.18	\$ 196.17	\$ 5.99	\$ -	\$ 5.99	3.15%
1200	\$ 98.71	\$ 128.62	\$ 227.33	\$ 105.90	\$ 128.62	\$ 234.52	\$ 7.19	\$ -	\$ 7.19	3.16%
1500	\$ 122.28	\$ 160.77	\$ 283.05	\$ 131.27	\$ 160.77	\$ 292.04	\$ 8.99	\$ -	\$ 8.99	3.18%
2000	\$ 161.55	\$ 214.36	\$ 375.91	\$ 173.54	\$ 214.36	\$ 387.90	\$ 11.99	\$ -	\$ 11.99	3.19%
2500	\$ 200.83	\$ 267.96	\$ 468.79	\$ 215.82	\$ 267.96	\$ 483.78	\$ 14.99	\$ -	\$ 14.99	3.20%
3000	\$ 240.11	\$ 321.55	\$ 561.66	\$ 258.09	\$ 321.55	\$ 579.64	\$ 17.98	\$ -	\$ 17.98	3.20%
3500	\$ 279.39	\$ 375.14	\$ 654.53	\$ 300.37	\$ 375.14	\$ 675.51	\$ 20.98	\$ -	\$ 20.98	3.21%
4000	\$ 318.67	\$ 428.73	\$ 747.40	\$ 342.64	\$ 428.73	\$ 771.37	\$ 23.97	\$ -	\$ 23.97	3.21%

**ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
4 SUMMER MONTHS (June Through September)**

**Present Rates
vs.
Proposed Rates**

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.50	\$ 2.53	\$ 9.03	\$ 6.65	\$ 2.53	\$ 9.18	\$ 0.15	\$ -	\$ 0.15	1.66%
50	\$ 8.56	\$ 5.05	\$ 13.61	\$ 8.86	\$ 5.05	\$ 13.91	\$ 0.30	\$ -	\$ 0.30	2.20%
75	\$ 10.62	\$ 7.58	\$ 18.20	\$ 11.07	\$ 7.58	\$ 18.65	\$ 0.45	\$ -	\$ 0.45	2.47%
100	\$ 12.68	\$ 10.10	\$ 22.78	\$ 13.28	\$ 10.10	\$ 23.38	\$ 0.60	\$ -	\$ 0.60	2.63%
150	\$ 16.81	\$ 15.16	\$ 31.97	\$ 17.71	\$ 15.16	\$ 32.87	\$ 0.90	\$ -	\$ 0.90	2.82%
200	\$ 20.93	\$ 20.21	\$ 41.14	\$ 22.13	\$ 20.21	\$ 42.34	\$ 1.20	\$ -	\$ 1.20	2.92%
250	\$ 25.05	\$ 25.26	\$ 50.31	\$ 26.55	\$ 25.26	\$ 51.81	\$ 1.50	\$ -	\$ 1.50	2.98%
300	\$ 29.17	\$ 30.31	\$ 59.48	\$ 30.97	\$ 30.31	\$ 61.28	\$ 1.80	\$ -	\$ 1.80	3.03%
350	\$ 33.29	\$ 35.37	\$ 68.66	\$ 35.39	\$ 35.37	\$ 70.76	\$ 2.10	\$ -	\$ 2.10	3.06%
400	\$ 37.42	\$ 40.42	\$ 77.84	\$ 39.81	\$ 40.42	\$ 80.23	\$ 2.39	\$ -	\$ 2.39	3.07%
450	\$ 41.54	\$ 45.47	\$ 87.01	\$ 44.24	\$ 45.47	\$ 89.71	\$ 2.70	\$ -	\$ 2.70	3.10%
500	\$ 45.66	\$ 50.52	\$ 96.18	\$ 48.66	\$ 50.52	\$ 99.18	\$ 3.00	\$ -	\$ 3.00	3.12%
600	\$ 53.90	\$ 60.63	\$ 114.53	\$ 57.50	\$ 60.63	\$ 118.13	\$ 3.60	\$ -	\$ 3.60	3.14%
700	\$ 62.15	\$ 70.73	\$ 132.88	\$ 66.34	\$ 70.73	\$ 137.07	\$ 4.19	\$ -	\$ 4.19	3.15%
716	\$ 63.47	\$ 72.35	\$ 135.82	\$ 67.76	\$ 72.35	\$ 140.11	\$ 4.29	\$ -	\$ 4.29	3.16%
750	\$ 66.27	\$ 75.78	\$ 142.05	\$ 70.77	\$ 75.78	\$ 146.55	\$ 4.50	\$ -	\$ 4.50	3.17%
800	\$ 70.77	\$ 81.33	\$ 152.10	\$ 75.56	\$ 81.33	\$ 156.89	\$ 4.79	\$ -	\$ 4.79	3.15%
900	\$ 79.76	\$ 92.42	\$ 172.18	\$ 85.16	\$ 92.42	\$ 177.58	\$ 5.40	\$ -	\$ 5.40	3.14%
1000	\$ 88.76	\$ 103.52	\$ 192.28	\$ 94.75	\$ 103.52	\$ 198.27	\$ 5.99	\$ -	\$ 5.99	3.12%
1200	\$ 106.75	\$ 125.70	\$ 232.45	\$ 113.94	\$ 125.70	\$ 239.64	\$ 7.19	\$ -	\$ 7.19	3.09%
1500	\$ 133.74	\$ 158.98	\$ 292.72	\$ 142.73	\$ 158.98	\$ 301.71	\$ 8.99	\$ -	\$ 8.99	3.07%
2000	\$ 178.72	\$ 214.45	\$ 393.17	\$ 190.71	\$ 214.45	\$ 405.16	\$ 11.99	\$ -	\$ 11.99	3.05%
2500	\$ 223.70	\$ 269.92	\$ 493.62	\$ 238.68	\$ 269.92	\$ 508.60	\$ 14.98	\$ -	\$ 14.98	3.03%
3000	\$ 268.68	\$ 325.38	\$ 594.06	\$ 286.66	\$ 325.38	\$ 612.04	\$ 17.98	\$ -	\$ 17.98	3.03%
3500	\$ 313.66	\$ 380.85	\$ 694.51	\$ 334.64	\$ 380.85	\$ 715.49	\$ 20.98	\$ -	\$ 20.98	3.02%
4000	\$ 358.64	\$ 436.32	\$ 794.96	\$ 382.61	\$ 436.32	\$ 818.93	\$ 23.97	\$ -	\$ 23.97	3.02%

