

Pepco
701 Ninth Street NW
Washington, DC 20068-0001
202.833.7500

pepco.com

May 30, 2017

David J. Collins, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, Maryland 21202-6806

RECEIVED
Public Service Commission

JUN 06 2017

ACCOUNTING AND INVESTIGATIONS
DIVISION

215456

FILED

MAY 31 2017

PUBLIC SERVICE COMM
OF MARYLAND

Dear Sir:

Submitted herewith is Potomac Electric Power Company's (Pepco) Annual Report to the Public Service Commission of Maryland for the year ended December 31, 2016 as compiled on FERC Form No. 1 pursuant to the Commission's instructions.

We respectfully submit the following reports:

- One (1) notarized original and one (1) conformed copy of the 2016 Pepco Form 1, Annual Report which is the same report as filed with Federal Energy Regulatory Commission (FERC).
- One (1) copy of the Addendum to 2016 Annual Report/Maryland Jurisdictional Electric Sales Statistics.
- One (1) copy of the report of Energy Taxes and Property Taxes paid in 2016 to each municipal, county and state agency in Maryland.
- One (1) copy of the Exelon First Quarter 2017 Form 10-Q (the most current corporate shareholder report).
- One (1) CD-ROM with a PDF version of the FERC Form No. 1 for the year ended December 31, 2016.

The affidavit on cost allocations and transfer pricing of assets was submitted on March 24, 2017 with Pepco's current Maryland rate case filing (Case No. 9443, ML 214221) as part of Witness Ziminsky's Direct Testimony.

If you have any questions, please feel free to contact me at (202) 872-2704.

Sincerely,



Betsy McArdle
Manager, Regulatory Reporting

Enclosures

Name of Respondent Pepco - Maryland	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	733,848,422	723,913,357
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	456,606,001	430,843,818
5	Large (or Ind.) (See Instr. 4)	9,250,836	9,198,152
6	(444) Public Street and Highway Lighting	11,584,912	11,362,064
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways	7,244,387	6,221,144
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	1,218,534,558	1,181,538,535
11	(447) Sales for Resale	20,756,382	22,974,426
12	TOTAL Sales of Electricity	1,239,290,940	1,204,512,961
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	1,239,290,940	1,204,512,961
15	Other Operating Revenues		
16	(450) Forfeited Discounts	4,436,082	3,355,562
17	(451) Miscellaneous Service Revenues	-165,782	406,448
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	12,509,482	13,326,868
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	29,736,551	25,428,049
22	(456.1) Revenues from Transmission of Electricity of Others	11,756,105	13,879,074
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	58,272,438	56,396,001
27	TOTAL Electric Operating Revenues	1,297,563,378	1,260,908,962

Name of Respondent Pepco - Maryland	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
5,871,833	5,955,183	513,844	496,347	2
				3
8,175,525	8,051,688	48,895	48,089	4
359,323	384,971	12	10	5
65,043	65,869	98	88	6
				7
250,784	239,958	2	2	8
				9
14,722,508	14,697,669	562,851	544,536	10
				11
14,722,508	14,697,669	562,851	544,536	12
				13
14,722,508	14,697,669	562,851	544,536	14

Line 12, column (b) includes \$ 29,484,340 of unbilled revenues.
Line 12, column (d) includes 406,125 MWH relating to unbilled revenues

Name of Respondent Peppo - Maryland	This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 17 Column: b

-\$463,330 Connect Charges
\$287,026 MD AMI Opt Out

Schedule Page: 300 Line No.: 17 Column: c

\$ 477,435 Connect Fees
-334,238 Customer Service Credits

Schedule Page: 300 Line No.: 21 Column: b

\$26,517,288 Bill Stabilization Adjustment
\$ 1,577,283 Calendar Revenue Normalization

Schedule Page: 300 Line No.: 21 Column: c

\$ 11,557,496 Bill Stabilization Adjustment
\$ 12,282,047 Calendar Revenue Normalization

**POTOMAC ELECTRIC POWER COMPANY
FERC FORM 1 - MARYLAND PROPERTY TAXES PAID
2016**

<u>Location</u>	<u>Taxes Paid</u>
Calvert County	508,012
Charles County	1,431,230
Howard County	721,804
Montgomery County	46,066,405
Prince George's County	21,026,473
St. Mary's County	27,599
MD Other	2,488,787
Total	72,270,310

Fuel & Energy Taxes:

Prince George's County F&E Taxes	38,678,079
Montgomery County F&E Taxes	139,020,167

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 12/31/2019)



**FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Potomac Electric Power Company

Year/Period of Report

End of 2016/Q4



Report of Independent Auditors

To the Board of Directors of Potomac Electric Power Company:

We have audited the accompanying financial statements of Potomac Electric Power Company (the "Company"), which comprise the comparative balance sheets as of December 31, 2016 and December 31, 2015, and the related statements of income, retained earnings, cash flows and accumulated comprehensive income, comprehensive income and hedging activities for the years then ended, included on pages 110 through 122b of the accompanying Federal Energy Regulatory Commission Form 1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Potomac Electric Power Company as of December 31, 2016 and December 31, 2015, and the results of its operations and its cash flows for the years then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.



Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Potomac Electric Power Company on the basis of the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Federal Energy Regulatory Commission. Our opinion is not modified with respect to this matter.

Restriction of Use

This report is intended solely for the information and use of the board of directors and management of Potomac Electric Power Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose.

PricewaterhouseCoopers LLP

Washington, D.C.
April 17, 2017

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

i. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

ii. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION

01 Exact Legal Name of Respondent Potomac Electric Power Company		02 Year/Period of Report End of 2016/Q4	
03 Previous Name and Date of Change (if name changed during year) //			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 701 Ninth Street, N.W. Washington, D.C. 20068			
05 Name of Contact Person Elizabeth A. McArdle		06 Title of Contact Person Regulatory Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) 701 Ninth Street, N.W. Washington, D.C. 20068			
08 Telephone of Contact Person, Including Area Code (202) 872-2704	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) //

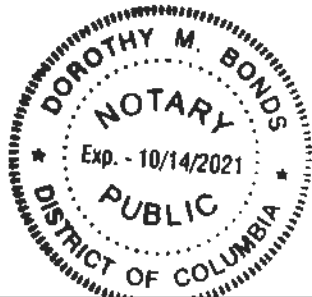
ANNUAL CORPORATE OFFICER CERTIFICATION

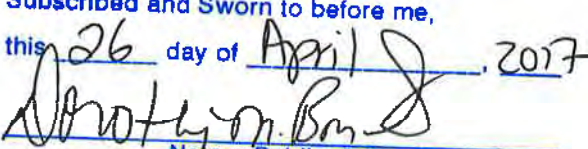
The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Donna J. Kinzel	03 Signature  Donna J. Kinzel	04 Date Signed (Mo, Da, Yr) 04/17/2017
02 Title Sr. VP, CFO and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.



District of Columbia: SS
Subscribed and Sworn to before me,
this 26 day of April, 2017

Notary Public, D.C.
My commission expires 10/14/2021

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	N/A
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	N/A
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	N/A
50	Transmission of Electricity by Others	332	N/A
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	N/A
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	N/A
64	Hydroelectric Generating Plant Statistics	406-407	N/A
65	Pumped Storage Generating Plant Statistics	408-409	N/A
66	Generating Plant Statistics Pages	410-411	N/A

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	

Stockholders' Reports Check appropriate box:

- Two copies will be submitted
- No annual report to stockholders is prepared

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Donna J. Kinzel
Senior Vice President, Chief Financial Officer and Treasurer
701 Ninth Street, N.W.
Washington, DC 20068

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

The respondent was incorporated on April 28, 1896, under the laws of the District of Columbia, and on December 31, 1949, also became a domestic corporation of the Commonwealth of Virginia. On February 20, 1957, the respondent was re-incorporated under the D.C. Business Corporation Act.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

The respondent was engaged in the transmission, distribution and sale of electricity in the Washington metropolitan area, including the District of Columbia and major portions of Montgomery and Prince George's Counties in Maryland.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) Yes...Enter the date when such independent accountant was initially engaged:
(2) No

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

At December 31, 2016, Potomac Electric Power Company is controlled by Pepco Holdings LLC. Pepco Holdings LLC is controlled by PH Holdco LLC which is a special purpose subsidiary of Exelon Energy Delivery Company, LLC (EEDC), a wholly owned subsidiary of Exelon Corporation. For additional information, see the Exelon Corporation Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2016.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CORPORATIONS CONTROLLED BY RESPONDENT

- Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
- If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
- If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

- See the Uniform System of Accounts for a definition of control.
- Direct control is that which is exercised without interposition of an intermediary.
- Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
- Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	POM Holdings, Inc.	Wholly Owned non-regulated	100%	
2		Subsidiary as of 08/01/2002		
3		- inactive		
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President and Chief Executive Officer	Velazquez, David M.	563,000
2	Senior Vice President and Chief Operating Officer	Anthony, J. Tyler	340,000
3	Senior Vice President, CFO and Treasurer	Kinzel, Donna J.	310,000
4	Senior Vice President, Legal and Regulatory Strategy	Bonney, Paul R	382,673
5	Senior Vice President, Governmental and External Affairs	Parker, Kenneth J.	305,000
6	Vice President and General Counsel	Stark, Wendy E.	277,000
7	Vice President and Controller	Aiken, Robert M.	284,107
8			
9			
10	As a result of the merger between Exelon and Pepco		
11	Holdings, Inc. which closed on March 23rd, 2016, the		
12	individuals listed above were elected officers and		
13	replaced all prior year executive officers effective		
14	March 23rd, 2016.		
15			
16	Listed officers are employees of PHI Service Company		
17	or Exelon Business Services Company LLC; salary for		
18	year represents the executive's annual base salary		
19	as of December 31, 2016 and only a portion of their		
20	annual base salary is allocated to Pepco.		
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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DIRECTORS

- Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
- Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Crane, Christopher M.	701 9th Street, N.W., Washington, D.C. 20068-0001
2	Chairman and Director	
3		
4	O'Brien, Denis P.	701 9th Street, N.W., Washington, D.C. 20068-0001
5	Vice Chairman and Director	
6		
7	Velazquez, David M.	701 9th Street, N.W., Washington, D.C. 20068-0001
8	Director	
9		
10	Anthony, J. Tyler	701 9th Street, N.W., Washington, D.C. 20068-0001
11	Director	
12		
13	Kinzel, Donna J.	701 9th Street, N.W., Washington, D.C. 20068-0001
14	Director	
15		
16	McGowan, Kevin M.	701 9th Street, N.W., Washington, D.C. 20068-0001
17	Director	
18		
19	Parker, Kenneth J.	701 9th Street, N.W., Washington, D.C. 20068-0001
20	Director	
21		
22		
23		
24	As a result of the merger between Exelon and Pepco	
25	Holdings, Inc. which closed on March 23rd, 2016, the	
26	individuals listed above were elected directors and	
27	replaced all prior year directors effective	
28	March 23rd, 2016.	
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates? Yes No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No	FFRC Rate Schedule or Tariff Number	FERC Proceeding
1	Attachment H-9A of PJM OATT	ER05-515
2	Attachment H-9A of PJM OATT	ER08-10, incentive filing
3	Attachment H-9A of PJM OATT	ER08-686, incentive filing
4	Attachment H-9A of PJM OATT	ER08-1423, incentive filing
5	Attachment H-9A of PJM OATT	ER13-607, incentive filing
6	Attachment H-9A of PJM OATT	EL13-48, ROE
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20160516-5359	05/16/2016	ER09-1159	Informational Filing of Annual Formula	
2					
3					
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1
3. The footnote should explain amounts excluded from the ratobase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s)	Schedule	Column	Line No
1		Not Applicable		
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2016/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
 SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

The Information is for changes in the year ended December 31, 2016:

Item 1 - None.

Item 2 - Please refer to Note 3, "Mergers, Acquisitions and Dispositions" of the accompanying "Notes to the Financial Statements" for discussion of the merger between Exelon and Pepco Holdings LLC (formerly Pepco Holdings, Inc.) which closed on March 23, 2016. Prior to the merger, approval's were received from the District of Columbia Public Service Commission, Maryland Public Service Commission, Delaware Public Service Commission, New Jersey Board of Public Utilities, Virginia State Corporation Commission and Federal Energy Regulatory Commission.

Items 3-5 - None.

Item 6 - Refer to Note 9, "Debt and Credit Agreements" of the accompanying "Notes to Financial Statements" for a discussion of Pepco's debt. The issuance of \$22,515,000 in short-term debt was authorized by the Federal Energy Regulatory Commission order number ES14-40-000. The authorizations for the issuances of long-term debt are District of Columbia Public Service Commission order number 17634 and Maryland Public Service Commission order number 86556.

Items 7-8 - None.

Item 9 - Refer to Note 15, "Commitments and Contingencies" of the accompanying "Notes to Financial Statements" for a discussion of Pepco's legal proceedings.

Item 10 - None.

Item 11 - "Reserved".

Item 12 - Subsequent to entering into the Plan of Merger, Pepco Holdings LLC (PHI) implemented procedures to accurately track and report all merger-related costs to support the appropriate classification of costs for both internal and external reporting requirements and regulatory compliance requirements. The procedures, which were communicated to all PHI employees, required employees to charge all merger-related labor and costs to special cost objects to separately track the merger acquisition and merger integration costs. All acquisition costs were expensed as incurred and billed to PHI and not to the utilities, including Pepco. All merger integration costs incurred by the PHI utility remained in that utility and were charged to separate sub-accounts. PHI Service Company integration costs were allocated to the utilities using one of the allocation ratios for each service area included in the Service Agreement with PHI Service Company.

Each year, as PHI has noted in its annual 10-K filings, management controls have been evaluated and found to be effective based on the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In each year, Management concluded that the control environment was operating effectively and this would include controls over merger-related costs.

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

- Item 13 - As a result of the merger between Exelon and Pepco Holdings LLC, which closed on March 23, 2016, the individuals listed below were elected Directors and Executive Officers and replaced all prior Directors and Executive Officers, effective March 23, 2016.
- Item 14 - Pepco participates in a cash management program. As of December 31, 2016, its proprietary capital ratio is greater than 30 percent.

Directors

Christopher M. Crane - Chairman
 Denis P. O'Brien - Vice Chairman
 David M. Velazquez
 J. Tyler Anthony
 Donna J. Kinzel
 Kevin M. McGowan
 Kenneth J. Parker

Pepco list of 2016

Executive Officers

Position	Name
President and Chief Executive Officer	Velazquez, David M.
Senior Vice President and Chief Operating Officer	Anthony, J. Tyler
Senior Vice President and Chief Financial Officer	Kinzel, Donna J.
Senior Vice President, Legal and Regulatory Strategy	Bonney, Paul R.
Senior Vice President, Governmental and External Affairs	Parker, Kenneth J.
Vice President and General Counsel	Stark, Wendy E.
Vice President and Controller	Aiken, Robert M.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	7,960,593,506	7,658,218,499
3	Construction Work in Progress (107)	200-201	537,197,762	318,262,025
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		8,497,791,268	7,976,480,524
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,819,807,737	2,752,946,282
6	Net Utility Plant (Enter Total of line 4 less 5)		5,677,983,531	5,223,534,242
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		5,677,983,531	5,223,534,242
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		9,857,752	12,261,268
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,664,805	1,587,934
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	1,000	1,000
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		59,692,413	26,850,525
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (1/b)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		67,886,360	37,524,859
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		9,170,503	5,147,033
36	Special Deposits (132-134)		33,444,271	1,800,000
37	Working Fund (135)		154,775	267,952
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		208,753,345	264,897,536
41	Other Accounts Receivable (143)		69,376,011	43,077,839
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		29,740,446	17,005,464
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		10,036	127,660,655
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	62,479,987	64,521,545
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	112,500	497,625

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	2,422,856
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		31,583,993	19,243,254
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		856,906	20,966,722
60	Rents Receivable (172)		1,081,768	1,047,958
61	Accrued Utility Revenues (173)		122,642,841	76,472,889
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		509,926,490	611,018,400
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		30,363,308	31,757,748
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	3,789,229
72	Other Regulatory Assets (182.3)	232	707,398,726	696,130,562
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		40,993	36,179
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	330,541,077	333,602,302
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		17,208,914	19,446,431
82	Accumulated Deferred Income Taxes (190)	234	151,982,596	225,870,708
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		1,237,535,614	1,310,633,159
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		7,493,331,995	7,182,710,660

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 2 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppco Holdings, Inc. merger. The initial asset was recorded in March 2016, and in some cases, a subsequent adjustment to that merger asset entry was booked during the year. These entries totaled a debit of \$2,065,144 for account 101 for 2016 to establish an asset retirement cost for asset retirement obligations associated with environmental remediation activities. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 110 Line No.: 42 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppco Holdings, Inc. merger. The initial asset reserve was recorded in March 2016, and in some cases, a subsequent adjustment to that merger asset reserve entry was booked during the year. These entries totaled a credit of \$2,148,653 for account 144 for 2016 to establish reserves for special billings of property damage and purchased receivables from suppliers. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 110 Line No.: 48 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppco Holdings, Inc. merger. The initial asset reserve was recorded in March 2016, and in some cases, a subsequent adjustment to that merger asset reserve entry was booked during the year. These entries totaled a credit of \$953,252 for account 154 for 2016 to establish reserves for obsolete inventory. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 110 Line No.: 72 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppco Holdings, Inc. merger. The initial asset was recorded in March 2016, and in some cases, a subsequent adjustment to that merger asset entry was booked during the year. These entries totaled a debit of \$726,483 for account 182.3 for 2016 to adjust a regulatory asset for reserves established for purchased receivables from suppliers. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

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Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 11	Year/Period of Report end of 2016/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	1	1
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		8,100,464	8,100,464
7	Other Paid-In Capital (208-211)	253	1,300,093,589	1,113,517,048
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	989,909,726	1,117,490,912
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	1,646,367	1,646,367
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		2,299,750,147	2,240,754,792
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	2,334,500,000	2,334,500,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	7,345,195	0
22	Unamortized Premium on Long-Term Debt (225)		8,121,125	8,294,850
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		10,277,115	10,605,361
24	Total Long-Term Debt (lines 18 through 23)		2,339,689,205	2,332,189,489
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		27,043,054	39,068,154
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		2,337,436	545,586
35	Total Other Noncurrent Liabilities (lines 26 through 34)		29,380,490	39,613,740
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		22,512,749	63,594,305
38	Accounts Payable (232)		235,382,996	187,857,998
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		73,773,741	29,897,901
41	Customer Deposits (235)		53,448,427	46,281,568
42	Taxes Accrued (236)	262-263	39,840,091	43,120,057
43	Interest Accrued (237)		21,255,610	22,831,126
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 11	Year/Period of Report end of 2016/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		11,212,279	10,310,805
48	Miscellaneous Current and Accrued Liabilities (242)		201,481,824	136,864,951
49	Obligations Under Capital Leases-Current (243)		12,025,100	11,024,400
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		670,932,817	551,783,111
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		13,910,805	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	2,102,230	2,277,589
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	77,625,839	34,819,623
60	Other Regulatory Liabilities (254)	278	19,917,233	34,240,376
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		1,615,183,873	1,545,838,950
64	Accum. Deferred Income Taxes-Other (283)		424,839,356	401,192,990
65	Total Deferred Credits (lines 56 through 64)		2,153,579,336	2,018,369,528
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		7,493,331,995	7,182,710,660

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Potomac Electric Power Company			
FOOTNOTE DATA			

Schedule Page: 112 Line No.: 34 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The initial liability was recorded in March 2016, and in some cases, a subsequent adjustment to that merger liability entry was booked during the year. These entries totaled a credit of \$2,065,144 for account 230 for 2016 to establish an asset retirement obligation associated with environmental remediation activities. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 112 Line No.: 38 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The initial liability was recorded in March 2016, and in some cases, a subsequent adjustment to that merger liability entry was booked during the year. These entries totaled a credit of \$33,994 for account 232 for 2016 to establish an accrual for the employer 401(K) matching contribution associated with accrued payroll. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 112 Line No.: 42 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The initial liability was recorded in March 2016, and in some cases, a subsequent adjustment to that merger liability entry was booked during the year. These entries totaled a credit of \$1,677,942 for account 236 for 2016 to establish an accrual for payroll taxes on various employee compensation accruals. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Schedule Page: 112 Line No.: 48 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger, including entries to record liabilities associated with: (1) merger commitments for customer rate credits, the arrearage management program and charitable contributions, (2) severance and other merger-related compensation, and (3) other accounting policy harmonization entries. With respect to item (1), the initial merger liability was recorded in March 2016 and subsequent adjustments to that merger liability and/or payments were booked during 2016 resulting in the following balances in Account 242 as of December 31, 2016: a credit of \$35,522,637 for the customer rate credits and arrearage management program and a credit of \$2,857,929 for the charitable contributions. For the remaining items (2) and (3), the initial liability was recorded in March 2016 with subsequent adjustments to the merger liability entry booked during the year. These entries for items (2) and (3) totaled a credit of \$1,873,610 for account 242. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected these merger liability accounts used for items (2) and (3).

Schedule Page: 112 Line No.: 59 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger, including entries to record liabilities associated with merger commitments for customer rate credits, charitable contributions and future arrearage management programs. The initial merger liability was recorded in March 2016 and subsequent adjustments to that merger liability and/or payments were booked during 2016 resulting in the following balances in Account 253 as of December 31, 2016: a credit of \$21,335,679 for the customer rate credits and future arrearage management programs and a credit of \$22,999,927 for the charitable contributions. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the merger liability accounts.