ATLANTIC CITY ELECTRIC COMPANY
RESIDENTIAL SERVICE ("RS")
Annual Average

Present Rates
vs.
Proposed Rates

Monthly Usage (kWh)	Present	Present	Present	New	New	New	Difference		Total	
	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	Total (\$)	Delivery (\$)	Supply+T (\$)	(\$)	(%)
0	\$ 4.44	\$ -	\$ 4.44	\$ 4.44	\$ -	\$ 4.44	\$ -	\$ -	\$ -	0.00%
25	\$ 6.43	\$ 2.63	\$ 9.06	\$ 6.58	\$ 2.63	\$ 9.21	\$ 0.15	\$ -	\$ 0.15	1.66%
50	\$ 8.43	\$ 5.26	\$ 13.69	\$ 8.73	\$ 5.26	\$ 13.99	\$ 0.30	\$ -	\$ 0.30	2.19%
75	\$ 10.43	\$ 7.89	\$ 18.32	\$ 10.88	\$ 7.89	\$ 18.77	\$ 0.45	\$ -	\$ 0.45	2.46%
100	\$ 12.43	\$ 10.51	\$ 22.94	\$ 13.03	\$ 10.51	\$ 23.54	\$ 0.60	\$ -	\$ 0.60	2.62%
150	\$ 16.42	\$ 15.77	\$ 32.19	\$ 17.32	\$ 15.77	\$ 33.09	\$ 0.90	\$ -	\$ 0.90	2.80%
200	\$ 20.41	\$ 21.03	\$ 41.44	\$ 21.61	\$ 21.03	\$ 42.64	\$ 1.20	\$ -	\$ 1.20	2.90%
250	\$ 24.40	\$ 26.29	\$ 50.69	\$ 25.90	\$ 26.29	\$ 52.19	\$ 1.50	\$ -	\$ 1.50	2.96%
300	\$ 28.40	\$ 31.54	\$ 59.94	\$ 30.20	\$ 31.54	\$ 61.74	\$ 1.80	\$ -	\$ 1.80	3.00%
350	\$ 32.38	\$ 36.80	\$ 69.18	\$ 34.48	\$ 36.80	\$ 71.28	\$ 2.10	\$ -	\$ 2.10	3.04%
400	\$ 36.38	\$ 42.05	\$ 78.43	\$ 38.78	\$ 42.05	\$ 80.83	\$ 2.40	\$ -	\$ 2.40	3.06%
450	\$ 40.37	\$ 47.31	\$ 87.68	\$ 43.07	\$ 47.31	\$ 90.38	\$ 2.70	\$ -	\$ 2.70	3.08%
500	\$ 44.37	\$ 52.57	\$ 96.94	\$ 47.37	\$ 52.57	\$ 99.94	\$ 3.00	\$ -	\$ 3.00	3.09%
600	\$ 52.35	\$ 63.08	\$ 115.43	\$ 55.95	\$ 63.08	\$ 119.03	\$ 3.60	\$ -	\$ 3.60	3.12%
700	\$ 60.34	\$ 73.60	\$ 133.94	\$ 64.53	\$ 73.60	\$ 138.13	\$ 4.19	\$ -	\$ 4.19	3.13%
716	\$ 61.62	\$ 75.28	\$ 136.90	\$ 65.91	\$ 75.28	\$ 141.19	\$ 4.29	\$ -	\$ 4.29	3.13%
750	\$ 64.33	\$ 78.85	\$ 143.18	\$ 68.82	\$ 78.85	\$ 147.67	\$ 4.49	\$ -	\$ 4.49	3.14%
800	\$ 68.45	\$ 84.28	\$ 152.73	\$ 73.24	\$ 84.28	\$ 157.52	\$ 4.79	\$ -	\$ 4.79	3.14%
900	\$ 76.68	\$ 95.11	\$ 171.79	\$ 82.08	\$ 95.11	\$ 177.19	\$ 5.40	\$ -	\$ 5.40	3.14%
1000	\$ 84.92	\$ 105.96	\$ 190.88	\$ 90.91	\$ 105.96	\$ 196.87	\$ 5.99	\$ -	\$ 5.99	3.14%
1200	\$ 101.39	\$ 127.65	\$ 229.04	\$ 108.58	\$ 127.65	\$ 236.23	\$ 7.19	\$ -	\$ 7.19	3.14%