Schedule Page: 112 Line No.: 60 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The initial liability adjustment was recorded in

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March 2016, and in some cases, a subsequent adjustment to that merger liability was booked during the year. These entries totaled a debit of \$501,435 for account 254 for 2016 to adjust a regulatory liability for reserves established for purchased receivables from suppliers. In addition, throughout 2016, other standard entries were recorded as part of the monthly accounting closing process that affected the account that included these merger-related accounting entries.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF INCOME

Quarterly

- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	2,211,998,915	2,179,028,870		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,123,453,924	1,088,002,706		
5	Maintenance Expenses (402)	320-323	120,011,341	101,332,084		
6	Depreciation Expense (403)	336-337	173,908,221	163,365,437		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	949,184	396,172		
9	Amort. of Utility Plant Acq Adj (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		3,789,229	15,156,924		
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		105,072,692	90,137,722		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	374,479,555	372,722,908		
15	Income Taxes - Federal (409.1)	262-263	-118,617,126	-125,672,835		
16	- Other (409.1)	262-263	7,662,379	-23,330,846		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	211,580,016	284,834,563		
18	(Less) Provision for Deferred Income Taxes-Cr (411.1)	234, 272-277	30,543,263	53,956,374		
19	Investment Tax Credit Adj. - Net (411.4)	266	-175,359	-208,120		
20	(Less) Gains from Disp of Utility Plant (411.6)					
21	Losses from Disp of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,971,570,793	1,912,780,341		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 117, line 27		240,428,122	266,248,529		

Name of Respondent		This Report is:		Date of Report	Year/Period of Report	
Potomac Electric Power Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2016/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		240,428,122	266,248,529		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		6,714,079	10,590,186		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		6,192,547	9,926,147		
33	Revenues From Nonutility Operations (417)		742,058	813,757		
34	(Less) Expenses of Nonutility Operations (417.1)		1,136,447	1,294,024		
35	Nonoperating Rental Income (418)			17,780		
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		711,065	5,056,651		
38	Allowance for Other Funds Used During Construction (419.1)		18,975,488	12,253,883		
39	Miscellaneous Nonoperating Income (421)		14,387,972	10,804,339		
40	Gain on Disposition of Property (421.1)		8,219,552	46,030,936		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		42,421,220	74,347,361		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		244,231	79,426		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		30,103,307	3,875,323		
46	Life Insurance (426.2)		-2,233,684	-2,081,876		
47	Penalties (426.3)		2,001,184	25,441		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		1,015,893	826,225		
49	Other Deductions (426.5)		111,086,364	3,735,883		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		142,217,295	6,460,422		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	1,829,579	2,582,824		
53	Income Taxes-Federal (409.2)	262-263	15,741,806			
54	Income Taxes-Other (409.2)	262-263	3,777,585			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	4,768,978	35,073,679		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	53,084,444	14,902,903		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-26,966,496	22,753,600		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-72,829,579	45,133,339		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		120,503,336	119,109,833		
63	Amort. of Debt Disc. and Expense (428)		2,175,434	2,092,266		
64	Amortization of Loss on Required Debt (428.1)		2,237,517	2,499,430		
65	(Less) Amort. of Premium on Debt-Credit (429)		173,725	127,150		
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		244,108	567,737		
68	Other Interest Expense (431)		10,980,943	6,665,356		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		10,496,884	6,631,031		
70	Net Interest Charges (Total of lines 62 thru 69)		125,470,729	124,176,441		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		42,127,814	187,205,427		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		42,127,814	187,205,427		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
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Schedule Page: 114 Line No.: 4 Column: c

See footnotes on Form 1 pages 320-323 (Electric O&M expenses) for specific O&M accounts affected by merger-related accounting entries.

Schedule Page: 114 Line No.: 4 Column: g

See footnotes on Form 1 pages 320-323 (Electric O&M expenses) for specific O&M accounts affected by merger-related accounting entries.

Schedule Page: 114 Line No.: 5 Column: c

See footnotes on Form 1 pages 320-323 (Electric O&M expenses) for specific O&M accounts affected by merger-related accounting entries.

Schedule Page: 114 Line No.: 5 Column: g

See footnotes on Form 1 pages 320-323 (Electric O&M expenses) for specific O&M accounts affected by merger-related accounting entries.

Schedule Page: 114 Line No.: 14 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$1,622,537, representing payroll taxes on various employee compensation accruals.

Schedule Page: 114 Line No.: 14 Column: g

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$1,622,537, representing payroll taxes on various employee compensation accruals.

Schedule Page: 114 Line No.: 32 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$920,735, representing reserves established for special billings of property damage.

Schedule Page: 114 Line No.: 45 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$28,579,285, representing Pepco's charitable contribution commitment.

Schedule Page: 114 Line No.: 49 Column: c

Account was affected by merger-related accounting entries associated with Exelon Corporation/Pepco Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$97,912,631, primarily representing Pepco's customer rate credits commitment.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,117,490,912	1,076,285,485
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		42,127,814	187,205,427
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Common Stock Dividends		-169,709,000	(146,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct 438)		-169,709,000	(146,000,000)
37	Transfers from Acct 216 1, Unapprop Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		989,909,726	1,117,490,912
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		989,909,726	1,117,490,912
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		1,646,367	1,646,367
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)		1,646,367	1,646,367

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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	42,127,814	187,205,427
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	173,908,221	163,365,437
5	Amortization of Plant	949,184	396,172
6	Depreciation - Unregulated Plant	76,871	87,382
7	Amortization of Debt Discount/Unamortized Loss on Reacquired Debt	3,631,957	4,265,372
8	Deferred Income Taxes (Net)	132,721,287	251,048,964
9	Investment Tax Credit Adjustment (Net)	-175,359	-208,120
10	Net (Increase) Decrease in Receivables	-8,745,033	-36,466,336
11	Net (Increase) Decrease in Inventory	4,464,414	-5,209,335
12	Net (Increase) Decrease in Allowances Inventory	385,125	-396,587
13	Net Increase (Decrease) in Payables and Accrued Expenses	33,206,282	-24,517,993
14	Net (Increase) Decrease in Other Regulatory Assets	19,216,352	46,247,790
15	Net Increase (Decrease) in Other Regulatory Liabilities	-9,497,056	12,324,668
16	(Less) Allowance for Other Funds Used During Construction	18,975,488	12,253,883
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other Working Capital	-11,194,146	2,201,436
19	Other Operating Activities	154,154,064	59,517,430
20	Gain on Sale of Land	-8,219,552	-45,993,351
21	Net Increase (Decrease) in Interest and Taxes Accrued	142,950,273	-136,222,126
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	650,985,210	372,896,767
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-605,155,196	-555,870,966
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-18,975,488	-12,253,883
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-586,179,708	-543,617,083
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43	Proceeds from sale of assets	12,466,711	53,870,156
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48	Proceeds from Sales of Assets		
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Change in restricted cash	-31,644,271	3,500,008
54	Other Investing Activities	-42,193,426	9,463,176
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-647,550,694	-476,783,743
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	3,792,508	208,294,850
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Capital Contribution from Parent	186,576,541	112,000,000
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	190,369,049	320,294,850
71	Other Financing Activities	-765,139	-5,041,670
72	Payments for Retirement of:		
73	Long-term Debt (b)		-11,600,811
74	Preferred Stock		
75	Common Stock		
76	Principle Portion of Capital Lease Payments	-11,024,400	-10,106,976
77	Cost of Issuances		
78	Net Decrease in Short-Term Debt (c)	-41,081,556	-40,399,901
79	Cost of issuances		-4,232,480
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-136,909,000	-146,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	588,954	102,913,012
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	4,023,470	-973,964
87			
88	Cash and Cash Equivalents at Beginning of Period	5,147,033	6,120,997
89			
90	Cash and Cash Equivalents at End of period	9,170,503	5,147,033

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: a

Other Working Capital:		
	2016	2015
Working Funds	\$ 113,177	\$ (112,952)
Prepayments	(11,307,323)	2,314,388
	<u>\$(11,194,146)</u>	<u>\$ 2,201,436</u>

Schedule Page: 120 Line No.: 19 Column: a

Other Operating Activities:		
	2016	2015
Capital Lease Amortization	\$ 11,024,400	\$ 10,106,976
Disallowed costs - depreciation study	2,700,000	-
Prepaid Pension Expense	26,938,392	24,157,014
Pension Contribution	(23,000,000)	-
Unrecovered Plant & Reg study costs	3,789,229	15,156,924
Remeasurement of AMI-related regulatory asset	7,125,295	-
Clearing Accounts	(4,814)	28,744
Misc. Deferred Debits	(2,566,871)	5,353,942
Unamortized Premium on Long-Term Debt	(173,725)	-
Unamortized Discount on Long-Term Debt	328,246	315,131
Asset Retirement Obligations	45,731	43,066
Merger commitments	123,876,094	-
Customer Advances	13,910,805	-
Other Deferred Credits	(9,838,718)	4,355,633
	<u>\$154,154,064</u>	<u>\$ 59,517,430</u>

Schedule Page: 120 Line No.: 54 Column: a

Other Investing Activities:		
	2016	2015
Net Utility Plant	\$ (9,744,555)	\$ 4,320,013
Net Nonutility plant	(1,843,643)	(785,450)
Special Funds - SERP	(30,387,045)	6,811,074
Increase in CSV of Officers Life Insurance equal to Premiums Paid	(218,183)	(882,461)
	<u>\$(42,193,426)</u>	<u>\$ 9,463,176</u>

Schedule Page: 120 Line No.: 71 Column: a

Other Financing Activities:		
	2016	2015
Loans Against Life Insurance Contracts	\$ (765,139)	\$ (5,041,670)
	<u>\$ (765,139)</u>	<u>\$ (5,041,670)</u>

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FOOTNOTE DATA			

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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

1. Significant Accounting Policies

Description of Business

Potomac Electric Power Company (Pepco) is engaged in the purchase and regulated retail sale of electricity and the provision of electric distribution and transmission services in the District of Columbia and major portions of Prince George's County and Montgomery County in Maryland.

On March 23, 2016, Exelon (Pepco's indirect parent) completed the merger contemplated by the Merger Agreement, among Exelon, Purple Acquisition Corp., a Delaware corporation and an indirect, wholly owned subsidiary of Exelon (Merger Sub), and Pepco Holdings Inc, (PHI). As a result of that merger, Merger Sub was merged into PHI (the PHI Merger) with PHI surviving as a wholly owned subsidiary of Exelon and Exelon Energy Delivery Company, LLC (EEDC). Following the completion of the PHI Merger, Exelon and PHI completed a series of internal corporate organization restructuring transactions. PHI and PHI's interests in Pepco, DPL, ACE, PES, PCI and Conectiv were transferred to EEDC, a wholly owned subsidiary of Exelon. Simultaneously, EEDC distributed PES, PCI and Conectiv to Exelon and subsequently Exelon contributed PES and Conectiv to New Energy, a wholly owned subsidiary of Generation.

The total purchase of the PHI Merger consisted of cash paid to PHI shareholders, cash paid for PHI preferred securities and cash paid for PHI stock-based compensation equity awards. PHI shareholders received \$27.25 of cash in exchange for each share of PHI common stock outstanding as of the effective date of the merger. In connection with the Merger Agreement, Exelon entered into a subscription agreement under which it has purchased \$180 million of a new class of nonvoting, nonconvertible and nontransferable preferred securities of PHI. On March 23, 2016, the preferred securities were cancelled and the \$180 million cash consideration previously paid to acquire the preferred securities was treated as purchase price consideration.

Basis of Presentation

Pepco is an indirect, wholly owned, subsidiary of Exelon Corporation (Exelon).

The accompanying financial statements as of December 31, 2016 and December 31, 2015 are unaudited but, in the opinion of Pepco management, include all adjustments that are considered necessary for a fair presentation of Pepco's financial statements in accordance with the Uniform System of Accounts (USOA). All adjustments are of a normal and recurring nature. These notes should be read in conjunction with the Notes to Financial Statements of Pepco in the December 31, 2015 audited Federal Energy Regulatory Commission (FERC) Form No. 1 "Annual Report of Major Electric Utilities, Licensees and Others" (FERC Form No. 1).

The financial statements are presented on the basis of the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable USOA, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The principal differences from Generally Accepted Accounting Principles (GAAP) include the exclusions of current maturities of long-term debt from current liabilities, the exclusion of debt issuance costs from long-term debt, the requirement to report gross deferred tax assets and liabilities rather than a net amount, the exclusion of FIN 48 liabilities related to temporary income tax differences, and the classification of certain other assets and liabilities as current instead of noncurrent.

The notes provided herein were derived from the combined notes to consolidated financial statements appearing in Exelon Corporation's Form 10-K for the year ended December 31, 2016. They have been modified to include information relevant to Pepco. Amounts shown are in millions, unless otherwise noted.

Use of Estimates

The preparation of financial statements in conformity with USOA and GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Areas in

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

which significant estimates have been made include, but are not limited to, the accounting for asset retirement obligations (AROs), pension and other postretirement benefits, inventory reserves, allowance for uncollectible accounts, fixed asset depreciation, environmental costs and other loss contingencies, taxes and unbilled energy revenues. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts in Pepco's Statements of Operations and Comprehensive Income, Balance Sheets and Statements of Cash Flows have been reclassified to conform the presentation of these amounts to the current period presentation in Exelon's financial statements. Most significantly for Pepco, current regulatory assets and liabilities have been presented separately from the non-current portions in the Balance Sheets where recovery or refund is expected within the next 12 months. Additionally, for Pepco, the removal cost within Accumulated depreciation was reclassified to the Regulatory liability or Regulatory asset account to align with Exelon's presentation. The reclassifications were not considered errors in the prior financial statements.

Accounting for the Effects of Regulation

Pepco applies the authoritative guidance for accounting for certain types of regulation, which requires Pepco to record in its financial statements the effects of cost-based rate regulation for entities with regulated operations that meet the following criteria: 1) rates are established or approved by a third-party regulator; (2) rates are designed to recover the entities' cost of providing services or products; and (3) there is a reasonable expectation that rates are set at levels that will recover the entities' costs from customers. Pepco accounts for its regulated operations in accordance with regulatory and legislative guidance from the regulatory authorities having jurisdiction, principally the MDPSC and the DCPSC under state public utility laws and the FERC under various Federal laws. Regulatory assets and liabilities are amortized and the related expense or revenue is recognized in the Statements of Operations consistent with the recovery or refund included in customer rates. Pepco believes that it is probable that its currently recorded regulatory assets and liabilities will be recovered and settled, respectively, in future rates. Pepco continues to evaluate its abilities to continue to apply the authoritative guidance for accounting for certain types of regulation, including consideration of current events in its regulatory and political environments. If a separable portion of Pepco's business was no longer able to meet the criteria discussed above, Pepco would be required to eliminate from its financial statements the effects of regulation for that portion, which could have a material impact on its results of operations and financial position. See Note 2 — Regulatory Matters for additional information.

Pepco treats the impacts of a final rate order received after the balance sheet date but prior to the issuance of the financial statements as a non-recognized subsequent event, as the receipt of a final rate order is a separate and distinct event that has future impacts on the parties affected by the order.

Revenues

Operating Revenues. Operating revenues are recorded as service is rendered or energy is delivered to customers. At the end of each month, the Registrants accrue an estimate for the unbilled amount of energy delivered or services provided to customers. Pepco records its best estimate of the transmission revenue impacts resulting from changes in rates that it believes are probable of approval by FERC in accordance with its formula rate mechanisms. See Note 2 — Regulatory Matters and Note 4 — Accounts Receivable for further information.

RTOs and ISOs. In RTO and ISO markets that facilitate the dispatch of energy and energy-related products, Pepco generally reports sales and purchases conducted on a net hourly basis in either revenues or purchased power on its

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Statements of Operations and Comprehensive Income, the classification of which depends on the net hourly activity. In addition, capacity revenue and expense classification is based on the net sale or purchase position of the Company in the different RTOs and ISOs.

Income Taxes

Deferred Federal and state income taxes are provided on all significant temporary differences between the book basis and the tax basis of assets and liabilities and for tax benefits carried forward. Investment tax credits have been deferred on Pepco's Balance Sheets and are recognized in book income over the life of the related property. In accordance with applicable authoritative guidance, Pepco accounts for uncertain income tax positions using a benefit recognition model with a two-step approach; a more-likely-than-not recognition criterion; and a measurement approach that measures the position as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. If it is not more-likely-than-not that the benefit of the tax position will be sustained on its technical merits, no benefit is recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. Pepco recognizes accrued interest related to unrecognized tax benefits in Interest expense or Other income and deductions (interest income) and recognizes penalties related to unrecognized tax benefits in Other, net on its Statements of Operations and Comprehensive Income.

In the first quarter of 2016, Pepco changed its accounting for classification of interest on uncertain tax positions. Pepco has reclassified interest on uncertain tax positions as Interest expense from Income tax expense in its Statements of Operations and Comprehensive Income. GAAP does not address the preferability of one acceptable method of accounting over the other for the classification of interest on uncertain tax positions. However, Pepco believes this change is preferable for comparability of its financial statements with the financial statements of the other Registrants in the combined filing, for consistency with FERC classification and for a more appropriate representation of the effective tax rate as it manages the settlement of uncertain tax positions and interest expense separately. Pepco applied the change retrospectively. The reclassification in Pepco's Statement of Operations and Comprehensive Income for the year ended December 31, 2015 is \$4 million.

Pursuant to the IRC and relevant state taxing authorities, Exelon and its subsidiaries file consolidated or combined income tax returns for Federal and certain state jurisdictions where allowed or required. See Note 10 — Income Taxes for further information.

Taxes Directly Imposed on Revenue-Producing Transactions

Pepco collects certain taxes from customers such as sales and gross receipts taxes, along with other taxes, surcharges and fees that are levied by state or local governments on the sale or distribution of gas and electricity. Some of these taxes are imposed on the customer, but paid by Pepco, while others are imposed on Pepco. Where these taxes are imposed on the customer, such as sales taxes, they are reported on a net basis with no impact to the Statements of Operations and Comprehensive Income. However, where these taxes are imposed on Pepco, such as gross receipts taxes or other surcharges or fees, they are reported on a gross basis. Accordingly, revenues are recognized for the taxes collected from customers along with an offsetting expense. See Note 16 — Supplemental Financial Information for Pepco's utility taxes that are presented on a gross basis.

Cash and Cash Equivalents

Pepco considers investments purchased with an original maturity of three months or less to be cash equivalents.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Potomac Electric Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent funds that are restricted to satisfy designated current liabilities. As of December 31, 2016 and 2015, Pepco's restricted cash and cash equivalents primarily represented funds restricted for the payment of merger commitments and collateral held from its utility suppliers.

Restricted cash and cash equivalents not available to satisfy current liabilities are classified as noncurrent assets. As of December 31, 2016, Pepco had investments in Rabbi trusts classified as noncurrent assets.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts reflects Pepco's best estimate of losses on the accounts receivable balances. At December 31, 2015, Pepco estimated the allowance for uncollectible accounts based on specific identification of material amounts at risk by customer and maintained a reserve based on its historical collection experience. At December 31, 2016, Pepco aligned the estimation of its allowance for uncollectible accounts to be consistent with the other Exelon Utility Registrants, by applying loss rates developed specifically for each company to the outstanding receivable balance by customer risk segment. Risk segments represent a group of customers with similar credit quality indicators that are comprised based on various attributes, including delinquency of their balances and payment history. Loss rates applied to the accounts receivable balances are based on historical average charge-offs as a percentage of accounts receivable in each risk segment. Customers' accounts are generally considered delinquent if the amount billed is not received by the time the next bill is issued, which normally occurs on a monthly basis. Customer accounts are written off consistent with approved regulatory requirements. Allowance for uncollectible accounts will continue to be affected by changes in volume, prices and economic conditions as well as changes in MDPSC and DCPSC regulations.

Inventories

Inventory is recorded at the lower of weighted average cost or net realizable value. Provisions are recorded for excess and obsolete inventory.

Materials and Supplies. Materials and supplies inventory generally includes transmission and distribution materials. Materials are generally charged to inventory when purchased and expensed or capitalized to property, plant and equipment, as appropriate, at weighted average cost when installed or used.

Property, Plant and Equipment

Property, plant and equipment is recorded at original cost. Original cost includes construction-related direct labor and material costs. Pepco also includes indirect construction costs including labor and related costs of departments associated with supporting construction activities. When appropriate, original cost also includes AFUDC for regulated property. The cost of repairs and maintenance, including planned major maintenance activities and minor replacements of property, is charged to maintenance expense as incurred.

Third parties reimburse Pepco for all or a portion of expenditures for certain capital projects. Such contributions in aid of construction costs (CIAC) are recorded as a reduction to Property, plant and equipment. DOE SGIG funds reimbursed to Pepco have been accounted for as CIAC.

For Pepco, upon retirement, the cost of property, net of salvage, is charged to accumulated depreciation in

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accordance with the composite method of depreciation. Pepco's depreciation expense includes the estimated cost of dismantling and removing plant from service upon retirement, which is consistent with its regulatory recovery method. Pepco's actual incurred removal costs are applied against a related regulatory liability.

See Note 5 — Property, Plant and Equipment and Note 16 — Supplemental Financial Information for additional information regarding property, plant and equipment.

Capitalized Software Costs

Costs incurred during the application development stage of software projects that are internally developed or purchased for operational use are capitalized within property, plant, and equipment. Such capitalized amounts are amortized ratably over the expected lives of the projects when they become operational, generally not to exceed five years. Certain other capitalized software costs are being amortized over longer lives based on the expected life or pursuant to prescribed regulatory requirements. At December 31, 2016, Pepco's net unamortized software costs were \$1 million. At December 31, 2015, Pepco did not have any net unamortized software costs. During 2016, Pepco did not record any amortization of capitalized software costs. During 2015, Pepco's amortization of capitalized software costs was \$2 million.

Depreciation, Depletion and Amortization

Depreciation is generally recorded over the estimated service lives of property, plant and equipment on a straight-line basis using the composite method in which depreciation is calculated using the average estimated service life of assets within a group. The Pepco's depreciation expense includes the estimated cost of dismantling and removing plant from service upon retirement, which is consistent with its regulatory recovery method. The estimated service lives for Pepco are primarily based on each its most recent depreciation studies of historical asset retirement and removal cost experience. See Note 5 — Property, Plant and Equipment for further information regarding depreciation.

Amortization of regulatory assets and liabilities are recorded over the recovery or refund period specified in the related legislation or regulatory order or agreement. When the recovery or refund period is less than one year, amortization is recorded to the line item in which the deferred cost or income would have originally been recorded in Pepco's Statements of Operations and Comprehensive Income. Amortization of Pepco's transmission formula rate regulatory asset is recorded to Operating revenues.

Amortization of income tax related regulatory assets and liabilities are generally recorded to Income tax expense. With the exception of the regulatory assets and liabilities discussed above, when the recovery period is more than one year, the amortization is generally recorded to Depreciation and amortization in Pepco's Statements of Operations and Comprehensive Income.

See Note 2 — Regulatory Matters and Note 16 — Supplemental Financial Information for additional information regarding the amortization of Pepco's regulatory assets.

Asset Retirement Obligations

The authoritative guidance for accounting for AROs requires the recognition of a liability for a legal obligation to perform an asset retirement activity even though the timing and/or method of settlement may be conditional on a future event. The liabilities associated with Pepco's AROs are adjusted on an ongoing rotational basis, at least once every five years unless circumstances warrant more frequent updates. Changes to the recorded value of an ARO result from the passage of new laws and regulations, revisions to either the timing or amount of estimated undiscounted cash flows, and

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estimates of cost escalation factors. AROs are accreted throughout each year to reflect the time value of money for these present value obligations through a charge to Operating and maintenance expense in the Statements of Operations and Comprehensive Income or, in the case of the majority of Pepco's accretion, through an increase to regulatory assets. See Note 11 — Asset Retirement Obligations for additional information.

Capitalized Interest and AFUDC

Pepco applies the authoritative guidance for accounting for certain types of regulation to calculate AFUDC, which is the cost, during the period of construction, of debt and equity funds used to finance construction projects for regulated operations. AFUDC is recorded to construction work in progress and as a non-cash credit to AFUDC that is included in Account 432, Allowance for borrowed funds used during construction-credit, for debt-related funds and Account 419.1, Allowance for other funds used during construction, for equity-related funds. The rates used for capitalizing AFUDC are computed under a method prescribed by regulatory authorities. During 2016 and 2015, Pepco's total incurred interest was \$137 million and \$131 million, respectively. During 2016 and 2015, Pepco's credits to AFUDC debt and equity were \$29 million and \$19 million, respectively. Pepco did not capitalize any interest in 2016 or 2015.

Guarantees

Pepco recognizes, at the inception of a guarantee, a liability for the fair market value of the obligations they have undertaken by issuing the guarantee, including the ongoing obligation to perform over the term of the guarantee in the event that the specified triggering events or conditions occur.

The liability that is initially recognized at the inception of the guarantee is reduced as Pepco is released from risk under the guarantee. Depending on the nature of the guarantee, the release from risk of Pepco may be recognized only upon the expiration or settlement of the guarantee or by a systematic and rational amortization method over the term of the guarantee. See Note 15 — Commitments and Contingencies for additional information.

Asset Impairments

Long-Lived Assets. Pepco evaluates the carrying value of its long-lived assets or asset groups when circumstances indicate the carrying value of those assets may not be recoverable. Indicators of impairment may include a deteriorating business climate, including, but not limited to, declines in energy prices, condition of the asset, specific regulatory disallowance, or plans to dispose of a long-lived asset significantly before the end of its useful life. Pepco determines if long-lived assets and asset groups are impaired by comparing the undiscounted expected future cash flows to the carrying value. When the undiscounted cash flow analysis indicates a long-lived asset or asset group is not recoverable, the amount of the impairment loss is determined by measuring the excess of the carrying amount of the long-lived asset or asset group over its fair value less costs to sell.

Retirement Benefits

Pepco participates in Exelon's defined benefit pension plans and other postretirement benefit plans. The measurement of the plan obligations and costs of providing benefits under these plans involve various factors, including numerous assumptions and inputs and accounting elections. The assumptions are reviewed annually and at any interim remeasurement of the plan obligations. The impact of assumption changes or experience different from that assumed on pension and other postretirement benefit obligations is recognized over time rather than immediately recognized in the Statements of Operations and Comprehensive Income. Gains or losses in excess of the greater of ten percent of the projected benefit obligation or the MRV of plan assets are amortized over the expected average remaining service period

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of plan participants. See Note 12 — Retirement Benefits for additional information.

New Accounting Standards

New Accounting Standards Adopted: In 2016, Pepco adopted the following new authoritative accounting guidance issued by the FASB. Unless otherwise indicated, adoption of the guidance in each instance had no or insignificant impacts on its Balance Sheets, Statements of Operations and Comprehensive Income or Statements of Cash Flows and disclosures.

Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (Issued May 2015; Adopted first quarter 2016 retrospectively to all prior periods presented): Removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient, and instead provides for such investments to be disclosed as a reconciling item between the fair value hierarchy disclosure and the investment line item on the Balance Sheet. The guidance also simplified the disclosure requirements for investments valued using the practical expedient. The adoption of this guidance had no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Customer's Accounting for Fees Paid in a Cloud Computing Arrangement (Issued April 2015; Adopted first quarter 2016 prospectively): Clarifies the circumstances under which a cloud computing customer would account for the arrangement as a license of internal-use software. A cloud computing arrangement would include a software license if (1) the customer has a contractual right to take possession of the software at any time during the hosting period without significant penalty and (2) it is feasible for the customer to either operate the software on its own hardware or contract with another party unrelated to the vendor to host the software. If the arrangement does not contain a software license, it would be accounted for as a service contract. The adoption of this guidance had no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Amendments to the Consolidation Analysis (Issued February 2015; Adopted January 1, 2016): Amends the consolidation analysis for variable interest entities (VIEs) and voting interest entities. The new guidance primarily (1) changes the VIE assessment of limited partnerships, (2) amends the effect that fees paid to a decision maker or service provider have on the VIE analysis, (3) amends how variable interests held by a reporting entity's related parties and de facto agents impact its consolidation conclusion, (4) clarifies how to determine whether equity holders (as a group) have power over an entity, and (5) provides a scope exception for registered and similar unregistered money market funds. Pepco did not revise any consolidation conclusions as a result of the guidance nor did it identify entities that are now considered VIEs.

Simplifying the Transition to the Equity Method of Accounting (Issued March 2016; Early adopted fourth quarter 2016): Eliminates the requirement to retroactively adopt the equity method of accounting as a result of an increase in the level ownership or degree of influence of an existing investment. Instead, an investor now adds the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopts the equity method of accounting as of the date the investment qualifies for such treatment. The adoption of this guidance had no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships (Issued March 2016; Early adopted fourth quarter 2016 prospectively): Clarifies that a change in the counterparty of a derivative contract does not, in and of itself, require dedesignation of that hedge accounting relationship as long as all of the other hedge accounting criteria are met. The adoption of this guidance had no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

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Simplifying the Measurement of Inventory (Issued July 2015; Early adopted fourth quarter 2016 prospectively): Requires inventory to be measured at the lower of cost or net realizable value, with net realizable value defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This definition is consistent with existing authoritative guidance. Current guidance requires inventory to be measured at the lower of cost or market where market could be replacement cost, net realizable value or net realizable value less an approximately normal profit margin. The adoption of this guidance will have no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Contingent Put and Call Options in Debt Instruments (Issued March 2016; Adopted January 1, 2017 on a modified retrospective basis): Simplifies the embedded derivative analysis for debt instruments containing contingent call or put options by removing the requirement to assess whether a contingent event is related to interest rates or credit risks. The guidance clarifies that a contingent put or call option embedded in a debt instrument would be evaluated for possible separate accounting as a derivative instrument without regard to the nature of the exercise contingency. The guidance is required to be applied on a modified retrospective basis to all existing and future debt instruments. The adoption of this guidance will have no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Interests Held through Related Parties that are Under Common Control (Issued October 2016; Adopted January 1, 2017 on a retrospective basis to January 1, 2016): Requires consideration of indirect interests held through related parties under common control proportionately when determining whether an entity is the primary beneficiary of a variable interest entity. The adoption of this guidance will have no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

Improvements to Employee Share-Based Payment Accounting (Issued March 2016; Adopted January 1, 2017 using either the prospective, modified retrospective, or retrospective method as prescribed by the standard): Simplifies various aspects of how share-based payment awards to employees are accounted for and presented in the financial statements. The new guidance eliminates additional paid-in capital pools and requires excess tax benefits and tax deficiencies to be recorded in the Statements of Operations and Comprehensive Income. The adoption of this guidance will have no impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income and Statements of Cash Flow.

New Accounting Standards Issued and Not Yet Adopted: The following new authoritative accounting guidance issued by the FASB has not yet been adopted and reflected by Pepco in its financial statements. Unless otherwise indicated, Pepco is currently assessing the impacts such guidance may have (which could be material) on its Balance Sheets, Statements of Operations and Comprehensive Income, Statements of Cash Flows and disclosures, as well as the potential to early adopt where applicable. Pepco has assessed other FASB issuances of new standards which are not listed below given the current expectation such standards will not significantly impact Pepco's financial reporting.

Revenue from Contracts with Customers (Issued May 2014 and subsequently amended to address implementation questions): Changes the criteria for recognizing revenue from a contract with a customer. The new revenue recognition guidance, including subsequent amendments, is effective for annual reporting periods beginning on or after December 15, 2017, with the option to early adopt the standard for annual periods beginning on or after December 15, 2016. Pepco does not plan to early adopt the standard.

The new standard replaces existing guidance on revenue recognition, including most industry specific guidance, with a five step model for recognizing and measuring revenue from contracts with customers. The objective of the new standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The underlying principle is that an entity will

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recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance also requires a number of disclosures regarding the nature, amount, timing, and uncertainty of revenue and the related cash flows. In addition, Pepco will be required to capitalize costs to acquire new contracts, and amortize such costs in a manner consistent with the transfer to the customer of the associated goods or services. Pepco currently expenses those costs as incurred. The guidance can be applied retrospectively to each prior reporting period presented (full retrospective method) or retrospectively with a cumulative effect adjustment to retained earnings for initial application of the guidance at the date of initial adoption (modified retrospective method).

Pepco continues to assess the impact this guidance may have on its Balance Sheets, Statements of Operations and Comprehensive Income, Statements of Cash Flows and disclosures. In performing this assessment, Pepco has utilized a project implementation team comprised of both internal and external resources to conduct the following key activities:

- Actively participate in the AICPA Power and Utilities Industry Task Force (Industry Task Force) process to identify implementation issues and support the development of related implementation guidance;
- Evaluate existing contracts and revenue streams for potential changes in the amounts and timing of recognizing revenues under the new guidance;
- Evaluate and select the transition method; and
- Develop and implement the approach and process for complying with the new revenue recognition disclosure requirements.

While there continues to be some ongoing activities in all of these areas, Pepco has substantially completed the evaluation of its contracts and revenue streams, as well as the evaluation of the transition method. Based on the work completed thus far, Pepco has reached the following preliminary conclusions:

- Pepco expects to apply the new guidance using the full retrospective method, however this conclusion could change based on the outcome of open implementation issues discussed below;
- Pepco currently anticipates that the implementation of the new guidance will not have a material impact on the amount and timing of revenue recognition; and
- Pepco expects the new guidance will result in more detailed disclosures of revenue compared to current guidance.

Notwithstanding the preliminary conclusions noted above, certain implementation issues continue to be debated and worked through the Industry Task Force process that could result in amendments to the standard or implementation guidance that could have a material impact on Pepco's Balance Sheets, Statements of Operations and Comprehensive Income, Statements of Cash Flows and disclosures. The open implementation issues that could be most impactful to Pepco include: (1) Pepco's ability to recognize revenue for certain contracts where collectability is in question, (2) the accounting by Pepco for contributions in aid of construction (CIAC) and whether CIAC arrangements are within the scope of the revenue guidance and (3) bundled sales contracts and contracts with pricing provisions that may require recognition of revenue at prices other than the contract price (e.g., straight line or estimated future market prices). As part of the overall implementation project, Pepco is developing alternative adoption plans that would be implemented in the event the ultimate resolution of the open implementation issues result in significant changes from current revenue recognition practices.

Leases (Issued February 2016): Increases transparency and comparability among organizations by recognizing

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lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The guidance requires lessees to recognize both the right-of-use assets and lease liabilities in the balance sheet for most leases, whereas today only financing type lease liabilities (capital leases) are recognized in the balance sheet. This is expected to require significant changes to systems, processes and procedures in order to recognize and measure leases recorded on the balance sheet that are currently classified as operating leases. In addition, the definition of a lease has been revised in regards to when an arrangement conveys the right to control the use of the identified asset under the arrangement which may result in changes to the classification of an arrangement as a lease. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. The accounting applied by a lessor is largely unchanged from that applied under current GAAP. The standard is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted, however Pepco does not expect to early adopt the standard. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Refer to Note 15 — Commitments and Contingencies for additional information regarding operating leases.

Impairment of Financial Instruments (Issued June 2016): Provides for a new Current Expected Credit Loss (CECL) impairment model for specified financial instruments including loans, trade receivables, debt securities classified as held-to-maturity investments and net investments in leases recognized by a lessor. Under the new guidance, on initial recognition and at each reporting period, an entity is required to recognize an allowance that reflects the entity's current estimate of credit losses expected to be incurred over the life of the financial instrument. The standard does not make changes to the existing impairment models for non-financial assets such as fixed assets, intangibles and goodwill. The standard will be effective January 1, 2020 and, for most debt instruments, requires a modified retrospective transition approach through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption.

Goodwill Impairment (issued January 2017): Simplifies the accounting for goodwill impairment by removing Step 2 of the current test, which requires calculation of a hypothetical purchase price allocation. Under the revised guidance, goodwill impairment will be measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill (currently Step 1 of the two step impairment test). Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. Pepco does not have goodwill as of December 31, 2016. This updated guidance is not currently expected to impact Pepco's financial reporting. The standard is effective January 1, 2020, with early adoption permitted, and must be adopted on a prospective basis.

Clarifying the Definition of a Business (issued January 2017): Clarifies the definition of a business with the objective of addressing whether acquisitions should be accounted for as acquisitions of assets or as acquisitions of businesses. If substantially all the fair value of the assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of transferred assets and activities is not a business. If the fair value of the assets acquired is not concentrated in a single identifiable asset or a group of similar identifiable assets, then an entity must evaluate whether an input and a substantive process exist, which together significantly contribute to the ability to produce outputs. The standard also revises the definition of outputs to focus on goods and services to customers. The standard could result in more acquisitions being accounted for as asset acquisitions. The standard will be effective January 1, 2018 and will be applied prospectively.

Intra-Entity Transfers of Assets Other Than Inventory (Issued October 2016): Requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs (compared to current GAAP which prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party). The standard is effective for fiscal years beginning after December 15, 2017 with early adoption permitted. The guidance is required to be applied on a modified retrospective basis through a

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cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption.

Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments (Issued August 2016) and Restricted Cash (Issued November 2016): In 2016, the FASB issued two standards impacting the Statement of Cash Flows. The first adds or clarifies guidance on the classification of certain cash receipts and payments on the statement of cash flows as follows: debt prepayment or extinguishment costs, settlement of zero-coupon bonds, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies and bank-owned life insurance policies, distributions received from equity method investees, beneficial interest in securitization transactions, and the application of the predominance principle to separately identifiable cash flows. The second states that amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows (instead of being presented as cash flow activities). Pepco will adopt both standards on January 1, 2018 on a retrospective basis. Adoption of the second standard will result in a change in presentation of restricted cash on the face of the Statements of Cash Flows; otherwise Pepco expects that adoption of the guidance will have an insignificant impact on its Statements of Cash Flows and disclosures.

Recognition and Measurement of Financial Assets and Financial Liabilities (Issued January 2016): (i) requires all investments in equity securities, including other ownership interests such as partnerships, unincorporated joint ventures and limited liability companies, to be carried at fair value through net income, (ii) requires an incremental recognition and disclosure requirement related to the presentation of fair value changes of financial liabilities for which the fair value option has been elected, (iii) amends several disclosure requirements, including the methods and significant assumptions used to estimate fair value or a description of the changes in the methods and assumptions used to estimate fair value, and (iv) requires disclosure of the fair value of financial assets and liabilities measured at amortized cost at the amount that would be received to sell the asset or paid to transfer the liability. The standard is effective for fiscal years beginning after December 15, 2017 with early adoption permitted. The guidance is required to be applied retrospectively with a cumulative effect adjustment to retained earnings for initial application of the guidance at the date of adoption (modified retrospective method).

Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Issued March 2017): In March 2017, the FASB issued a final Accounting Standards Update (ASU) on Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. This guidance will change the income statement classification of many components of pension and postretirement benefit cost and limits the components of cost that are eligible for capitalization. Pepco is currently assessing the impacts of this standard; the standard is effective January 1, 2018 for Pepco.

2. Regulatory Matters

Maryland Regulatory Matters

2016 Maryland Electric Distribution Base Rates. On November 15, 2016, the MDPSC approved an increase in electric distribution base rates of \$53 million based on a ROE of 9.55%. The new rates became effective for services rendered on or after November 15, 2016. MDPSC also approved Pepco's recovery of substantially all of its capital investment and regulatory assets associated with its AMI program as part of the newly effective rates as well as a recovery

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over a five-year period of transition costs related to a new billing system implemented in 2015. As a result, during the fourth quarter of 2016, Pepco established a regulatory asset of \$13 million, wrote-off \$3 million in disallowed AMI costs and recorded a pre-tax credit to net income for \$10 million. Additionally, the MDPSC denied Pepco's request to extend its Grid Resiliency Program surcharge for new system reliability and safety improvement projects, with costs for such programs to be recovered going forward through base rates.

MDPSC New Generation Contract Requirement. On April 12, 2012, the MDPSC issued an order that requires Pepco to negotiate and enter into a contract with the winning bidder of a competitive bidding process to build one new power plant in the range of 650 to 700 MWs beginning in 2015, in amounts proportional to its relative SOS loads. Under the terms of the order, the winning bidder was to construct a 661 MW natural gas-fired combined cycle generation plant in Waldorf, Maryland, with an expected commercial operation date of June 1, 2015, and Pepco was to recover its costs associated with the contract through surcharges on its respective SOS customers.

In response to a complaint filed by a group of generating companies in the PJM region, on September 30, 2013, the U.S. District Court for the District of Maryland issued a ruling that the MDPSC's April 2012 order violated the Supremacy Clause of the U.S. Constitution by attempting to regulate wholesale prices. In contrast, on October 1, 2013, in response to appeals filed by Pepco and other parties, the Maryland Circuit Court for Baltimore City upheld the MDPSC's orders requiring Pepco to enter into the contracts.

On October 24, 2013, the Federal district court issued an order ruling that the contracts are illegal and unenforceable. In November 2013 both the winning bidder and the MDPSC appealed the Federal district court decision to the U.S. Court of Appeals for the Fourth Circuit, which affirmed the lower Federal court ruling. On November 26, 2014, both the winning bidder and the MDPSC petitioned the U.S. Supreme Court to consider hearing an appeal of the Fourth Circuit decision. On October 19, 2015, the U.S. Supreme Court agreed to review the decision. On April 19, 2016, the U.S. Supreme Court unanimously affirmed the Fourth Circuit's ruling upholding the Federal district court's decision.

The decision of the Maryland Circuit Court was appealed to the Maryland Court of Special Appeals and was stayed pending decision by the U.S. Supreme Court. On August 1, 2016, Pepco submitted a filing requesting that the MDPSC take notice of the U.S. Supreme Court's decision, and notifying the MDPSC that Pepco will dismiss its appeal pending at the Maryland Court of Special Appeals. On September 14, 2016, the Maryland Court of Special Appeals dismissed the pending appeal and the matter is considered closed.

District of Columbia Regulatory Matters

2016 District of Columbia Electric Distribution Base Rates. On June 30, 2016, Pepco filed an application with the DCPSC to increase its annual electric distribution base rates by \$86 million, which was updated to \$82 million on October 14, 2016, and further updated to approximately \$77 million on February 1, 2017, based on a requested ROE of 10.6%. The DCPSC has issued a procedural schedule indicating a final decision will be issued by July 25, 2017. Any adjustments to its rates approved by the DCPSC are expected to take effect soon thereafter. Pepco cannot predict how much of the requested increase the DCPSC will approve.

On April 18, 2016, a party to a separate DCPSC proceeding filed a motion to suspend Pepco's bill stabilization adjustment (BSA), which decouples distribution revenues from utility customers from the amount of electricity delivered. On September 9, 2016, the DCPSC denied the party's motion and determined that the appropriate forum in which to determine whether the BSA continues to be just and reasonable is in Pepco's rate case proceeding. In addition, the

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DCPSC stated that it was putting Pepco on notice that all funds collected for the BSA from January 2015 to the issuance of a decision in the rate case proceeding are subject to refund should the DCPSC determine that such funds were not justly or reasonably collected. On November 22, 2016, following Pepco's October 7, 2016 request for reconsideration of the order, the DCPSC issued an order stating that its September 9, 2016 order was not final and confirming that issues related to the BSA, including potential remedial actions, would be addressed in Pepco's rate case. Pepco cannot predict the outcome of this matter or the impact of a refund if ordered by the DCPSC.

District of Columbia Power Line Undergrounding Initiative. In May 2014, the Council of the District of Columbia enacted the Electric Company Infrastructure Improvement Financing Act of 2014 (the Improvement Financing Act), which provided enabling legislation for the District of Columbia Power Line Undergrounding (DC PLUG) initiative which would selectively place underground some of the District of Columbia's most outage-prone power lines.

The Improvement Financing Act provides that: (i) Pepco is to fund approximately \$500 million of the estimated cost to complete the DC PLUG initiative, recovering those costs through a volumetric surcharge on the electric bills of Pepco District of Columbia customers; (ii) \$375 million of the DC PLUG initiative cost is to be financed by the District of Columbia's issuance of securitized bonds, which bonds will be repaid through a volumetric surcharge (the DDOT surcharge) on the electric bills of Pepco District of Columbia customers that Pepco will remit to the District of Columbia; and (iii) the remaining costs up to \$125 million are to be covered by the existing capital projects program of the District of Columbia Department of Transportation (DDOT). Pepco will not earn a return on or a return of the cost of the assets funded with the proceeds of the securitized bonds or assets that are constructed by DDOT under its capital projects program, but ownership and responsibility for the operation and maintenance of such assets will be transferred to Pepco for a nominal amount.