1500	\$ 126.10	\$ 160.17	\$ 286.27	\$ 135.09	\$ 160.17	\$ 295.26	\$ 8.99	\$ -	\$ 8.99	3.14%
2000	\$ 167.27	\$ 214.39	\$ 381.66	\$ 179.26	\$ 214.39	\$ 393.65	\$ 11.99	\$ -	\$ 11.99	3.14%
2500	\$ 208.45	\$ 268.61	\$ 477.06	\$ 223.44	\$ 268.61	\$ 492.05	\$ 14.99	\$ -	\$ 14.99	3.14%
3000	\$ 249.63	\$ 322.83	\$ 572.46	\$ 267.61	\$ 322.83	\$ 590.44	\$ 17.98	\$ -	\$ 17.98	3.14%
3500	\$ 290.81	\$ 377.04	\$ 667.85	\$ 311.79	\$ 377.04	\$ 688.83	\$ 20.98	\$ -	\$ 20.98	3.14%
4000	\$ 331.99	\$ 431.26	\$ 763.25	\$ 355.96	\$ 431.26	\$ 787.22	\$ 23.97	\$ -	\$ 23.97	3.14%

**IN THE MATTER OF THE PETITION OF
ATLANTIC CITY ELECTRIC COMPANY
FOR APPROVAL OF AMENDMENTS TO
ITS TARIFF TO PROVIDE FOR AN
INCREASE IN RATES AND CHARGES
FOR ELECTRIC SERVICE PURSUANT
TO N.J.S.A. 48:2-21 AND N.J.S.A. 48:2-
21.1, AND FOR OTHER APPROPRIATE
RELIEF (2017)**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

CERTIFICATION OF SERVICE

PHILIP J. PASSANANTE, of full age, certifies as follows:

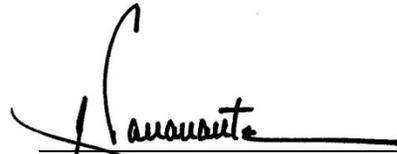
1. I am an attorney at law of the State of New Jersey and am Assistant General Counsel to Atlantic City Electric Company, the Petitioner in the within matter, with which I am familiar.

2. I hereby certify that, on March 30, 2017, I caused three (3) conformed copies of the within Verified Petition and supporting exhibits and testimony (as well as an electronic copy, contained on compact disk) to be hand delivered to Irene Kim Asbury, Esquire, Secretary of the Board, Board of Public Utilities, 44 South Clinton Avenue, 3rd Floor, Suite 314, Trenton, New Jersey 08625 and to be uploaded through the Board's e-filing system.

3. I further certify that, on March 30, 2017, I caused complete copies of the Verified Petition and supporting exhibits and testimony (as well as an electronic copy, contained on compact disk) to be hand delivered to the Division of Law (three [3] copies), and the Division of Rate Counsel (three [3] copies) at the addresses noted on the Service List attached to the within filing.