In June 2014, Pepco and DDOT filed a Triennial Plan related to the construction of selected underground feeders in the District of Columbia. In August 2014, Pepco filed an application for the issuance of a financing order to provide for the issuance of the District's bonds. In March 2016, the DCPSC's orders approving the Triennial Plan and the application for financing were upheld upon the resolution of appeals that had been filed with the District of Columbia Court of Appeals. In compliance with the Improvement Financing Act, on September 30, 2016, Pepco and DDOT filed a Second Triennial Plan. Recognizing the delays to the First Triennial Plan, Pepco and DDOT requested that the DCPSC hold the Second Triennial Plan in abeyance, and the DCPSC granted this request by order dated October 27, 2016.

In June 2015, an agency of the federal government served by Pepco asserted that the DDOT surcharge constitutes a tax on end users from which the federal government is immune. Pepco is currently evaluating the assertion and the resolution of this matter will likely further delay implementation of the DC PLUG initiative.

Federal Regulatory Matters

Transmission Formula Rate. Pepco's transmission rates are established based on a FERC-approved formula. Pepco is required to file an annual update to the FERC-approved formula on or before May 15, with the resulting rates effective on June 1 of the same year. The annual formula rate update is based on prior year actual costs and current year projected capital additions. The update also reconciles any differences between the revenue requirement in effect beginning June 1 of the prior year and actual costs incurred for that year. Pepco records regulatory assets or regulatory liabilities and corresponding increases or decreases to operating revenues for any differences between the revenue requirement in effect and Pepco's best estimate of the revenue requirement expected to be filed with the FERC for that year's reconciliation. The regulatory asset associated with transmission true-up is amortized to Operating revenues within

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its Statements of Operations of Comprehensive Income as the associated amounts are recovered through rates.

For each of the following years, the following total increases/(decreases) were included in Pepco's electric transmission formula rate filings:

	Pepco		
	2016	2015	2014
Annual Transmission Filings			
Initial revenue requirement increase (decrease)	\$ 2	\$ 10	\$ (9)
Annual reconciliation decrease	(10)	(3)	(1)
MAPP abandonment recovery (decrease) increase (a)	(15)	(2)	17
Total revenue requirement (decrease) increase	\$ (23)	\$ 5	\$ 7
Allowed return on rate base (b)	7.88 %	8.36 %	8.60 %
Allowed ROE(c)	10.50 %	11.30 %	11.30 %
Effective date of rates(d)	June 2016	June 2015	June 2014

(a) In 2012, PJM terminated the MAPP transmission line construction project planned for the Pepco service territories. Pursuant to a FERC approved settlement agreement, the abandonment costs associated with MAPP were being recovered in transmission rates over a three-year period that ended in May 2016.

(b) Represents to the weighted average debt and equity return on transmission rate bases.

(c) As part of the FERC-approved settlement of the ROE complaint against Pepco, the rate of return on common equity is 10.5%, inclusive of a 50 basis point incentive adder for being a member of a regional transmission organization.

(d) The time period for any challenges to the annual transmission formula rate update filings expired with no challenges submitted.

PJM Transmission Rate Design and Operating Agreements. PJM Transmission Rate Design specifies the rates for transmission service charged to customers within PJM. Currently, Pepco incurs costs based on the existing rate design, which charges customers based on the cost of the existing transmission facilities within its load zone and the cost of new transmission facilities based on those who benefit from those facilities. In April 2007, FERC issued an order concluding that PJM's current rate design for existing facilities is just and reasonable and should not be changed. In the same order, FERC held that the costs of new facilities 500 kV and above should be socialized across the entire PJM footprint and that the costs of new facilities less than 500 kV should be allocated to the customers of the new facilities who caused the need for those facilities. A number of parties appealed to the U.S. Court of Appeals for the Seventh Circuit for review of the decision.

In August 2009, the court issued its decision affirming the FERC's order with regard to the existing facilities, but remanded to FERC the issue of the cost allocation associated with the new facilities 500 kV and above (Cost Allocation Issue) for further consideration by the FERC. On remand, FERC reaffirmed its earlier decision to socialize the costs of new facilities 500 kV and above. A number of parties filed appeals of these orders. In June 2014, the court again remanded the Cost Allocation Issue to FERC. On December 18, 2014, FERC issued an order setting an evidentiary hearing and settlement proceeding regarding the Cost Allocation Issue. On June 15, 2016, a number of parties, including Pepco, filed an Offer of Settlement with FERC. Each state that is a party in this proceeding either signed, or will not oppose, the settlement. If the Settlement is approved, effective January 1, 2016, for the costs of the 500 kV facilities approved by the PJM Board on or after February 1, 2013, 50% will be socialized across PJM and 50% will be allocated according to an engineering formula that calculates the flows on the transmission facilities. The Settlement includes provisions for monthly credits or charges that are expected to be mostly refunded or recovered through customer rates over a 10-year period.

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based on negotiated numbers for charges prior to January 1, 2016.

Pepco expects that the Settlement will not have a material impact on its results of operations, cash flows and financial position. The Settlement is subject to approval by FERC.

Pepco is committed to the construction of transmission facilities under its operating agreements with PJM to maintain system reliability. Pepco will work with PJM to continue to evaluate the scope and timing of any required construction projects. Pepco's estimated commitments are as follows:

	Total	2017	2018	2019	2020	2021
Construction Commitments	104	6	39	40	19	—

Demand Response Resource Order. On May 23, 2014, the D.C. Circuit Court issued an opinion vacating the FERC Order No. 745 (D.C. Circuit Decision). Order No. 745 established uniform compensation levels for demand response resources that participate in the day ahead and real-time wholesale energy markets. Under Order No. 745, buyers in ISO and RTO markets were required to pay demand response resources the full Locational Marginal Price when the demand response replaced a generation resource and was cost-effective. On January 25, 2016, the U.S. Supreme Court reversed the D.C. Circuit Court decision and remanded the matter to the D.C. Circuit Court. While Pepco cannot predict exactly how the D.C. Circuit Court will handle the matter on remand, Pepco does not expect there will be any significant change in how demand response resources have or will participate in and be paid by wholesale energy markets. Thus, Pepco does not anticipate that there will be any impact to its results of operations or cash flows based on these proceedings.

Regulatory Assets and Liabilities

Pepco prepares its financial statements in accordance with the authoritative guidance for accounting for certain types of regulation. Under this guidance, regulatory assets represent incurred costs that have been deferred because of their probable future recovery from customers through regulated rates. Regulatory liabilities represent the excess recovery of costs or accrued credits that have been deferred because it is probable such amounts will be returned to customers through future regulated rates or represent billings in advance of expenditures for approved regulatory programs.

The following tables provide information about the regulatory assets and liabilities of Pepco as of December 31, 2016 and December 31, 2015:

	December 31, 2016	December 31, 2015
Regulatory Assets (Account 182.3):		
Deferred income taxes	\$ 172	\$ 143
AMI programs	155	113
Energy and transmission programs	6	7
Deferred storm costs	12	20
Energy efficiency and demand response programs	274	359
Merger integration costs	11	-
Under-recovered electric revenue decoupling	21	10
Recoverable Workers Compensation and Long-Term Disability costs	34	31
Other	22	13
Total regulatory assets	\$ 707	\$ 696
Regulatory Liabilities (Account 254):		
Energy efficiency and demand response programs	\$ 5	\$ -
Energy and transmission programs	9	23
Other	6	11
Total regulatory liabilities	\$ 20	\$ 34

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Deferred income taxes. These costs represent the difference between the method by which the regulator allows for the recovery of income taxes and how income taxes would be recorded under GAAP. Regulatory assets and liabilities associated with deferred income taxes, recorded in compliance with the authoritative guidance for accounting for certain types of regulation and income taxes, include the deferred tax effects associated principally with accelerated depreciation accounted for in accordance with the ratemaking policies of the DCPSC and the MDPSC, as well as the revenue impacts thereon, and assume continued recovery of these costs in future transmission and distribution rates. As of December 31, 2016 and 2015, includes transmission-related regulatory assets that require FERC approval separate from the transmission formula rate of \$31 million and \$26 million, respectively. See Note 10 — Income Taxes, Note 12 — Retirement Benefits, and the Transmission Formula Rate section above for additional information. Pepco is not earning a return on the regulatory asset in rates. The recovery period is over the life of the associated assets.

AMI programs. This amount represents AMI costs associated with the installation of smart meters and the early retirement of legacy meters throughout the service territories for Pepco. Pepco has received approval for recovery of deferred AMI program costs from the DCPSC and the MDPSC in its DC and Maryland service territories. Pepco does earn a return on the AMI deployment costs, but not on the early retirement of legacy meters.

Debt costs. Consistent with rate recovery for ratemaking purposes, Pepco's recoverable losses on reacquired long-term debt related to regulated operations are deferred and amortized to interest expense over the life of the new debt issued to finance the debt redemption or over the life of the original debt issuance if the debt is not refinanced. Interest-rate swap settlements are deferred and amortized over the period that the related debt is outstanding or the life of the original issuance retired. These debt costs are used in the determination of the weighted cost of capital applied to rate base in the rate-making process. Pepco is earning a return on the premium of the cost of the reacquired debt through base rates.

Energy and transmission programs. These amounts represent the electric supply and transmission related costs recoverable (refundable) from (to) customers under Pepco's market-based SOS program and FERC approved transmission rates. Pepco earns or pays interest to customers on under-recovered or over-recovered FERC transmission formula-related costs. Pepco does not earn or pay interest to customers on under- or over-recovered SOS costs. The asset is being amortized and recovered over the life of the associated assets. As of December 31, 2016, Pepco's regulatory asset of \$6 million related to under-recovered electric energy costs. As of December 31, 2016, Pepco's regulatory liability of \$8 million included \$5 million of over-recovered transmission costs and \$3 million of over-recovered electric energy costs. As of December 31, 2015, Pepco's regulatory asset of \$9 million included \$5 million of transmission costs recoverable through its FERC approved formula rate and \$4 million of recoverable abandonment costs. As of December 31, 2015, Pepco's regulatory liability of \$16 million included \$14 million of over-recovered transmission costs and \$2 million of over-recovered electric energy costs.

Deferred storm costs. These amounts represent total incremental storm restoration costs incurred for repair work due to major storm events in 2016, 2015, 2012 and 2011, including the January 2016 winter storm Jonas, Hurricane Sandy, the June 2012 derecho, Hurricane Irene and the 2011 severe winter storm, that are recoverable from customers in Maryland. Pepco's costs related to Hurricane Sandy, the June 2012 derecho, Hurricane Irene and the 2011 severe winter storm are being amortized and recovered from customers, each over a five-year period. However, in the November 2016 Pepco Maryland Case No. 9418 order, the Commission ruled that the remaining amortization for the Pepco Maryland February 2010 storm, the January 2011 storm and Hurricane Irene be extended for an additional three years. The reason for the extension was that since these assets would be fully amortized in 2017, Pepco would over-recover these costs if the rates in this case remained in effect beyond July 2017.

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Energy efficiency and demand response programs. These amounts represent recoverable costs associated with customer direct load control and energy efficiency and conservation programs in all jurisdictions that are being recovered from customers. These programs are designed to reduce customers' energy consumption. Pepco earns a return on these regulatory assets.

Merger integration costs. These amounts include integration costs to achieve distribution synergies related to the PHI acquisition. PHI acquisition costs are expected to earn a return and be recovered in distribution rates in the Maryland service territories.

Under (Over)-recovered electric and gas revenue decoupling. These amounts represent the electric distribution costs recoverable from customers under Pepco's Maryland and District of Columbia decoupling mechanisms. Pepco earns a return on these regulatory assets.

Recoverable workers compensation and long-term disability costs. These amounts represent accrued workers' compensation and long-term disability costs for Pepco, which are recoverable from customers when actual claims are paid to employees. Pepco is not earning a return on the recovery of these costs and the recovery period is over the life of the associated assets.

Removal costs. These amounts represent funds Pepco has received from customers through depreciation rates to cover the future non-legally required cost of removal of property, plant and equipment which reduces rate base for ratemaking purposes. This liability is reduced as costs are incurred. Pepco has a regulatory asset which represents removal costs incurred in excess of amounts received from customers through depreciation rates recoverable from ratepayers. Pepco does not earn a return on these regulatory assets and the recovery period is over the life of the associated assets.

Capitalized Ratemaking Amounts Not Recognized

As of December 31, 2016 and 2015, Pepco had \$6 million and \$1 million, respectively, of authorized amounts capitalized for ratemaking purposes related to earnings on shareholders' investment on its AMI Program that were not recognized for financial reporting purposes on the Balance Sheets. These amounts will be recognized as revenues in the Statements of Operations and Comprehensive Income in the periods they are billable to customers.

Purchase of Receivables Programs

Pepco is required, under separate legislation and regulations in Maryland and the District of Columbia, to purchase certain receivables from retail electric and natural gas suppliers that participate in its billing. Pepco purchases receivables at a discount primarily to recover uncollectible accounts expense from the suppliers. Pepco does not record unbilled commodity receivables under the POR programs. Purchased billed receivables are classified in Other accounts receivable, net on Pepco's Balance Sheets. The following tables provide information about the purchased receivables as of December 31, 2016 and December 31, 2015.

	For the years ended December 31,	
	2016	2015
Purchased receivables(a)	\$ 63	\$ 70
Allowance for uncollectible accounts(b)	(7)	(4)

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Purchased receivables, net

\$ 56	\$ 66
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- (a) Pepco's electric POR program in Maryland included a discount on purchased receivables ranging from 0% to 2% depending on customer class, and Pepco's electric POR program in the District of Columbia included a discount on purchased receivables ranging from 0% to 6% depending on customer class.
- (b) Reflects the incremental allowance for uncollectible accounts recorded, which is in addition to the purchase discount.

3. Mergers, Acquisitions, and Dispositions

Merger with Exelon

Description of Transaction

On March 23, 2016, Exelon completed the merger contemplated by the Merger Agreement among Exelon, Purple Acquisition Corp., a wholly owned subsidiary of Exelon (Merger Sub) and Pepco Holdings, Inc. (PHI). As a result of that merger, Merger Sub was merged into PHI (the PHI Merger) with PHI surviving as a wholly owned subsidiary of Exelon and Exelon Energy Delivery Company, LLC (EEDC), a wholly owned subsidiary of Exelon which also owns Exelon's interests in ComEd, PECO and BGE (through a special purpose subsidiary in the case of BGE). Following the completion of the PHI Merger, Exelon and PHI completed a series of internal corporate organization restructuring transactions resulting in the transfer of PHI's unregulated business interests to Exelon and Generation and the transfer of PHI, Pepco, DPL and ACE to a special purpose subsidiary of EEDC.

Regulatory Matters

Approval of the merger in Delaware, New Jersey, Maryland and the District of Columbia was conditioned upon Exelon and PHI agreeing to certain commitments including where applicable: customer rate credits, funding for energy efficiency and delivery system modernization programs, a green sustainability fund, workforce development initiatives, charitable contributions, renewable generation and other required commitments. In addition, the orders approving the merger in Delaware, New Jersey, and Maryland include a "most favored nation" provision which, generally speaking, requires allocation of merger benefits proportionally across all the jurisdictions.

During the third and fourth quarters of 2016, Exelon and PHI filed proposals in Delaware, New Jersey and Maryland for amounts and allocations reflecting the application of the most favored nation provision, resulting in a total nominal cost of commitments of \$513 million excluding renewable generation commitments (approximately \$444 million on a net present value basis, excluding renewable generation commitments and charitable contributions). These filings, which reflect agreements reached with certain parties to the merger proceedings in the jurisdictions, were subject to regulatory review and approval in each jurisdiction. The DPSC and NJBPU approved the amounts and allocations during the third and fourth quarters of 2016. An order from the MDPSC is expected in the first quarter of 2017. No changes in commitment cost levels are required in the District of Columbia.

During the fourth quarter of 2016, the MDPSC approved a change in the application of \$9 million in funding for energy-efficiency program support in the DPL MD service territory. This resulted in an adjustment to the merger commitment costs recorded at Exelon Corporate and DPL. Exelon Corporate recorded a decrease and DPL recorded an increase of \$9 million in Operating and maintenance expense.

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The following amounts were recognized as total commitment costs in Account 426.1 Donations and 426.5 Other deductions in the Statements of Operations and Comprehensive Income for the year ended December 31, 2016 and PHI's successor period:

Description	Expected Payment Period	Successor				
		Pepco(a)	DPL(a)	ACE(a)	PHI(a)	Exelon(a)
Rate credits	2016 - 2017	\$ 91	\$ 67	\$ 101	\$ 259	\$ 259
Energy efficiency	2016 - 2021	-	-	-	-	111
Charitable contributions	2016 - 2026	28	12	10	50	50
Delivery system modernization	Q2 2018	-	-	-	-	22
Green sustainability fund	Q2 2016	-	-	-	-	14
Workforce development	2016 - 2020	-	-	-	-	24
Other		7	7	-	14	33
Total		\$ 126	\$ 86	\$ 111	\$ 323	\$ 513

(a) Included within the individual line items is the most favored nation provision estimate of \$6 million, \$5 million \$38 million, \$49 million and \$134 million at Pepco, DPL, ACE, PHI and Exelon, respectively.

Pursuant to the orders approving the merger, Exelon made \$73 million, \$46 million and \$49 million of equity contributions to Pepco, DPL and ACE, respectively, in the second quarter of 2016 to fund the after-tax amounts of the customer bill credit and the customer base rate credit commitments.

In addition, Exelon is committed to develop or to assist in the commercial development of 37 MWs of new generation in Maryland, District of Columbia, and Delaware, 27 MWs of which are to be completed by 2018. These investments are expected to total approximately \$137 million, are expected to be primarily capital in nature, and will generate future earnings at Exelon and Generation. Investment costs will be recognized as incurred and recorded on Exelon's and Generation's financial statements. Exelon has also committed to purchase 100 MWs of wind energy in PJM, to procure 120 MWs of wind RECs for the purpose of meeting Delaware's renewable portfolio standards, and to maintain and promote energy efficiency and demand response programs in the PHI jurisdictions.

Pursuant to the various jurisdictions' merger approval conditions, over specified periods Pepco, DPL and ACE are not permitted to reduce employment levels due to involuntary attrition associated with the merger integration process and have made other commitments regarding hiring and relocation of positions.

Exelon was previously named in suits filed in the Delaware Chancery Court alleging that individual directors of PHI breached their fiduciary duties by entering into the merger transaction and that Exelon aided and abetted the individual directors' breaches. The suits sought rescission of the merger and unspecified damages and costs. On June 1, 2016, the parties executed a settlement to resolve all claims, subject to the approval of the Delaware Court. A hearing had been scheduled for September 8, 2016 in the Delaware Court to consider whether to approve the settlement. However, on August 19, 2016, the plaintiffs advised Exelon that they had determined to dismiss the case in its entirety and with prejudice. On August 24, 2016, the Delaware Court issued an order approving the dismissal.

In July 2015, the OPC, Public Citizen, Inc., the Sierra Club and the Chesapeake Climate Action Network (CCAN) filed motions to stay the MDPSC order approving the merger and in July and August, Exelon, PHI, the MDPSC, Prince George's County and Montgomery County filed responses opposing the motions to stay. The judge issued an order denying the motions for stay on August 12, 2015. On January 8, 2016, the Circuit Court judge affirmed the MDPSC's order approving the merger and denied the petitions for judicial review filed by the OPC, the Sierra Club, CCAN and Public

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Citizen, Inc. On January 19, 2016, the OPC filed a notice of appeal to the Maryland Court of Special Appeals, and on January 21, 2016, the Sierra Club and CCAN filed a notice of appeal. On January 27, 2017, the Maryland Court of Special Appeals affirmed the Circuit Court's judgment. The OPC and Sierra Club have until the later of (i) 30 days from the date of the Court's order or (ii) 15 days from the date the Court enters its mandate, to file their petition for further review in the Court of Appeals. Exelon cannot predict if the petition will be filed.

Between March 25, 2016 and April 22, 2016, various parties filed motions with the DCPSC to reconsider its March 23, 2016 order approving the merger. On June 17, 2016, the DCPSC denied all motions. In August 2016, the District of Columbia Office of People's Counsel, the District of Columbia Government, and Public Citizen jointly with DC Sun each filed petitions for judicial review of the DCPSC's March 23, 2016 order with the District of Columbia Court of Appeals. On September 9, 2016, the Court consolidated the appeals. The Court has issued a scheduling order, and a decision is expected in the second or third quarter of 2017. Exelon believes the matters are without merit.

Acquisition and Integration Costs

For the periods ended December 31, 2016 and 2015, Pepco recognized merger related costs of \$28 million and \$3 million, respectively. For the year ended December 31, 2016, costs include the reversal of previously incurred acquisition, integration and financing costs of \$11 million that had been deferred and recorded as a regulatory asset for anticipated recovery. See Note 2 - Regulatory Matters for more information.

Asset Divestitures

On November 10, 2015, Pepco completed the sale of a 3.5 acre parcel of unimproved land (held as non-utility property) in the Buzzard Point area of southeast Washington, D.C., resulting in a pre-tax gain of \$37 million.

On December 31, 2015, Pepco completed the sale of a 3.8 acre parcel of unimproved land (held as non-utility property) in the NoMa area of northeast Washington, D.C., resulting in a pre-tax gain of \$9 million. The purchase and sale agreement also provided the third party with a 90-day option to purchase the remaining 1.8 acre land parcel.

On May 2, 2016, Pepco completed the sale of the remaining 1.8 acre land parcel noted above, located in the NoMa area of northeast Washington, D.C., resulting in a pre-tax gain of approximately \$8 million at Pepco. Due to the fair value adjustments recorded at Exelon and PHI as part of purchase accounting, no gain was recorded in Exelon's and PHI's Consolidated Statements of Operations and Comprehensive Income.

4. Accounts Receivable

Accounts receivable at December 31, 2016 and 2015, included estimated unbilled revenues, representing an estimate for the unbilled amount of energy or services provided to customers, and is net of an allowance for uncollectible accounts as follows:

	As of December 31,	
	2016	2015
Unbilled customer revenues (Account 173)	\$ 123	\$ 76
Allowance for uncollectible accounts (Account 144)	(30)	(17)

At December 31, 2016, as explained in Note 1—Significant Accounting Policies, Pepco estimated the allowance for uncollectible accounts on customer receivables by applying loss rates to the outstanding receivable balance by risk

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segment. The change in estimate resulted in an overall increase of \$14 million in the allowance for uncollectible accounts with \$8 million deferred as a regulatory asset on Pepco's Balance Sheet at December 31, 2016. This also resulted in a \$6 million pre-tax charge to provision for uncollectible accounts expense for the year ended December 31, 2016, which is included in Operating and maintenance expense on Pepco's Statement of Operations and Comprehensive Income.

5. Property, Plant and Equipment

The following table presents the average service life of property, plant and equipment by asset category as of December 31, 2016 and 2015:

Asset Category	Average Service Life (years)
Electric—transmission and distribution	5-86
Other property, plant and equipment	10-33

The annual depreciation provisions as a percentage of average service life for electric transmission and distribution assets were 2.17% and 2.13% for the years ended December 31, 2016 and 2015, respectively.

See Note 1—Significant Accounting Policies for further information regarding property, plant and equipment policies and accounting for capitalized software costs.

6. Intangible Assets

In the third quarter of 2015, Pepco entered into a sponsorship agreement with the District of Columbia for future naming rights associated with public property within the District of Columbia to be determined over time through future negotiations. An intangible asset was recorded in Account 186, Miscellaneous deferred debits, in the amount of \$25 million. Amortization of the intangible asset will begin once the terms of the naming rights are defined.

7. Fair Value of Financial Assets and Liabilities

Fair Value of Financial Liabilities Recorded at the Carrying Amount

The following tables present the carrying amounts and fair values of Pepco's short-term liabilities and long-term debt as of December 31, 2016 and 2015:

	December 31, 2016				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Short-term liabilities (Account 231)	\$ 23	\$ -	\$ 23	\$ -	\$ 23
Long-term debt (Account 181, 221, 224-227, 243) (a)	2,348	-	2,788	8	2,796

	December 31, 2015				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Short-term liabilities (Account 231)	\$ 64	\$ -	\$ 64	\$ -	\$ 64
Long-term debt (Account 181,					

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Assets				
Cash equivalents (a) (Account 134)	\$	33	\$	-
Rabbi trust investments				
Cash equivalents (Account 128)		44		-
Fixed income (Account 128)		-		16
Life insurance contracts (Account 186)		-		22
Rabbi trust investments subtotal		44		38
Total assets		<u>77</u>		<u>38</u>
Liabilities				
Deferred compensation obligation (Account 253)		-		(5)
Total liabilities		<u>-</u>		<u>(5)</u>
Total net assets	\$	<u>77</u>	\$	<u>33</u>

As of December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents (a) (Account 134)	\$	2	\$	-
Rabbi trust investments				
Cash equivalents (Account 128)		12		-
Fixed income (Account 128)		-		15
Life insurance contracts (Account 186)		-		23
Rabbi trust investments subtotal		12		38
Total assets		<u>14</u>		<u>38</u>
Liabilities				
Deferred compensation obligation (Account 253)		-		(5)
Total liabilities		<u>-</u>		<u>(5)</u>
Total net assets	\$	<u>14</u>	\$	<u>32</u>

(a) Pepco excludes cash of \$9 million and \$5 million at December 31, 2016 and 2015, respectively.

The following tables present the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016 and 2015:

	December 31, 2016 Life Insurance Contracts	December 31, 2015 Life Insurance Contracts
Balance as of December 31	\$ 19	\$ 18
Total realized / unrealized gains		
Included in net income	3	5
Purchases, sales, issuances and settlements		
Issuances	(3)	(3)
Settlements	-	(1)
Balance as of December 31 (Account 186)	\$ 19	\$ 19
The amount of total gains included in income attributed to the change in unrealized gains related to assets and liabilities for the period	3	3

The following tables present the income statement classification of the total realized and unrealized gains included in income for Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Total gains included in net income	\$ 3	\$ 5
Change in the unrealized gain relating to assets and liabilities held	3	3

Valuation Techniques Used to Determine Fair Value

The following describes the valuation techniques used to measure the fair value of the assets and liabilities shown in the tables above.

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Cash Equivalents. Pepco's cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value tables are comprised of investments in mutual and money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized in Level 1 in the fair value hierarchy.

Fixed Income Securities. For fixed income securities, multiple prices from pricing services are obtained whenever possible, which enables cross-provider validations in addition to checks for unusual daily movements. A primary price source is identified based on asset type, class or issue for each security. With respect to individually held fixed income securities, the trustees monitor prices supplied by pricing services and may use a supplemental price source or change the primary price source of a given security if the portfolio managers challenge an assigned price and the trustees determine that another price source is considered to be preferable. Pepco has obtained an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices. Additionally, Pepco selectively corroborates the fair values of securities by comparison to other market-based price sources. U.S. Treasury securities are categorized as Level 1 because they trade in a highly liquid and transparent market. The fair values of fixed income securities, excluding U.S. Treasury securities, are based on evaluated prices that reflect observable market information, such as actual trade information or similar securities, adjusted for observable differences and are categorized in Level 2.

Rabbi Trust Investments. The Rabbi trusts were established to hold assets related to deferred compensation plans existing for certain active and retired members of executive management and directors. The Rabbi trusts assets are included in investments in the Balance Sheets and consist primarily of money market funds, mutual funds, fixed income securities and life insurance policies. The mutual funds are maintained by investment companies and hold certain investments in accordance with a stated set of fund objectives, which are consistent with Exelon's overall investment strategy. Money market funds and mutual funds are publicly quoted and have been categorized as Level 1 given the clear observability of the prices. The fair values of fixed income securities are based on evaluated prices that reflect observable market information, such as actual trade information or similar securities, adjusted for observable differences and are categorized in Level 2. The life insurance policies are valued using the cash surrender value of the policies, net of loans against those policies, which is provided by a third-party. Certain life insurance policies, which consist primarily of mutual funds that are priced based on observable market data, have been categorized as Level 2 because the life insurance policies can be liquidated at the reporting date for the value of the underlying assets. Life insurance policies that are valued using unobservable inputs have been categorized as Level 3.

Deferred Compensation Obligations. Pepco's deferred compensation plans allow participants to defer certain cash compensation into a notional investment account. Pepco includes such plans in other current and noncurrent liabilities in its Balance Sheets. The value of the Pepco's deferred compensation obligations is based on the market value of the participants' notional investment accounts. The underlying notional investments are comprised primarily of equities, mutual funds, commingled funds, and fixed income securities which are based on directly and indirectly observable market prices. Since the deferred compensation obligations themselves are not exchanged in an active market, they are categorized as Level 2 in the fair value hierarchy.

The value of certain employment agreement obligations (which are included with the Deferred Compensation Obligation in the tables above) are based on a known and certain stream of payments to be made over time and are categorized as Level 2 within the fair value hierarchy.

Additional Information Regarding Level 3 Fair Value Measurements

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Rabbi Trust Investments - Life insurance contracts. For life insurance policies categorized as Level 3, the fair value is determined based on the cash surrender value of the policy, which contains unobservable inputs and assumptions. Because Exelon relies on its third-party insurance provider to develop the inputs without adjustment for the valuations of its Level 3 investments, quantitative information about significant unobservable inputs used in valuing these investments is not reasonably available to Pepco. Pepco gains an understanding of the types of inputs and assumptions used in preparing the valuations and performs procedures to assess the reasonableness of the valuations.

8. Derivative Financial Instruments

Commodity Price Risk

Pepco employs established policies and procedures to manage their risks associated with market fluctuations in commodity prices by entering into physical and financial derivative contracts, including short-term and long-term commitments to purchase and sell energy and energy-related products. Pepco believes these instruments, which are classified as either economic hedges or non-derivatives, mitigate exposure to fluctuations in commodity prices.

Derivative accounting guidance requires that derivative instruments be recognized as either assets or liabilities at fair value, with changes in fair value of the derivative recognized in earnings each period. Other accounting treatments are available through special election and designation, provided they meet specific, restrictive criteria both at the time of designation and on an ongoing basis. These alternative permissible accounting treatments include normal purchase normal sale (NPNS), cash flow hedge and fair value hedge. Pepco has applied the NPNS scope exception to its power procurement agreements.

Pepco has contracts to procure SOS electric supply that are executed through a competitive procurement process approved by the MDPSC and DCPSC. The SOS rates charged recover Pepco's wholesale power supply costs and include an administrative fee. The administrative fee includes an incremental cost component and a shareholder return component for residential and commercial rate classes. Pepco's price risk related to electric supply procurement is limited. Pepco locks in fixed prices for all of its SOS requirements through full requirements contracts. Certain of Pepco's full requirements contracts, which are considered derivatives, qualify for the NPNS scope exception under current derivative authoritative guidance. Other Pepco full requirements contracts are not derivatives.

As of December 31, 2016 and 2015, Pepco had no fair value balances associated with derivatives on its Balance Sheets.

Credit Risk

Pepco's power procurement contracts provide suppliers with a certain amount of unsecured credit. The amount of unsecured credit is determined based on the supplier's lowest credit rating from the major credit rating agencies and the supplier's tangible net worth. The credit position is based on the initial market price, which is the forward price of energy on the day a transaction is executed, compared to the current forward price curve for energy. To the extent that the forward price curve for energy exceeds the initial market price, the supplier is required to post collateral to the extent the credit exposure is greater than the supplier's unsecured credit limit. The unsecured credit used by the suppliers represents Pepco's net credit exposure. As of December 31, 2016, Pepco's net credit exposure to suppliers was immaterial.

Pepco is permitted to recover its costs of procuring energy through the MDPSC-approved and DCPSC-approved procurement tariffs. Pepco's counterparty credit risks are mitigated by its ability to recover realized energy costs through

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customer rates. See Note 2 — Regulatory Matters for additional information.

Collateral and Contingent-Related Features

Pepco's full requirements wholesale power agreements that govern the terms of its electric supply procurement contracts do not contain provisions that would require Pepco to post collateral.

9. Debt and Credit Agreements

Short-Term Borrowings

Pepco meets its short-term liquidity requirements primarily through the issuance of commercial paper and short-term notes. Pepco may use its credit facilities for general corporate purposes, including meeting short-term funding requirements and the issuance of letters of credit.

Commercial Paper

The following table reflects Pepco's commercial paper programs supported by the revolving credit agreements and bilateral credit agreements at December 31, 2016 and December 31, 2015:

Commercial Paper Issuer	Maximum Program Size at December 31,		Outstanding Commercial Paper at December 31,		Average Interest Rate on Commercial Paper Borrowings for the Year Ended December 31,	
	2016 (a)	2015 (a)	2016 (a)	2015 (a)	2016 (a)	2015 (a)
Pepco	500	500	23	64	0.71%	0.44%

(a) Excludes additional credit facility agreements with aggregate commitments of \$2 million arranged with minority and community banks located primarily within Pepco's service territories. These facilities expire on October 13, 2017. These facilities are solely utilized to issue letters of credit. As of December 31, 2016, there were no letters of credit issued under these facilities.

In order to maintain its commercial paper programs in the amounts indicated above, Pepco must have credit facilities in place, at least equal to the amount of its commercial paper program. While the amount of outstanding commercial paper does not reduce available capacity under its credit facility, Pepco does not issue commercial paper in an aggregate amount exceeding the then available capacity under its credit facility.

At December 31, 2016, Pepco had the following aggregate bank commitments, credit facility borrowings and available capacity under their respective credit facilities:

Borrower	Facility Type	Aggregate Bank Commitment (a)(b)	Facility Draws	Outstanding Letters of Credit	Available Capacity at December 31, 2016	
					Actual	To Support Additional Commercial Paper
Pepco	Syndicated Revolver	300	-	-	300	277

(a) Excludes additional credit facility agreements with aggregate commitments of \$2 million arranged with minority and community banks located primarily within Pepco's service territories. These facilities expire on October 13, 2017. These facilities are solely utilized to issue letters of credit. As of December 31, 2016, there were no letters of credit issued under these facilities.

(b) Pepco's revolving credit facility is subject to available borrowing capacity. The borrowing capacity may be increased or decreased during the term of the

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facility, except that (i) the sum of the borrowing capacity must equal the total amount of the facility, and (ii) the aggregate amount of credit used at any given time by each of Pepco, DPL or ACE may not exceed \$900 million or the maximum amount of short-term debt the company is permitted to have outstanding by its regulatory authorities. The total number of the borrowing reallocations may not exceed eight per year during the term of the facility.

The following table presents the short-term borrowings activity for Pepco during 2016 and 2015.

	2016		2015	
	\$	4	\$	34
Average borrowings		73		190
Maximum borrowings outstanding		0.71%		0.44%
Average interest rates, computed on a daily basis		0.90%		0.68%
Average interest rates, computed at December 31				

Credit Agreements

On May 26, 2016, Pepco entered into an amendment to its Second Amended and Restated Credit Agreement dated as of August 1, 2011, which (i) extended the maturity date of the facility to May 26, 2021, (ii) removed PHI as a borrower under the facility, (iii) decreased the size of the facility from \$1.5 billion to \$900 million and (iv) aligned its financial covenant from debt to capitalization leverage ratio to interest coverage ratio.

Borrowings under Pepco's revolving credit agreements bear interest at a rate based upon either the prime rate or a LIBOR-based rate, plus an adder based upon its credit rating. The adder for the prime based borrowings is 7.5 and for the LIBOR-based borrowings is 107.5. The maximum adders for prime rate borrowings and LIBOR-based rate borrowings are 90 basis points and 165 basis points, respectively. The credit agreements also require Pepco to pay a facility fee based upon the aggregate commitments. The fee varies depending upon Pepco's credit rating.

An event of default under any of the Exelon Registrants' credit agreements would not constitute an event of default under Pepco's credit agreements.

Each credit agreement requires Pepco to maintain a minimum cash from operations to interest expense ratio for the twelve-month period ended on the last day of any quarter. The minimum credit agreement threshold for the year ended December 31, 2016 was 2.00 to 1. At December 31, 2016, the interest coverage ratio was 6.24.

Through May 26, 2016, when Pepco entered into a new restated credit agreement, as mentioned above, it had maintained an unsecured syndicated credit facility to provide for its liquidity needs, including obtaining letters of credit, borrowing for general corporate purposes and supporting its commercial paper programs. The termination date of this credit facility was August 1, 2018.

The aggregate borrowing limit under the amended and restated credit facility was \$1.5 billion, all or any portion of which could have been used to obtain loans and up to \$500 million of which could have been used to obtain letters of credit. The facility also included a swingline loan sub-facility, pursuant to which Pepco could have made same day borrowings in an aggregate amount not to exceed 10% of the total amount of the facility. Any swingline loan had to be repaid by the borrower within fourteen days of receipt. The credit sublimit was \$250 million for Pepco. The sublimits could have been increased or decreased by the individual borrower during the term of the facility, except that (i) the sum of all of the borrower sublimits following any such increase or decrease had to equal the total amount of the facility and (ii) the aggregate amount of credit used at any given time by Pepco could not exceed the lesser of \$500 million and the maximum amount of short-term debt it was permitted to have outstanding by its regulatory authorities. The total number of the sublimit reallocations could not exceed eight per year during the term of the facility.

The interest rate payable by Pepco on utilized funds was, at its election, (i) the greater of the prevailing prime rate, the

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federal funds effective rate plus 0.5% and the one-month London Interbank Offered Rate (LIBOR) plus 1.0%, or (ii) the prevailing Eurodollar rate, plus a margin that varies according to Pepco's credit rating.

In order for Pepco to use the facility, certain representations and warranties had to be true and correct, and Pepco had to be in compliance with specified financial and other covenants, including (i) the requirement that it maintain a ratio of total indebtedness to total capitalization of 65% or less, computed in accordance with the terms of the credit agreement, which calculation excluded from the definition of total indebtedness certain trust preferred securities and deferrable interest subordinated debt (not to exceed 15% of total capitalization), (ii) with certain exceptions, a restriction on sales or other dispositions of assets, and (iii) a restriction on the incurrence of liens on its assets other than permitted liens. The credit agreement contained certain covenants and other customary agreements and requirements that, if not complied with, resulted in an event of default and the acceleration of repayment obligations of one or more of the borrowers thereunder.

The absence of a material adverse change in Pepco's business, property, results of operations or financial condition was not a condition to the availability of credit under the credit agreement. The credit agreement did not include any rating triggers.

Long-Term Debt

The following tables present Pepco's outstanding long-term debt as of December 31, 2016 and 2015:

	Rates	Maturity Date	December 31,	
			2016	2015
Long-term debt				
First mortgage bonds (Account 221) (a)	3.05% - 7.90%	2022 - 2043	\$ 2,335	\$ 2,335
Notes payable and other (Accounts 224, 227, 243) (b)	8.20% - 8.88%	2019 - 2021	46	50
Total long-term debt			2,381	2,385
Unamortized debt discount and premium, net (Account 225 and 226)			(2)	(2)
Unamortized debt issuance costs (Account 181)			(30)	(32)
Long-term debt due within one year			(16)	(11)
Long-term debt			\$ 2,333	\$ 2,340

- (a) Substantially all of Pepco's assets are subject to the lien of its respective mortgage indenture.
(b) Includes capital lease obligations of \$39 million and \$50 million at December 31, 2016 and 2015, respectively. Lease payments of \$12 million, \$13 million and \$14 million will be made in 2017, 2018 and 2019, respectively.

Long-term debt maturities at Pepco in the periods 2017 through 2021 and thereafter are as follows:

Year	Pepco
2017	\$ 16
2018	13
2019	124
2020	-
2021	2
Thereafter	2,226
	\$ 2,381

10. Income Taxes

Income tax expense (benefit) from continuing operations is comprised of the following components:

	For the year ended December 31,	
	2016	2015
Included in operations:		
Federal:		
Current	\$ (118)	\$ (54)
Deferred	136	126

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State		
Current	7	6
Deferred	16	24
Total (Accounts 409.1, 409.2, 410.1, 410.2, 411.1, 411.2, 411.4)	\$ 41	\$ 102

The effective income tax rate from continuing operations varies from the U.S. Federal statutory rate principally due to the following:

	For the year ended December 31,	
	2016(a)	2015
U.S. Federal Statutory rate	35.0%	35.0%
Increase (decrease) due to:		
State income taxes, net of Federal income tax benefit (b)	15.7	6.7
Amortization of investment tax credit, including deferred taxes on basis difference	(0.2)	(0.1)
Plant basis differences	(22.8)	(5.8)
Merger Expenses	23.5	-
Other (c)	(1.8)	(0.5)
Effective income tax rate	49.4%	35.3%

(a) In 2016, includes a remeasurement of uncertain state income tax positions.

(b) In 2015, includes impacts of the PHI Global Settlement.

The tax effects of temporary differences and carryforwards, which give rise to significant portions of the deferred tax assets (liabilities), as of December 31, 2016 and 2015 are presented below:

	For the year ended December 31,	
	2016	2015
Plant basis differences	(1,678)	(1,603)
Deferred pension and postretirement obligation	(122)	(95)
Deferred debt refinancing costs	(7)	(8)
Regulatory assets and liabilities	(194)	(202)
Tax loss carryforward	36	146
Other, net	77	40
Deferred income tax liabilities, net (Accounts 190, 282 and 283)	(1,888)	(1,722)
Unamortized investment tax credits (Account 255)	(2)	(2)
Total deferred income tax liabilities (net) and unamortized investment tax credits	(1,890)	(1,724)

The following table provides Pepco's carryforwards and any corresponding valuation allowances as of December 31, 2016.

	Pepco	
Federal		
Federal net operating loss	\$ 44	
Deferred taxes on Federal net operating loss	15	
State		
State net operating losses and credit carryforwards	360	(a)
Deferred taxes on state tax attributes (net)	20	

(a) Pepco's state net operating loss carryforwards, which are presented on a post-apportioned basis, will begin expiring in 2028.

Tabular reconciliation of unrecognized tax benefits

The following tables provide a reconciliation of Pepco's unrecognized tax benefits as of December 31, 2016 and 2015:

	Pepco	
Unrecognized tax benefits at January 1, 2016	\$ 8	
Increases based on tax positions related to 2016	21	
Increases based on tax positions prior to 2016	51	
Unrecognized tax benefits at December 31, 2016	\$ 80	

Pepco

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Unrecognized tax benefits at January 1, 2015
Increases based on tax positions prior to 2015
Unrecognized tax benefits at December 31, 2015

\$	-
	8
\$	<u>8</u>

Unrecognized tax benefits that if recognized would affect the effective tax rate

Pepco has \$21 million of unrecognized tax benefits at December 31, 2016 that, if recognized, would decrease the effective tax rate. Pepco has \$59 million of unrecognized tax benefits at December 31, 2016 that, if recognized, may be included in future base rates and that portion would have no impact to the effective tax rate.

Pepco had \$8 million of unrecognized tax benefits at December 31, 2015 that, if recognized, may be included in future base rates and that portion would have no impact to the effective tax rate.

Reasonably possible that total amount of unrecognized tax benefits could significantly increase or decrease within 12 months after the reporting date

Settlement of Income Tax Audits and Litigation

As of December 31, 2016, Pepco has approximately \$21 million of unrecognized federal and state tax benefits that will decrease in the first quarter of 2017 due to the receipt in January of favorable IRS guidance as to whether certain business expenses should be capitalized or deducted. The recognition of these unrecognized tax benefits will decrease the effective tax rate in the first quarter of 2017.

As of December 31, 2016, Pepco has approximately \$59 million of unrecognized state tax benefits that could significantly decrease within the 12 months after the reporting date as a result of completing audits, potential settlements, and expected statute of limitation expirations. The unrecognized tax benefit, if recognized, may be included in future base rates and that portion would have no impact to the effective tax rate.

Total amounts of interest and penalties recognized

Pepco's net interest receivable, including interest related to tax positions reflected on its Balance Sheets was \$1 million and \$20 million at December 31, 2016 and 2015, respectively. There were no penalties receivable (payable), including penalties related to tax positions, at December 31, 2016 and 2015.

Pepco's net interest expense (income), including interest related to tax positions, recognized in Interest expense, net and Other, net in Other income and deductions in its Statements of Operations and Comprehensive Income was \$6 million and \$(4) million at December 31, 2016 and 2015, respectively. Pepco had no penalty expense (income), including penalties related to tax positions, at December 31, 2016 and 2015.