4. I further and finally certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: March 30, 2017



PHILIP J. PASSANANTE
An Attorney at Law of the
State of New Jersey

Assistant General Counsel
Atlantic City Electric Company – 92DC42
500 N. Wakefield Drive
P.O. Box 6066
Newark, Delaware 19714-6066
(302) 429-3105 – Telephone
(302) 429-3801 – Facsimile
philip.passanante@pepcoholdings.com

In the Matter of the Petition of Atlantic City Electric Company for Approval of Amendments to Its Tariff
to Provide for an Increase in Rates and Charges for Electric Service Pursuant to *N.J.S.A. 48:2-21* and
N.J.S.A. 48:2-21.1, and for Other Appropriate Relief (2017)
BPU Docket No. _____

Service List

BPU
Irene Kim Asbury, Esquire
Secretary to the Board
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
(609) 777-3300 – Telephone
irene.asbury@bpu.nj.gov
board.secretary@bpu.nj.gov

Paul Flanagan, Esquire
Executive Director
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
paul.flanagan@bpu.nj.gov

Mark C. Beyer
Chief Economist
Board of Public Utilities
Office of the Economist
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
mark.beyer@bpu.nj.gov

Cynthia Covie, Esquire
Chief of Staff
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
cynthia.covie@bpu.nj.gov

Andrew McNally, Esquire
Chief Counsel
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
andrew.mcnally@bpu.nj.gov

Thomas Walker
Director, Division of Energy
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
thomas.walker@bpu.nj.gov

Carl Dzierzawiec
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
dzierzawiec@bpu.nj.gov

Son Lin Lai, Ph.D.
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
son-lin.lai@bpu.nj.gov

Henry Rich
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
henry.rich@bpu.nj.gov

Jackie Galka
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.galka@bpu.nj.gov

Jackie O'Grady
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
jackie.ograde@bpu.nj.gov

Julie Ford-Williams
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
julie.ford@bpu.nj.gov

Richard Lambert
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
richard.lambert@bpu.nj.gov

Robert Schultheis
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
robert.schultheis@bpu.nj.gov

Scott Sumliner
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
scott.sumliner@bpu.nj.gov

Beverly Tyndell
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
beverly.tyndell@bpu.nj.gov

Stacy Peterson
Deputy Director
Division of Energy
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
stacy.peterson@bpu.nj.gov

Bethany Rocque-Romaine, Esquire
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
Trenton, NJ 08625
bethany.romaine@bpu.nj.gov

Megan Lupo, Esquire
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
megan.lupo@bpu.nj.gov

DAG
Caroline Vachier, Esquire
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
(973) 648-3709 – Telephone
(973) 648-3555 – Facsimile
caroline.vachier@dol.lps.state.nj.us

Alex Moreau, Esquire
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
(973) 648-3762 – Telephone
(973) 648-3555 – Facsimile
alex.moreau@dol.lps.state.nj.us

Veronica Beke, Esquire
Deputy Attorney General
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
veronica.beke@dol.lps.state.nj.us

Jenique Jones, Paralegal
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101
jenique.jones@dol.lps.state.nj.us

RATE COUNSEL

Stefanie A. Brand, Esquire
Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460 – Telephone
sbrand@rpa.state.nj.us

Brian O. Lipman, Esquire
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460 – Telephone
blipman@rpa.state.nj.us

Ami Morita, Esquire
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460 – Telephone
amorita@rpa.state.nj.us

Diane Schulze, Esquire
Deputy Public Advocate
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460 – Telephone
dschulze@rpa.state.nj.us

Lisa Gurkas
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625-0003
(609) 984-1460 – Telephone
lgurkas@rpa.state.nj.us

ACE

Philip J. Passanante, Esquire
Assistant General Counsel – 92DC42
Atlantic City Electric Company
500 N. Wakefield Drive
P.O. Box 6066
Newark, DE 19714-6066
(302) 429-3105 – Telephone
(302) 429-3801 – Facsimile
philip.passanante@pepcoholdings.com

Colleen A. Foley, Esquire
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, New Jersey 07102
(973) 286-6711 - Telephone
cfoley@saul.com

Roger E. Pedersen, Manager
Manager, Regulatory Affairs – ACE
63ML38
Atlantic City Electric Company
5100 Harding Highway
Mays Landing, NJ 08330
(609) 625 5820 – Telephone
(609) 625 5838 – Facsimile
roger.pedersen@pepcoholdings.com