Description of tax years that remain open to assessment by major jurisdiction

	<u>Open Years</u>
Federal income tax returns	1999, 2001-2015
Maryland corporate net income tax returns	Same as Federal
Washington D.C. corporate income tax returns	2013-2015

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Other Tax Matters

PHI Global Tax Settlement

On November 18, 2015, PHI entered into a settlement with the IRS and the DOJ (the Global Tax Settlement) to primarily provide for the resolution of the uncertain tax treatment of its previously held cross-border energy lease investments involving public utility assets located outside of the United States structured as sale-in, lease-out, or SILO, transactions.

As a result of the Global Tax Settlement in the fourth quarter of 2015, PHI re-measured uncertain tax positions resulting in the recognition of a tax benefit of \$35 million, including \$26 million related to continuing operations and \$9 million related to discontinued operations. PHI also recorded an interest benefit, net of tax, of \$21 million. Pepco recorded a tax benefit of \$6 million and interest benefit, net of tax, of \$3 million.

Allocation of Tax Benefits

Pepco is party to an agreement with Exelon and other subsidiaries of Exelon that provides for the allocation of consolidated tax liabilities and benefits (Tax Sharing Agreement). The Tax Sharing Agreement provides that each party is allocated an amount of tax similar to that which would be owed had the party been separately subject to tax. In addition, any net benefit attributable to Exelon is reallocated to the other Registrants. That allocation is treated as a contribution to the capital of the party receiving the benefit. During 2016, Pepco did not record an allocation of Federal tax benefits from Exelon as it was not a part of Exelon's 2015 consolidated tax return.

11. Asset Retirement Obligations

Pepco has AROs primarily associated with the abatement and disposal of equipment and buildings contaminated with asbestos and PCBs. See Note 1 — Significant Accounting Policies for additional information on the accounting policy for AROs.

The following table provides a rollforward of the AROs reflected on Pepco's Balance Sheets from January 1, 2015 to December 31, 2016:

Non-nuclear AROs at January 1, 2015	\$ -
Non-nuclear AROs at December 31, 2015	-
Net increase due to changes in, and timing of, estimated future cash flows	<u>2</u>
Non-nuclear AROs at December 31, 2016 (Account 230)	<u>\$ 2</u>

12. Retirement Benefits

As of December 31, 2016, Exelon sponsored defined benefit pension plans and other postretirement benefit plans for essentially all employees.

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Effective March 23, 2016, Exelon became the sponsor of all of PHI's defined benefit pension and other postretirement benefit plans, and assumed PHI's benefit plan obligations and related assets. As a result, PHI's benefit plan net obligation and related regulatory assets were transferred to Exelon and remeasured at the merger date using current assumptions, including discount rates.

The table below shows the pension and other postretirement benefit plans in which Pepco employees participated at December 31, 2016.

Name of Plan:

Qualified Pension Plan:
Pepco Holdings LLC Retirement Plan

Non-Qualified Pension Plans:
Pepco Holdings LLC 2011 Supplemental Executive Retirement Plan
Pepco Holdings LLC Combined Executive Retirement Plan

Other Postretirement Benefit Plan:
Pepco Holdings LLC Welfare Plan for Retirees

Contributions

Pepco's contributions to the pension plans were \$24 million and zero for December 31, 2016 and 2015, respectively. Pepco's contributions to the other postretirement benefit plans were \$8 million and \$2 million for December 31, 2016 and 2015, respectively.

Management considers various factors when making pension funding decisions, including actuarially determined minimum contribution requirements under ERISA, contributions required to avoid benefit restrictions and at-risk status as defined by the Pension Protection Act of 2006 (the Act), management of the pension obligation and regulatory implications. The Act requires the attainment of certain funding levels to avoid benefit restrictions (such as an inability to pay lump sums or to accrue benefits prospectively), and at-risk status (which triggers higher minimum contribution requirements and participant notification).

Pepco's planned contributions to the qualified pension plans, planned benefit payments to non-qualified pension plans, and planned contributions to other postretirement plans in 2017 are \$60 million, \$1 million and \$10 million, respectively.

Allocation to Pepco

Pepco accounts for its participation in Exelon's pension and other postretirement benefit plans by applying multi-employer accounting. Components of pension and other postretirement benefit costs and contributions have been, and will continue to be, allocated to Pepco based on employee participation (both active and retired).

Approximately \$31 million and \$30 million were included in capital expenditures and operating and maintenance expense in 2016 and 2015, respectively, for Pepco's allocated portion of pension and other postretirement benefit plan costs. These amounts include the recognized contractual termination benefit charges, curtailment gains, and settlement charges.

Defined Contribution Savings Plan

Pepco participates in various 401(k) defined contribution savings plans that are sponsored by Exelon. The plans are

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qualified under applicable sections of the IRC and allow employees to contribute a portion of their pre-tax and after-tax income in accordance with specified guidelines. Pepco matches a percentage of the employee contributions up to certain limits. The cost of Pepco's matching contributions to the savings plan was \$3 million for the years ended December 31, 2016 and 2015.

13. Severance

Pepco has an ongoing severance plan under which, in general, the longer an employee worked prior to termination the greater the amount of severance benefits. Pepco records a liability and expense or regulatory asset for severance once terminations are probable of occurrence and the related severance benefits can be reasonably estimated. For severance benefits that are incremental to its ongoing severance plan ("one-time termination benefits"), Pepco measures the obligation and records the expense at fair value at the communication date if there are no future service requirements, or, if future service is required to receive the termination benefit, ratably over the required service period.

Ongoing Severance Plans

Pepco provides severance and health and welfare benefits under Exelon's ongoing severance benefit plans to terminated employees in the normal course of business. These benefits are accrued for when the benefits are considered probable and can be reasonably estimated.

For the years ended December 31, 2016 and 2015, Pepco's severance costs associated with ongoing severance benefits within Operating and maintenance expense in its Statements of Operations and Comprehensive Income were immaterial.

Severance Costs Related to the PHI Merger

Upon closing the PHI Merger, Exelon recorded a severance accrual for the anticipated employee position reductions as a result of the post-merger integration. Cash payments under the plan began in May 2016 and will continue through 2020.

For the year ended December 31, 2016, Pepco recorded \$21 million in severance costs associated with the identified job reductions within Operating and maintenance expense in its Statement of Operations and Comprehensive Income, pursuant to the authoritative guidance for ongoing severance plans. Pepco also established a regulatory asset of \$11 million as of December 31, 2016, primarily for severance benefit costs related to the PHI merger.

Severance Liability

The severance liability recorded for employees of Pepco (excluding amounts included at Exelon and billed through intercompany allocations) was zero at December 31, 2016 and 2015. Severance charges, including salary continuance and health and welfare severance benefits, of \$1 million and payments of \$1 million were made during 2016. There were no charges or payments in 2015.

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14. Shareholders' Equity

The following table presents common stock authorized and outstanding as of December 31, 2016 and 2015:

	Par Value	Shares Authorized	December 31,	
			2016	2015
			Shares Outstanding	
Pepco	\$ 0.01	200,000,000	100	100

15. Commitments and Contingencies

Commercial Commitments

Pepco commercial commitments as of December 31, 2016, representing commitments potentially triggered by future events, were as follows:

	Total	Expiration within					2022 and beyond
		2017	2018	2019	2020	2021	
Surety bonds (a)	9	9	—	—	—	—	—
Guaranteed lease residual values(b)	6	—	—	—	—	—	6
Total commercial commitments	\$ 15	\$ 9	\$ —	\$ —	\$ —	\$ —	\$ 6

(a) Surety bonds—Guarantees issued related to contract and commercial agreements, excluding bid bonds.

(b) Represents the maximum potential obligation in the event that the fair value of certain leased equipment and fleet vehicles is zero at the end of the maximum lease term. The maximum lease term associated with these assets ranges from 3 to 8 years. The maximum potential obligation at the end of the minimum lease term would be \$14 million. The minimum lease term associated with these assets ranges from 1 to 4 years. Historically, payments under the guarantees have not been made and PHI believes the likelihood of payments being required under the guarantees is remote.

Leases

Pepco's minimum future operating lease payments, including lease payments for contracted generation, vehicles, real estate, computers, operating equipment and office equipment, as of December 31, 2016 were:

2017	\$ 7
2018	6
2019	5
2020	4
2021	3
Remaining years	7
Total minimum future lease payments	\$ 32

Pepco's rental expense under operating leases was \$8 million and \$7 million for the years ended December 31, 2016 and 2015, respectively.

For information regarding capital lease obligations, see Note 9—Debt and Credit Agreements.

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Environmental Remediation Matters

General. Pepco's operations have in the past, and may in the future, require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, Pepco is generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. Pepco owns or leases a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. In addition, Pepco is currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

As of December 31, 2016 and 2015, Pepco has accrued \$27 million and \$24 million, respectively, in undiscounted amounts for environmental liabilities in Account 253, Other deferred credits on its Balance Sheets. None of these amounts are related to MGP investigation and remediation.

Pepco cannot reasonably estimate whether it will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by itself, environmental agencies or others, or whether such costs will be recoverable from third parties, including customers.

Water Quality

Benning Road Site NPDES Permit Limit Exceedances. Pepco holds an NPDES permit issued by EPA with a July 19, 2009 effective date, which authorizes discharges from the Benning Road service facility. The 2009 permit for the first time imposed numerical limits on the allowable concentration of certain metals in storm water discharged from the site into the Anacostia River. The permit contemplated that Pepco would meet these limits over time through the use of best management practices (BMPs). The BMPs were effective in reducing metal concentrations in storm water discharges, but were not sufficient to meet all of the numerical limits for all metals.

The 2009 permit remains in effect pending EPA's action on the Pepco renewal application, including resolution of the stormwater compliance issues. On October 30, 2015, EPA filed a Clean Water Act civil enforcement action against Pepco in federal district court, and in March 2016 the court granted a motion by the Anacostia Riverkeeper to intervene in this case as a plaintiff along with EPA. Since 2009 Pepco has installed runoff mitigation measures and implemented new operating procedures to comply with regulations. In January 2017, the parties agreed to a settlement in the form of a Consent Decree whereby Pepco will pay a civil penalty in the amount of \$1.6 million, continue the BMPs to manage stormwater, construct a new stormwater treatment system, and make certain other capital improvements to the stormwater management system. The Consent Decree has been lodged with the Court and will be subject to a 30-day public comment period. It is expected that the Court will approve the Consent Decree in the first quarter of 2017. Pepco has established appropriate reserves for the liabilities under the Consent Agreement, which is included in the table above.

Solid and Hazardous Waste

Benning Road Site. In September 2010, PHI received a letter from EPA identifying the Benning Road site as one of six land-based sites potentially contributing to contamination of the lower Anacostia River. A portion of the site was formerly the location of a Pepco Energy Services electric generating facility. That generating facility was deactivated in June 2012 and plant structure demolition was completed in July 2015. The remaining portion of the site consists of a

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Pepco transmission and distribution service center that remains in operation. In December 2011, the U.S. District Court for the District of Columbia approved a consent decree entered into by Pepco and Pepco Energy Services with the DOEE, which requires Pepco and Pepco Energy Services to conduct a RI/FS for the Benning Road site and an approximately 10 to 15 acre portion of the adjacent Anacostia River. The RI/FS will form the basis for the remedial actions for the Benning Road site and for the Anacostia River sediment associated with the site. The consent decree does not obligate Pepco or Pepco Energy Services to pay for or perform any remediation work, but it is anticipated that DOEE will look to Pepco and Pepco Energy Services to assume responsibility for cleanup of any conditions in the river that are determined to be attributable to past activities at the Benning Road site.

The initial RI field work began in January 2013 and was completed in December 2014. In April 2015, Pepco and Pepco Energy Services submitted a draft RI Report to DOEE. After review, DOEE determined that additional field investigation and data analysis was required to complete the RI process (much of which was beyond the scope of the original DOEE-approved RI work plan). In the meantime, Pepco and Pepco Energy Services revised the draft RI Report to address DOEE's comments and DOEE released the draft RI Report for public review in February 2016. Once the additional RI work has been completed, Pepco and Pepco Energy Services will issue a draft "final" RI report for review and comment by DOEE and the public. Pepco and Pepco Energy Services will then proceed to develop an FS to evaluate possible remedial alternatives for submission to DOEE.

Upon DOEE's approval of the final remedial investigation and feasibility study Reports, Pepco and Pepco Energy Services will have satisfied their obligations under the consent decree. At that point, DOEE will prepare a Proposed Plan regarding further response actions. After considering public comment on the Proposed Plan, DOEE will issue a Record of Decision identifying any further response actions determined to be necessary.

PHI, Pepco and Pepco Energy Services have determined that a loss associated with this matter for PHI, Pepco and Pepco Energy Services is probable and an estimated liability for this issue has been accrued, which is included in the table above. As the remedial investigation proceeds and potential remedies are identified, it is possible that additional reserves could be established in amounts that could be material to PHI, Pepco and Pepco Energy Services. Pursuant to Exelon's March 2016 acquisition of PHI, Pepco Energy Services was transferred to Generation. The ultimate resolution of this matter is currently not expected to have any significant financial impact on Generation.

Anacostia River Tidal Reach. Contemporaneous with the Benning RI/FS being performed by Pepco and Pepco Energy Services, DOEE and certain federal agencies have been conducting a separate RI/FS focused on the entire tidal reach of the Anacostia River extending from just north of the Maryland-D.C. boundary line to the confluence of the Anacostia and Potomac Rivers. In March 2016, DOEE released a draft of the river-wide RI Report for public review and comment. The river-wide RI incorporated the results of the river sampling performed by Pepco and Pepco Energy Services as part of the Benning RI/FS, as well as similar sampling efforts conducted by owners of other sites adjacent to this segment of the river and supplemental river sampling conducted by DOEE's contractor. DOEE asked Pepco, along with parties responsible for other sites along the river, to participate in a "Consultative Working Group" to provide input into the process for future remedial actions addressing the entire tidal reach of the river and to ensure proper coordination with the other river cleanup efforts currently underway, including cleanup of the river segment adjacent to the Benning Road site resulting from the Benning Road RI/FS. Pepco responded that it will participate in the Consultative Working Group but its participation is not an acceptance of any financial responsibility beyond the work that will be performed at the Benning Road site described above. DOEE has advised the Consultative Working Group that the federal and DOEE authorities are conducting phase 2 of a remedial investigation. DOEE has targeted June 2018 as the date for remedy selection for clean-up of sediments in this section of the river. The Consultative Working Group and the other possible PRPs have

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provided input into the proposed clean-up process and schedule. At this time, it is not possible to predict the extent of Pepco's participation in the river-wide RI/FS process, and Pepco cannot estimate the reasonably possible range of loss for response costs beyond those associated with the Benning RI/FS component of the river-wide initiative. It is possible, however, that resolution of this matter could have a material, unfavorable impact on Exelon's and Pepco's future results of operations and cash flows.

Rock Creek Mineral Oil Release. In late August 2015, a Pepco underground transmission line in the District of Columbia suffered a breach, resulting in the release of non-toxic mineral oil surrounding the transmission line into the surrounding soil, and a small amount reached Rock Creek through a storm drain. Pepco notified regulatory authorities, and Pepco and its spill response contractors placed booms in Rock Creek, blocked the storm drain to prevent the release of mineral oil into the creek and commenced remediation of soil around the transmission line and the Rock Creek shoreline. Pepco estimates that approximately 6,100 gallons of mineral oil were released and that its remediation efforts recovered approximately 80% of the amount released. Pepco's remediation efforts are ongoing under the direction of the DOEE, including the requirements of a February 29, 2016 compliance order which requires Pepco to prepare a full incident investigation report and prepare a removal action work plan to remove all impacted soils in the vicinity of the storm drain outfall, and in collaboration with the National Park Service, the Smithsonian Institution/National Zoo and EPA. Pepco's investigation presently indicates that the damage to Pepco's facilities occurred prior to the release of mineral oil when third-party excavators struck the Pepco underground transmission line while installing cable for another utility.

To the extent recovery is available against any party who contributed to this loss, PHI and Pepco will pursue such action. Exelon, PHI and Pepco continue to investigate the cause of the incident, the parties involved, and legal responsibility under District of Columbia law, but do not believe that the remediation costs to resolve this matter will have a material adverse effect on their respective financial condition, results of operations or cash flows.

Brandywine Fly Ash Disposal Site. In February 2013, Pepco received a letter from the MDE requesting that Pepco investigate the extent of waste on a Pepco right-of-way that traverses the Brandywine fly ash disposal site in Brandywine, Prince George's County, Maryland, owned by NRG Energy, Inc (as successor to GenOn MD Ash Management, LLC) (NRG). In July 2013, while reserving its rights and related defenses under a 2000 agreement covering the sale of this site, Pepco indicated its willingness to investigate the extent of, and propose an appropriate closure plan to address, ash on the right-of-way. Pepco submitted a schedule for development of a closure plan to MDE on September 30, 2013 and, by letter dated October 18, 2013, MDE approved the schedule.

Exelon, PHI and Pepco have determined that a loss associated with this matter is probable and have estimated that the costs for implementation of a closure plan and cap on the site are in the range of approximately \$3 million to \$6 million, for which an appropriate reserve has been established and is included in the table above. Exelon, PHI and Pepco believe that the costs incurred in this matter will be recoverable from NRG under the 2000 sale agreement.

Litigation and Regulatory Matters

Fund Transfer Restrictions

Under applicable law, Exelon may borrow or receive an extension of credit from its subsidiaries. Under the terms of Exelon's intercompany money pool agreement, Exelon can lend to, but not borrow from the money pool.

The Federal Power Act declares it to be unlawful for any officer or director of any public utility "to participate in the making or paying of any dividends of such public utility from any funds properly included in capital account." What

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constitutes "funds properly included in capital account" is undefined in the Federal Power Act or the related regulations; however, FERC has consistently interpreted the provision to allow dividends to be paid as long as: (1) the source of the dividends is clearly disclosed; (2) the dividend is not excessive; and (3) there is no self-dealing on the part of corporate officials. While these restrictions may limit the absolute amount of dividends that a particular subsidiary may pay, Exelon does not believe these limitations are materially limiting because, under these limitations, the subsidiaries are allowed to pay dividends sufficient to meet Exelon's actual cash needs.

Pepco is subject to certain dividend restrictions established by settlements approved in Maryland and the District of Columbia. Pepco is prohibited from paying a dividend on its common shares if (a) after the dividend payment, Pepco's equity ratio would be 48% as equity levels are calculated under the ratemaking precedents of the commissions and the Board or (b) Pepco's senior unsecured credit rating is rated by one of the three major credit rating agencies below investment grade.

General

Pepco is involved in various other litigation matters that are being defended and handled in the ordinary course of business. The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. Pepco maintains accruals for such losses that are probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of reasonably possible loss, particularly where (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

16. Supplemental Financial Information

Supplemental Statement of Operations Information

The following table provides additional information about Pepco's Statements of Operations and Comprehensive Income for the years ended December 31, 2016 and 2015.

Taxes other than income (Accounts 408.1 and 408.2)	Year Ended December 31,	
	2016	2015
Utility	\$ 312	\$ 308
Property	53	57
Payroll	8	6
Other	3	4
Total taxes other than income	\$ 376	\$ 375

Supplemental Statement of Cash Flows Information

Cash paid for interest (net of amount capitalized) was \$118 million and \$116 million for the years ended December 31, 2016 and 2015, respectively. Cash paid (refunded) for income taxes (net of refunds) was \$216 million and \$(6) million for the years ended December 31, 2016 and 2015, respectively.

Pepco's Statements of Cash Flows included non-cash investing activities relating to capital expenditures not paid increased (decreased) by \$27 million and \$(1) million for the years ended December 31, 2016 and 2015, respectively.

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17. Related Party Transactions

The financial statements of Pepco include related party transactions as presented in the tables below.

	For the Year Ended December 31,	
	2016	2015
Operating revenues from affiliates (Account 400)		
Exelon Generation Company, LLC (Generation) (a)	\$ 1	\$ -
PHI Service Company (PHISCO)	4	5
Total operating revenues from affiliates	<u>\$ 5</u>	<u>\$ 5</u>
Purchased power from affiliate (Account 401)		
Exelon Generation Company, LLC (Generation) (b)	\$ 295	\$ -
Operating and maintenance		
PHI Service Company (PHISCO) (c)	\$ 263	\$ 240
Pepco Energy Services, Inc. (PES) (d)	39	26
Total operating and maintenance	<u>\$ 302</u>	<u>\$ 266</u>
Operating and maintenance from affiliates		
Exelon Business Services Company, LLC (BSC) (c)	\$ 31	\$ -
PHI Service Company (PHISCO) (c)	4	4
Total operating and maintenance from affiliates	<u>\$ 35</u>	<u>\$ 4</u>
Cash dividends paid to parent (Account 216)	\$ 136	\$ 146
Contribution from parent (Account 211)	\$ 187	\$ 112
	December 31,	
	2016	2015
Receivables from associated companies (Account 146)		
Pepco Holdings, Inc. (f)	\$ -	\$ 128
Payables to associated companies (Account 234)		
Exelon Generation Company, LLC (Generation) (b)	\$ 44	\$ -
Exelon Business Services Company, LLC (BSC) (c)	4	-
Delmarva Power & Light Company (DPL)	1	-
PHI Service Company (PHISCO) (c)	25	25
Pepco Energy Services, Inc. (PES) (e)	-	4
Other	-	1
Total payables to associated companies (current)	<u>\$ 74</u>	<u>\$ 30</u>

- (a) Pepco provides energy to Generation for Generation's own use.
- (b) Pepco procures a portion of its electricity and gas supply requirements from Generation under its MDPSC and DPSC approved market based SOS and gas commodity programs. See Note 2—Regulatory Matters for additional information.
- (c) Pepco receives a variety of corporate support services from BSC and PHISCO, including legal, human resources, financial, information technology and supply management services. All services are provided at cost, including applicable overhead. A portion of such services is capitalized.
- (d) PES performs underground transmission, distribution construction and maintenance services, including services that are treated as capital costs, for Pepco.
- (e) Pepco bills customers on behalf of PES where PES has performed work for certain government agencies under a General Services Administration area-wide agreement on behalf of Pepco.
- (f) Relates to the Global Tax Settlement. See Note 10 – Income Taxes.

18. Subsequent Events

2017 Maryland Electric Distribution Base Rates. On March 24, 2017, Pepco filed an application with the MDPSC requesting an increase of \$69 million based on a ROE of 10.1%. The application includes a request for a tax adjustment to reflect full normalization of removal costs associated with pre-1981 property, which accounts for \$18 million of the requested increase. Pepco cannot predict how much of the requested rate increase the MDPSC will approve or if it will approve the requested tax adjustment.

District of Columbia Power Line Undergrounding. In March 2017, an amendment to the Improvement Financing Act was introduced to the Council of the District of Columbia which would reduce the overall project authorization from \$1

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billion to \$500 million and would provide that: (i) Pepco is to fund approximately \$250 million of the estimated cost to complete the DC PLUG initiative, recovering those costs through a volumetric surcharge on the electric bills of Pepco District of Columbia customers; (ii) \$188 million of the DC PLUG initiative cost would be funded through a charge collected from Pepco by the District of Columbia and Pepco would recover this charge from customers through a volumetric distribution rider (the Underground Rider); and; (iii) the remaining costs up to \$62 million are to be covered by the existing capital projects program of the DDOT. Pepco will not earn a return on or a return of the cost of the assets funded by the charge collected from Pepco by the District of Columbia or assets that are constructed by DDOT under its capital projects program, but ownership and responsibility for the operation and maintenance of such assets will be transferred to Pepco for a nominal amount.

PHI believes that the proposed amendment addresses the assertion made by an agency of the federal government that the surcharge proposed in the Improvement Financing Act constitutes a tax on end users.

Merger Commitments. As described in Note 3, "Mergers, Acquisitions and Dispositions," the orders approving the merger included a "most favored nation" provision which, generally speaking, required allocation of merger benefits proportionately across all the PHI jurisdictions. During the third and fourth quarters of 2016, Exelon and PHI filed proposals in Delaware, New Jersey and Maryland for amounts and allocations of merger benefits reflecting the application of the most favored nation provision, which increased the merger benefits in these jurisdictions to the same level as the District of Columbia merger order. During 2016, the DPSC and NJBPU approved the amounts and allocations of the additional merger benefits for Delaware and New Jersey, respectively. On April 12, 2017, the MDPSC issued an order approving the amounts of the additional merger benefits for Maryland, but amending the allocations of the benefits. The amended allocations do not have a material effect on the financial statements of Pepco.

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Footnote at Line 1 to specify) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4				187,205,427	187,205,427
5					
6					
7					
8					
9				42,127,814	42,127,814
10					

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	7,685,063,337	7,685,063,337
4	Property Under Capital Leases	39,068,154	39,068,154
5	Plant Purchased or Sold		
6	Completed Construction not Classified	180,472,947	180,472,947
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	7,904,604,438	7,904,604,438
9	Leased to Others		
10	Held for Future Use	55,989,068	55,989,068
11	Construction Work in Progress	537,197,762	537,197,762
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	8,497,791,268	8,497,791,268
14	Accum Prov for Depr, Amort, & Depl	2,819,807,737	2,819,807,737
15	Net Utility Plant (13 less 14)	5,677,983,531	5,677,983,531
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,795,668,047	2,795,668,047
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	24,139,690	24,139,690
22	Total In Service (18 thru 21)	2,819,807,737	2,819,807,737
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,819,807,737	2,819,807,737

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents	250		
4	(303) Miscellaneous Intangible Plant	17,370,748		254,729
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	17,370,998		254,729
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights			
9	(311) Structures and Improvements			
10	(312) Boiler Plant Equipment			
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units			
13	(315) Accessory Electric Equipment			
14	(316) Misc. Power Plant Equipment			
15	(317) Asset Retirement Costs for Steam Production			
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)			
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights			
38	(341) Structures and Improvements			
39	(342) Fuel Holders, Products, and Accessories			
40	(343) Prime Movers			
41	(344) Generators			
42	(345) Accessory Electric Equipment			
43	(346) Misc. Power Plant Equipment			
44	(347) Asset Retirement Costs for Other Production			
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)			
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)			

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			250	3
171,951			17,453,526	4
171,951			17,453,776	5
				6
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	34,062,258	115	
49	(352) Structures and Improvements	32,397,955	832,614	
50	(353) Station Equipment	701,597,114	46,311,890	
51	(354) Towers and Fixtures	118,357,502	-392	
52	(355) Poles and Fixtures	12,819,098	88,112	
53	(356) Overhead Conductors and Devices	119,582,589	5,041,779	
54	(357) Underground Conduit	83,844,039	1,613,899	
55	(358) Underground Conductors and Devices	190,960,107	-290,881	
56	(359) Roads and Trails	8,335,965		
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	1,301,956,628	53,597,136	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	23,585,594		
61	(361) Structures and Improvements	118,929,970	3,755,403	
62	(362) Station Equipment	854,661,481	51,226,141	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	375,172,171	32,387,795	
65	(365) Overhead Conductors and Devices	568,777,409	26,845,122	
66	(366) Underground Conduit	1,052,362,170	34,245,777	
67	(367) Underground Conductors and Devices	1,351,083,011	49,643,529	
68	(368) Line Transformers	913,674,162	44,336,382	
69	(369) Services	466,250,171	22,530,851	
70	(370) Meters	139,061,308	7,107,340	
71	(371) Installations on Customer Premises	2,646,032		
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	53,828,586	1,995,081	
74	(374) Asset Retirement Costs for Distribution Plant		2,065,535	
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	5,920,032,065	276,138,956	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	6,988,428		
87	(390) Structures and Improvements	113,761,798	15,175,372	
88	(391) Office Furniture and Equipment	23,557,941	2,901,756	
89	(392) Transportation Equipment			
90	(393) Stores Equipment	345,295		
91	(394) Tools, Shop and Garage Equipment	5,909,248	1,566,000	
92	(395) Laboratory Equipment	1,838,371		
93	(396) Power Operated Equipment	868,837		
94	(397) Communication Equipment	129,075,731	8,028,886	
95	(398) Miscellaneous Equipment	7,532,001	967,256	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	289,877,650	28,639,270	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant	283,373		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	290,161,023	28,639,270	
100	TOTAL (Accounts 101 and 106)	7,529,520,714	358,630,091	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	7,529,520,714	358,630,091	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
5,478			34,056,895	48
1,052,625		7,410	32,185,354	49
3,008,599		-7,410	744,892,995	50
664,288			117,692,822	51
			12,907,210	52
624,439			123,999,929	53
167,467			85,290,471	54
18,240			190,650,986	55
			8,335,966	56
				57
5,541,136			1,350,012,628	58
				59
		24,792,869	48,378,463	60
238,326		28,034	122,475,081	61
8,069,563		-28,034	897,790,025	62
				63
616,818			406,943,148	64
1,763,448		-48,675	593,810,408	65
133,744			1,086,474,203	66
2,763,621		110,470	1,398,073,389	67
13,604,590		-61,792	944,344,162	68
510,134		-3	488,270,885	69
827,058		-111,509	145,230,081	70
			2,646,032	71
				72
146,085			55,677,582	73
			2,065,535	74
28,673,387		24,681,360	6,192,178,994	75
				76
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				78
				79
				80
				81
				82
				83
				84
				85
			6,988,428	86
4,490,253			124,446,917	87
2,119,156			24,340,541	88
				89
95,328			249,967	90
309,083			7,166,165	91
367,248			1,471,123	92
			868,837	93
5,495,977		12,322	131,620,962	94
44,684			8,454,573	95
12,921,729		12,322	305,607,513	96
				97
			283,373	98
12,921,729		12,322	305,890,886	99
47,308,203		24,693,682	7,865,536,284	100
				101
				102
				103
47,308,203		24,693,682	7,865,536,284	104

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

- Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
- For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	2914 Sherman Avenue, N.W. Washington, DC	7/1/2014	12/1/2022	5,356,122
3				
4	Melwood, Marlboro Pike in Upper Marlboro, MD	1/31/2010	6/1/2023	808,086
5				
6	Northwest, Wisconsin Ave. in Washington, DC	10/31/2011	12/1/2018	20,562,846
7				
8	10526 St Paul Street in Kensington, MD Lot 2B	3/31/2013	12/1/2023	457,898
9				
10	11650 Nebel Street in Rockville, MD	12/1/2014	6/1/2020	7,349,612
11				
12	8000 Fort Foote Road and 8281 Oxon Hill Road, MD	12/31/15	6/1/2021	806,649
13				
14	1000 1st Street NW, Washington, DC Lot 82 Sq 559	11/30/15	6/21/2022	17,639,906
15				
16	Darnestown, Riffie Ford Rd. in Montgomery Co., MD	1/31/2010	6/1/2017	3,007,949
17				
18				
19				
20				
21	Other Property:			
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47	Total			55,989,068

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CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)

- Report below descriptions and balances at end of year of projects in process of construction (107)
- Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
- Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Waterfront-New 138/13.8 kV Substation	59,798,667
2	SE: Waterfront: New 138/13kv Substation	39,164,951
3	Harrison Substation - Extend 138kV Lines	28,085,237
4	New Darnestown Substation	22,033,520
5	Harrison Substation - Construct New Substation	21,768,932
6	SE: Waterfront Substation: Construct 2 New 138 kV	18,198,205
7	Harrison Substation: Extend 138kV Lines MD	16,538,502
8	SPCC Breaker Replacement Pepco MD	14,876,505
9	Pepco MD Transformer Replacement	12,151,682
10	Alabama Avenue Substation: Install 100MVAR	10,872,849
11	Distribution Line Heavy up Improvement	9,384,167
12	NERC Physical Security Oak Grove Substation	9,377,747
13	NERC Physical Security Quince Orchard Substation	9,237,217
14	Substation 52 to Substation 212 Network Cutover	8,658,960
15	SPCC 69kV Oil Breaker Replacement: Pepco MD	8,062,007
16	Darnestown Substation 225 - 69kV Supplies	7,720,801
17	DDOT DC South Capital	7,466,453
18	DC-NL-Network Services - Commercial	7,128,820
19	13kV Improvements and Additions	6,796,501
20	Blue Plains 69kV Feed NRL - Substation	6,332,723
21	Three 69kV Feeders Takoma to Linden 69	6,313,234
22	Distribution Line Heavy up Improvement	4,514,996
23	Pepco MD Feeder Reliability Improvements	4,413,911
24	Install 3 69kV Feeders Sligo-Linden	4,314,667
25	Convert 138kV to 230kV Waterfront	4,079,828
26	DC-New Load - Customer Heavy Ups	3,743,646
27	Convert 4-13 kV-Harvard	3,731,624
28	Convert 4-13 kV-12th St.	3,609,273
29	Sub 212 RMS	3,423,079
30	Station A Replace 69kv Breakers	3,393,050
31	Rockville Communication Upgrade Radios In Line	3,328,601
32	SE: Waterfront Sub: Construct New Line	3,300,653
33	MD-New Load - Commercial Services	3,182,174
34	Customer Reliability Improvements: Benning	3,163,323
35	Palmer's Corner T2 Transformer Replacement	3,148,242
36	Sub136: Extend 7 Feeders	3,131,157
37	SPCC - Transmission Breakers	3,099,316
38	Pepco MD:Upgrade Pumping Plants	3,040,697
39	Emergency Restoration Cable in Duct	2,969,093
40	Harrison Substation 38 Rebuild-138 kV	2,847,967
41	NERC Relay Upgrades Pepco Transmission	2,657,779
42	MT Vernon Substation - 230kV Supplies	2,648,556
43	TOTAL	537,197,762

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)

- Report below descriptions and balances at end of year of projects in process of construction (107)
- Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
- Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Rockville: Planned URD Cable Replacements	2,619,476
2	Convert 4-13 kV-Georgetown	2,520,767
3	MD-Residential Infrastructure	2,513,948
4	121 Bells Mill B-0524 Transformer Replacement	2,467,113
5	Sub 161 RMS	2,432,125
6	SPCC 69kV Oil Breaker Replacement: Pepco DC	2,389,638
7	DC-NL-Network Service Heavy-ups	2,340,921
8	Sub 52 RMS	2,336,699
9	NERC Physical Security Networking Pepco	2,178,234
10	Buzzard Point Station B-138 kV	2,141,865
11	Forestville Communication Upgrade Radios in Line	1,994,338
12	009 Sligo T1 B-0537 Transformer Replacement	1,971,919
13	Pepco DC Feeder Reliability Improvements	1,932,077
14	DC-New Load - Improvements	1,829,501
15	Dickerson Station H - Upgrade Feeder 230	1,764,473
16	MD - Highway Relocation	1,754,475
17	Benning Substation 7:Extend 2 13kV UG	1,704,662
18	Sub 25 RMS	1,689,181
19	MD-New Load - Customer Heavy-Ups	1,673,409
20	Feeder 14261 - WARD 7	1,668,236
21	Sub 7 RMS	1,626,100
22	Install Network Protection Monitor DA-DC	1,616,397
23	Network Transformer & Protection Replacement Planned	1,563,047
24	Rockville: Restore - Equipment Replacement	1,561,702
25	Forestville: Restore - Equipment Restore	1,462,169
26	121 Bells Mill T1 & T9 Transformer	1,417,967
27	PSC Priority CKT Improvement: Forestville	1,408,948
28	NERC Physical Security Pepco	1,316,573
29	GE UR Relay Replacement - MD	1,295,150
30	Benning: Restore - OH & UG Equipment	1,292,876
31	13kV Improvements and Additions: Pepco	1,228,557
32	DC-New Load - Residential Services	1,207,932
33	4Kv Substation Automation 2009 - DC	1,200,903
34	Kingswood Sub. Replace 20 MVA Transformer	1,191,616
35	Distribution Feeder Load Relief - DC	1,147,746
36	Kingswood Sub. 85: Extend 2 New Distribution Lines	1,107,406
37	MD: Transmission Substation Emergency	1,088,383
38	Rockville - Install Cap Control	1,061,795
39	Pepco DC: Upgrade Pumping Plants	1,028,018
40	Spare Distribution Transformer - MD	1,018,639
41	Pepco Add Recloser Sectionalization	1,007,585
42	Buzzard Point - 138kV Breaker Replacement	1,004,893
43	TOTAL	537,197,762

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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

- 1 Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Total - Project < \$1M	65,710,991
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43	TOTAL	537,197,762

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,728,947,644	2,728,947,644		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	173,908,221	173,908,221		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	1,325,683	1,325,683		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	175,233,904	175,233,904		
11	Net Charges for Plant Retired				
12	Book Cost of Plant Retired	46,663,828	46,663,828		
13	Cost of Removal	69,361,890	69,361,890		
14	Salvage (Credit)	1,520,446	1,520,446		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	114,505,272	114,505,272		
16	Other Debit or Cr. Items (Describe, details in footnote):	831,834	831,834		
17	Thir Party Reimbursement Adjustment	5,159,937	5,159,937		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,795,668,047	2,795,668,047		

Section B. Balances at End of Year According to Functional Classification

20	Stearn Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	446,584,194	446,584,194		
26	Distribution	2,214,296,119	2,214,296,119		
27	Regional Transmission and Market Operation				
28	General	134,787,734	134,787,734		
29	TOTAL (Enter Total of lines 20 thru 28)	2,795,668,047	2,795,668,047		

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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
- (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
- (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	POM Holdings, Inc , a wholly owned non-regulated			
2	subsidiary incorporated under the laws of the State of Delaware	04/23/99		
3	Common Stock			1,000
4	Subtotal			1,000
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42	Total Cost of Account 123.1 \$	0	TOTAL	1,000

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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
		1,000		3
		1,000		4
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		1,000		42

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	886,911	692,291	
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	9,900	9,900	
8	Transmission Plant (Estimated)	6,158,611	6,029,857	
9	Distribution Plant (Estimated)	55,995,064	53,755,522	
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	1,471,059	1,992,417	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	64,521,545	62,479,987	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	2,422,856		
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	66,944,401	62,479,987	

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FOOTNOTE DATA			

Schedule Page: 227 Line No.: 11 Column: b

	<u>2016</u>	<u>2015</u>
Tools, Building Supplies & Office Supplies	\$1,992,417	\$1,471,059

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da, Yr) / /	Year/Period of Report End of 2016/Q4
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt (e)
1	Balance-Beginning of Year	20,850.00	497,625		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	DC HPS RECs Purchased	3,000.00	4,750		
10	DC RECs Received	384,346.00	8,949,297		
11	MD HPS RECs Purchased	16,945.00	182,680		
12	MD RECs Received	744,582.00	10,717,118		
13					
14					
15	Total	1,148,873.00	19,853,845		
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	DC RECs Retired	387,496.00	9,027,172		
23	MD RECs Retired	771,477.00	11,211,798		
24					
25					
26					
27					
28	Total	1,158,973.00	20,238,970		
29	Balance-End of Year	10,750.00	112,500		
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						20,850.00	497,625	1
								2
								3
								4
								5
								6
								7
								8
						3,000.00	4,750	9
						384,346.00	8,949,297	10
						16,945.00	182,680	11
						744,582.00	10,717,118	12
								13
								14
						1,148,873.00	19,853,845	15
								16
								17
								18
								19
								20
								21
						387,496.00	9,027,172	22
						771,477.00	11,211,798	23
								24
								25
								26
								27
						1,158,973.00	20,238,970	28
						10,750.00	112,500	29
								30
								31
								32
								33
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								46

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 228 Line No.: 15 Column: b

Represents renewable energy credits acquired and received to meet the Renewable Energy portfolio Standards(RPS) for DC and the state of MD.

Schedule Page: 228 Line No.: 15 Column: c

Represents the dollar value of renewable energy credits acquired and received to meet the Renewable Energy Portfolio Standards(RPS)for DC and the state of MD.

Schedule Page: 228 Line No.: 28 Column: b

Represents renewable energy credits retired to meet the Renewable Energy Portfolio Standards(RPS)for DC and the state of MD.

Schedule Page: 228 Line No.: 28 Column: c

Represents the dollar value of renewable energy credits retired to meet the Renewable Energy Portfolio Standards(RPS)for DC and the state of MD.

Name of Respondent Potomac Electric Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21	Abandoned Mid-Atlantic Power					
22	Pathway (MAPP) costs					
23	Filed with FERC 12/21/2012					
24	Beginning balance 1/1/2016	3,789,229				
25	Transfer MAPP Land in Fee					
26						
27	Amortization expense			407	3,789,229	
28	Ending Balance 12/31/2016					
29						
30						
31						
32						
33						
34	2/28/13- FERC Order on					
35	Abandonment Cost Recovery Filing					
36	and Establishing Hearing and					
37	Settlement Judge Procedures					
38	2/28/14 - FERC Order Approving					
39	Settlement					
40	3- year amortization period					
41	beginning March 1, 2013					
42						
43						
44						
45						
46						
47						
48						
49	TOTAL	3,789,229			3,789,229	

Name of Respondent		This Report Is:		Date of Report		Year/Period of Report	
Potomac Electric Power Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	Mo, Da, Yr		End of	
				/ /		2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.							
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.							
3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)		
1	Asset Retirement Obligation	408,088	300,217	various	464,521	243,784	
2	Inc Taxes Recoverable Through Future Rates-SFAS 409	142,753,628	38,758,539	various	9,420,666	172,091,501	
3	Worker's Compensation & Long-term Disability	31,380,380	5,219,983	926.0	2,119,509	34,480,854	
4	Control Center Replacement Parts	2,487,896		407.3	692,542	1,795,354	
5	Control Center EMS	5,445,418		407.3	1,361,354	4,084,064	
6	MD and DC Transmissions Service Revenue	4,705,833	1,145,668	various	5,303,481	548,020	
7	DC Rate Order-Rate Case Costs	1,403,611		928.0	1,086,667	316,944	
8	DC Audit Costs	1,843,749				1,843,749	
9	DC Residential Aid Discount-Distribution		2,043,883	182.3	1,110,527	933,356	
10	DC Bill Stabilization Adjustment Deferral	1,420,621	30,527,920	various	22,839,230	9,109,311	
11	DC Third Party Supplier Recovery		370,728	184.0	1,148	369,580	
12	DC Power Line Undergrounding (PLUG)	1,028,128	11,188	184.0	240,780	798,536	
13	DC Uncollectible Reserve-Loss Factor			904.0	107,747	-107,747	
14	MD Rate Order-Rate Case Costs	268,029	431,000	928.0	229,321	469,708	
15	MD Bill Stabilization Adjustment Deferral	8,377,319	32,795,013	various	28,909,706	12,262,626	
16	MD Purchase of Third Party Supplier Receivables		11,109,683	various	8,527,224	2,582,459	
17	MD Costs to Achieve (CTA) Deferral		11,619,558	407.3	405,400	11,214,158	
18	Billing System-MD Recovery		7,277,000	903.0	181,925	7,095,075	
19	MD Electric Vehicle Pilot Program Costs	63,329	453,000	various	82,204	434,125	
20	MD Annual Net Energy Metering Credits		271,547	557.0	271,547		
21	MD Union Contract Ratification Bonus	228,750		407.3	91,500	137,250	
22	MD Grid Resiliency Charge	133,855	1,326,908	254.0	1,183,020	277,743	
23	Smart Grid:						
24	DSM-Direct Load Control Program-DC	11,940,776	2,174,564	407.3	897,780	13,217,560	
25	DC Old Meters-AMI Deployment	195,409				195,409	
26	Return on Smart Grid-DC	1,919,361	456,587	421.0	54,257	2,321,691	
27	Smart Grid-DC	5,388,714	995,303	various	393,441	5,990,576	
28	DC AMI Savings	(821,376)				-821,376	
29	DC Recoverable AMI Costs	38,914,072		407.3	3,300,133	35,613,939	
30	DC AMI Return in Rates	(51,871)	4,399			-47,472	
31	DC Dynamic Pricing	3,876,515	583,095	404.0	75,128	4,384,482	
32	DC AMI/DYP/DLC Return Reserve	5,512		421.0	71,074	-65,562	
33	DSM-Energy Efficiency Products-MD	239,588,067	53,701,983	various	88,291,996	204,998,054	
34	DSM-Direct Load Control Program-MD	40,848,929	12,246,637	various	16,321,279	36,774,287	
35	MD Recoverable AMI Costs-Order 9418		45,961,762	407.3	574,522	45,387,240	
36	MD Recoverable Legacy Meter Costs-Order 9418	84,670,768	4,150,683	various	11,646,799	77,174,652	
37	MD AMI Opt Out Customers-AP Devices	3,145	41,735	various	44,880		
38	MD Meters-Incremental Depreciation	126,779	1,216,302	182.3	126,779	1,216,302	
39	Return on Smart Grid-MD	11,258,180	3,759,433	various	15,017,613		
40	Smart Grid-MD	32,633,085	7,327,159	various	35,603,661	4,356,583	
41	MD AMI Savings	(10,455,295)	11,092,339	various	4,809,207	-4,172,163	
42	MD Dynamic Pricing	12,784,720	2,445,948	various	13,555,263	1,675,405	
43	MD AMI,Dynamic Pricing Return Reserve	(967,872)	7,220,050	various	6,252,178		

Name of Respondent		This Report Is:		Date of Report	Year/Period of Report	
Potomac Electric Power Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2016/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	District of Columbia SOS:					
2	Energy	207,575	21,218,709	various	20,537,602	888,682
3	Transmission	1,248,410	1,736,247	various	2,712,945	269,712
4	Administrative Costs		6,260,536	various	2,441,964	3,818,572
5	Residential Aid Discount-Generation & Transmission		882,681	various	882,681	
6	Maryland SOS:					
7	Energy		22,819,243	254.0	22,819,243	
8	Transmission	1,106,570	3,360,182	254.0	3,678,418	788,334
9	Administrative Costs	165,696	1,011,615	254.0	1,177,311	
10	Storm Costs:					
11	MD Hurricane Irene Incremental Storm Costs	3,008,199		407.3	1,761,558	1,246,641
12	MD Derecho Incremental Storm Costs	9,746,783		various	3,834,800	5,911,983
13	MD Rate Order-Recoverable Jan 2011 Storm Costs	2,699,413		various	1,580,737	1,118,676
14	MD Hurricane Sandy Incremental Storm Costs	2,086,920		various	821,083	1,265,837
15	MD Rate Order-Recoverable 2013 Nor'easter Costs	389,636		588.0	111,324	278,312
16	MD February 2014 Storm (PAX) Prep	711,451		588.0	47,476	663,975
17	MD Rate Order-Recoverable Feb 2010 Storm Costs	955,657		various	665,006	290,651
18	MD January 2016 (Jonas) Storm Costs		1,809,913	various	132,619	1,677,294
19						
20						
21						
22						
23						
24						
25						
26						
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30						
31						
32						
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35						
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37						
38						
39						
40						
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42						
43						
44	TOTAL :	696,130,562	356,138,940		344,870,776	707,398,726

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 1 Column: d

The following are the individual amounts comprising "various" -

\$79,676 recorded to account 407.3
\$384,845 recorded to account 589.0
\$464,521 Total

Schedule Page: 232 Line No.: 2 Column: d

The following are the individual amounts comprising "various" -

\$718,149 recorded to account 190.0
\$4,705,908 recorded to account 254.0
\$1,472,887 recorded to account 282.0
\$2,523,722 recorded to account 283.0
\$9,420,666 Total

Schedule Page: 232 Line No.: 6 Column: d

The following are the individual amounts comprising "various" -

\$2,161,930 recorded to account 254.0
\$3,141,551 recorded to account 456.1
\$5,303,481 Total

Schedule Page: 232 Line No.: 10 Column: d

The following are the individual amounts comprising "various" -

\$15,324,852 recorded to account 142.0
\$442,584 recorded to account 254.0
\$7,071,794 recorded to account 456.0
\$22,839,230 Total

Schedule Page: 232 Line No.: 15 Column: d

The following are the individual amounts comprising "various" -

\$23,844,781 recorded to account 142.0
\$606 recorded to account 254.0
\$5,064,319 recorded to account 456.0
\$28,909,706 Total

Schedule Page: 232 Line No.: 16 Column: d

The following are the individual amounts comprising "various" -

\$38,783 recorded to account 142.0
\$764,277 recorded to account 144.0
\$3,126,690 recorded to account 232.0
\$2,163,987 recorded to account 254.0
\$2,433,487 recorded to account 450.0
\$8,527,224 Total

Schedule Page: 232 Line No.: 19 Column: d

The following are the individual amounts comprising "various" -

\$63,329 recorded to account 182.3
\$18,875 recorded to account 407.3
\$82,204 Total

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 27 Column: d

The following are the individual amounts comprising "various" -

\$360,148 recorded to account 404.0

\$33,293 recorded to account 903.0

\$393,441 Total

Schedule Page: 232 Line No.: 33 Column: d

The following are the individual amounts comprising "various" -

\$1,399,490 recorded to account 184.0

\$86,892,506 recorded to account 407.3

\$88,291,996 Total

Schedule Page: 232 Line No.: 34 Column: d

The following are the individual amounts comprising "various" -

\$10,920 recorded to account 184.0

\$16,310,359 recorded to account 407.3

\$16,321,279 Total

Schedule Page: 232 Line No.: 36 Column: d

The following are the individual amounts comprising "various" -

\$899,531 recorded to account 407.3

\$9,157 recorded to account 421.0

\$10,738,111 recorded to account 426.5

\$11,646,799 Total

Schedule Page: 232 Line No.: 37 Column: d

The following are the individual amounts comprising "various" -

\$44,633 recorded to account 184.0

\$247 recorded to account 588.0

\$44,880 Total

Schedule Page: 232 Line No.: 39 Column: d

The following are the individual amounts comprising "various" -

\$11,258,180 recorded to account 182.3

\$3,759,433 recorded to account 421.0

\$15,017,613 Total

Schedule Page: 232 Line No.: 40 Column: d

The following are the individual amounts comprising "various" -

\$35,420,452 recorded to account 182.3

\$46,483 recorded to account 404.0

\$136,726 recorded to account 903.0

\$35,603,661 Total

Schedule Page: 232 Line No.: 41 Column: d

The following are the individual amounts comprising "various" -

\$637,044 recorded to account 182.3

\$2,740,951 recorded to account 902.0

\$1,431,212 recorded to account 903.0

\$4,809,207 Total

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 42 Column: d

The following are the individual amounts comprising "various" -
\$12,784,283 recorded to account 182.3
\$122,477 recorded to account 184.0
\$19,971 recorded to account 254.0
\$109,225 recorded to account 404.0
\$45,197 recorded to account 407.3
\$466,919 recorded to account 421.0
\$7,191 recorded to account 588.0
\$13,555,263 Total

Schedule Page: 232 Line No.: 43 Column: d

The following are the individual amounts comprising "various" -
\$3,784,729 recorded to account 421.0
\$1,561,014 recorded to account 902.0
\$906,435 recorded to account 903.0
\$6,252,178 Total

Schedule Page: 232.1 Line No.: 2 Column: d

The following are the individual amounts comprising "various" -
\$20,038,220 recorded to account 254.0
\$499,382 recorded to account 407.3
\$20,537,602 Total

Schedule Page: 232.1 Line No.: 3 Column: d

The following are the individual amounts comprising "various" -
\$123,066 recorded to account 182.3
\$2,560,205 recorded to account 254.0
\$29,674 recorded to account 407.3
\$2,712,945 Total

Schedule Page: 232.1 Line No.: 4 Column: d

The following are the individual amounts comprising "various" -
\$2,315,617 recorded to account 254.0
\$126,347 recorded to account 407.3
\$2,441,964 Total

Schedule Page: 232.1 Line No.: 5 Column: d

The following are the individual amounts comprising "various" -
\$509,087 recorded to account 182.3
\$193,458 recorded to account 254.0
\$180,136 recorded to account 407.3
\$882,681 Total

Schedule Page: 232.1 Line No.: 12 Column: d

The following are the individual amounts comprising "various" -
\$38,108 recorded to account 408.0
\$3,450,132 recorded to account 593.0
\$318,652 recorded to account 903.0

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

\$27,908 recorded to account 908.0
\$3,834,800 Total

Schedule Page: 232.1 Line No.: 13 Column: d

The following are the individual amounts comprising "various" -

\$14,829 recorded to account 581.0
\$1,445,250 recorded to account 593.0
\$106,300 recorded to account 903.0
\$14,358 recorded to account 908.0
\$1,580,737 Total

Schedule Page: 232.1 Line No.: 14 Column: d

The following are the individual amounts comprising "various" -

\$8,803 recorded to account 408.0
\$749,308 recorded to account 593.0
\$62,080 recorded to account 903.0
\$892 recorded to account 908.0
\$821,083 Total

Schedule Page: 232.1 Line No.: 17 Column: d

The following are the individual amounts comprising "various" -

\$13,672 recorded to account 592.0
\$621,806 recorded to account 593.0
\$29,528 recorded to account 903.0
\$665,006 Total

Schedule Page: 232.1 Line No.: 18 Column: d

The following are the individual amounts comprising "various" -

\$698 recorded to account 408.1
\$15,895 recorded to account 588.0
\$1,476 recorded to account 592.0
\$110,329 recorded to account 593.0
\$2,861 recorded to account 903.0
\$1,360 recorded to account 908.0
\$132,619 Total

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	COLI Contracts (net of loans)	41,331,525	3,131,665	128.0	2,631,115	41,832,075
2	Ins. Recovery-Envrmtl Claims	150,612	62,978	253.0	16,000	197,590
3	Control Center Capital Lease	73,832		589.0	18,458	55,374
4	Recoverable AMI Start-Up Costs	561,554		407.3	60,709	500,845
5	Prepaid Pension Expense	291,485,327	23,000,000	926.0	26,938,392	287,546,935
6	Customer payment receivables		408,806			408,806
7	Suspense - cash management	-548				-548
8						
9						
10						
11						
12						
13						
14						
15						
16						
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41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	333,602,302				330,541,077

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beging of Year (b)	Balance at End of Year (c)
1	Electric		
2			
3			
4			
5			
6			
7	Other	225,870,708	151,982,596
8	TOTAL Electric (Enter Total of lines 2 thru 7)	225,870,708	151,982,596
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	225,870,708	151,982,596

Notes

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 7 Column: c

Description	Beginning	Debit 410	Credit 411	Debit Adj.	Credit Adj.	Ending
NOL Carryforward	145,653,136	128,066,951	15,700,653			33,286,838
Accrued Liabilities	56,864,042	161,183				56,702,859
SFAS 109 - Excess Deferred Taxes	2,499,913				2,499,913	
SFAS 109 - Deferred ITC	913,682			491,900		1,405,582
Bad Debt Reserve	6,821,947		5,095,053			11,917,000
Merger Commitment Deferrals			33,164,647			33,164,647
Other	13,117,988	4,768,978	7,156,660			15,505,670
Total	225,870,708	132,997,112	61,117,013	491,900	2,499,913	151,982,596

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Account 201			
2	Common Stock	200,000,000	0.01	
3				
4	TOTAL COMMON	200,000,000		
5				
6	Account 204			
7	None			
8				
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Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
100	1					2
						3
100	1					4
						5
						6
						7
						8
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Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 250 Line No.: 2 Column: a

Reference is made to Footnote 20 - Shareholder's Equity in the Exelon Corporation Form 10-K page 510, filed with the Securities and Exchange Commission for the year ended December 31, 2016.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation,
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received from Stockholders	
2	None	
3		
4	SUBTOTAL - Account 208	
5		
6	Account 209 - Reduction in Par or Stated Value of Capital Stock	
7	Common Stock	496,274,514
8		
9	SUBTOTAL - Account 209	496,274,514
10		
11	Account 210 - Gain on Resale or Cancellation of Reacquired Capital	
12	Stock	1,721,392
13		
14	SUBTOTAL - Account 210	1,721,392
15		
16	Account 211 - Miscellaneous Paid-In Capital	
17	Net assets from former parent company	124,030
18	Excess of net assets of former subsidiary (merged into Company	
19	December 31, 1949) at date of acquisition over cost of its capital	
20	stock	138,120
21	Unclaimed amount of securities previously retired by Pepco	50
22	Release of restricted stock	276,612
23	Allocation of non acquisition debt from Holding Company to	
24	subsidiaries	25,982,330
25	Capital Contribution from Parent	775,576,541
26	SUBTOTAL - Account 211	802,097,683
27		
28		
29		
30		
31		
32		
33		
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39		
40	TOTAL	1,300,093,589

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221 -First Mortgage Bonds		
2			
3	5.40% Series due 2035	175,000,000	2,159,593
4			619,500 D
5	5.75% Series due 2034	100,000,000	1,216,106
6			76,000 D
7	6.20% First Mortgage Bonds due 2022	109,500,000	1,274,127
8	6.50% Series due 2037	250,000,000	2,187,500
9			622,500 D
10	6.5% Series due 2037	250,000,000	3,042,166
11			7,707,500 D
12	7.9% Series due 2038	250,000,000	2,187,500
13	3.05% Series due 2022	200,000,000	1,300,000
14			580,000 D
15	4.15% First Mortgage Bonds due 2043	250,000,000	4,333,912
16			977,500 D
17	4.95% First Mortgage Bonds due 2043	150,000,000	2,767,692
18			1,111,500 D
19	3.60% First Mortgage Bonds due 2024	400,000,000	6,769,182
20			532,000 D
21	4.15% First Mortgage Bonds due 2043	200,000,000	4,232,480
22			-8,422,000 P
23	SUBTOTAL - Account 221	2,334,500,000	35,274,758
24	Project Funding		
25	SUBTOTAL - Account 224		
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	2,334,500,000	35,274,758

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
06/01/2005	06/01/2035	06/01/2005	06/01/2035	175,000,000	9,423,750	3
						4
03/24/2004	04/15/2034	04/15/2004	04/15/2034	100,000,000	5,734,028	5
						6
03/17/2009	09/01/2022	03/17/2009	09/01/2022	109,500,000	6,770,142	7
11/16/2007	11/15/2037	12/15/2007	11/15/2037	250,000,000	16,204,861	8
						9
03/31/2008	11/15/2037	04/01/2008	11/15/2037	250,000,000	16,204,861	10
						11
12/10/2008	12/15/2038	12/10/2008	12/15/2038	250,000,000	19,695,139	12
04/04/2012	04/01/2022	04/04/2012	04/01/2022	200,000,000	6,083,055	13
						14
03/18/2013	03/15/2043	03/18/2013	03/15/2043	250,000,000	10,346,181	15
						16
11/21/2013	11/15/2043	11/21/2013	11/15/2043	150,000,000	7,404,375	17
						18
03/18/2014	03/15/2024	03/18/2014	03/15/2024	400,000,000	14,360,000	19
						20
03/16/2015	03/15/2043	03/16/2015	03/15/2043	200,000,000	8,276,944	21
						22
				2,334,500,000	120,503,336	23
				7,345,195		24
				7,345,195		25
						26
						27
						28
						29
						30
						31
						32
				2,341,845,195	120,503,336	33

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 27 Column: i

The difference between the total interest reported in column (i) and the balances in accounts 427 and 430 is \$244,108, which represents Service Company related interest from money pool transactions and credit facility commitment fees each of which are reported in account 430.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	42,127,814
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal & State Income Tax	41,110,574
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21	See attached for support	-122,473,640
22		
23		
24		
25		
26		
27	Federal Tax Net Income	-39,235,252
28	Show Computation of Tax:	
29	FEDERAL RATE OF 35%	
30	Federal Income Tax on Current Year Income (35%)	-13,732,337
31	Net Operating Loss Utilized	-78,189,245
32	2010 - 2014 Amended Tax Returns	-26,695,543
33	2016 Tax Reserve	15,741,805
34	TOTAL	-102,875,320
35		
36	FEDERAL INCOME TAX 409 10	-118,617,126
37	FEDERAL INCOME TAX 409 20	15,741,806
38	TOTAL	-102,875,320
39		
40		
41		
42		
43		
44		

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 21 Column: b

Details	Amount
Net Income for the Year (Page 117)	42,127,814
Federal Income Tax	17,188,115
State Income Tax	23,922,459
Pre-tax Book Income	83,238,388
Increase (Decrease) in Taxable Income Resulting From:	
Removal Costs	(69,338,581)
Mixed Service Costs	(56,326,287)
Repair Allowance - Unit of Property	(91,676,479)
Bonus Depreciation	(120,269,599)
Depreciation	86,327,031
CIAC	32,202,123
AFUDC Equity	(18,975,488)
AFUDC Debt	(10,496,884)
Control Center Leases	11,026,238
Capitalized Interest	15,845,333
Gain/Loss on Disposition of Property	9,408,454
Other (Property)	23,412,224
Regulatory Assets & Liabilities	25,468,720
Pension/OPEB/SERP	(67,973,508)
Accrued Liabilities	14,212,127
Merger Commitment Deferrals	82,766,766
State Income Taxes Deductible	(720,977)
Other (Net)	12,635,147
Total Schedule M's	(122,473,640)
Federal Taxable Income	(39,235,252)
Computation of Federal Income Tax:	
Federal Income Tax on Current Year Income (35%)	(13,732,337)
Net Operating Loss Utilized	(78,189,245)
2010 - 2014 Amended Tax Returns	(26,695,543)
2016 Tax Reserve	15,741,805
Federal Income Tax	(102,875,320)
Federal Income Tax Account 409.10	(118,617,126)
Federal Income Tax Account 409.20	15,741,806
Total	(102,875,320)

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal Income Tax:					
2	Income			-102,881,170	-71,600,000	31,281,170
3	RAR Interest					
4	RAR Liability/(Receivable)	-5,850		5,850	-126,434,278	-126,434,278
5						
6	State Income Tax:					
7	District of Columbia			6,303,596	-4,416,165	-9,136,112
8	Maryland			5,153,082		-2,959,146
9	Virginia					
10	Pennsylvania					
11	RAR Interest					
12	RAR Liability/(Receivable)	16,714		-16,714		
13						
14	Taxes Other Than Income:					
15	District of Columbia:					
16	Delivery Tax	6,319,721		86,059,995	85,664,240	
17	Real Estate	1,347,327	664,578	7,258,577	5,917,457	-40,854
18	Use Tax	1,080,376		236,307	1,026,568	
19	Ballpark Fee	8,250		16,500	16,500	
20	PSC Filing Fees	1,815,876		6,918,400	7,779,593	1,162,883
21	Business Improvement	43,594		127,933	144,356	-1,514
22	SETF, EATF Funds	1,949,383		17,677,245	17,268,154	-1
23	Right of Way Fee		4,916,429	23,263,533	22,844,187	-3
24						
25	Maryland:					
26	Universal Program Fund	780,999		8,257,072	8,336,110	
27	Montgomery County Fuel	15,332,117		142,203,709	139,020,167	-2
28	Use Tax	290,542		5,712,244	5,445,811	146,555
29	PSC Filing Fees		1	2,424,528	2,424,528	
30	Environmental Subcharge			2,083,279	2,039,456	221,255
31	Montgomery County	12,636,458	206,146	21,280,637	46,066,405	
32	Prince Georges County		9,869,152	18,225,820	21,026,473	2,077,425
33	Charles County Property	386,547	1,256	723,679	1,431,230	-52,416
34	St. Mary's County Property	6,603		13,782	27,599	
35	Calvert County Property	112,181	9,468	264,850	508,012	
36	Howard County Property	166,447		363,146	721,804	
37	MD Other Property	813,998	868,925	1,719,072	2,488,787	1
38	Gross Receipts Tax	15,521		16,041,327	15,763,693	-208
39	Delivery Tax			9,127,955	9,050,601	
40	Other	3,770		-2		-3,768
41	TOTAL	43,120,057	16,535,955	292,377,270	204,366,380	-103,739,016

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
		-118,622,976			15,741,806	2
						3
		5,850				4
						5
						6
1,583,649		4,719,947			1,583,649	7
2,193,936		2,959,146			2,193,936	8
						9
						10
						11
		-16,714				12
						13
						14
						15
6,715,476		86,059,995				16
1,983,015		6,042,595			1,215,982	17
290,115		229,647			6,660	18
8,250		16,500				19
2,117,566		6,918,400				20
25,657		127,933				21
2,358,473		17,677,245				22
	4,497,086	23,263,533				23
						24
						25
701,961		8,257,072				26
18,515,657		142,203,709				27
703,530		3,662,329			2,049,915	28
	1	2,424,528				29
265,078		2,083,279				30
	12,355,456	20,990,629			290,008	31
	10,592,380	17,933,389			292,431	32
	374,676	723,583			96	33
	7,214	13,782				34
	140,449	264,835			15	35
	192,211	362,710			436	36
	824,641	1,688,461			30,611	37
292,947		16,041,327				38
77,354		9,127,955				39
		-2				40
39,840,091	28,984,115	263,524,809			28,852,461	41

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Virginia:					
2	County/Local Property	-3,039		536,215	533,177	
3	VA Use Tax	2,522		3,783	3,861	
4						
5	Pennsylvania:					
6	Personal Property (PURTA)					
7						
8	Federal Highway Use Tax			55,227	55,227	
9	Federal Excise Tax			7,926	7,926	
10	Payroll Taxes			13,209,887	11,204,901	-3
11						
12						
13						
14						
15						
16						
17						
18						
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40						
41	TOTAL	43,120,057	16,535,955	292,377,270	204,366,380	-103,739,016

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
		536,215				2
2,444		1			3,782	3
						4
						5
						6
						7
		55,227				8
		7,926				9
2,004,983		7,766,753			5,443,134	10
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						37
						38
						39
						40
39,840,091	28,984,115	263,524,809			28,852,461	41

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	2,277,589			411.4	175,359	
4	7%						
5	10%						
6							
7							
8	TOTAL	2,277,589				175,359	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
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48							

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
2,102,230			3
			4
			5
			6
			7
2,102,230			8
			9
			10
			11
			12
			13
			14
			15
			16
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			48

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Environmental Sites	22,446,705	various	2,999,506	3,267,000	22,714,199
2	Deferred Compensation	5,549,756	various	1,089,809	123,451	4,589,398
3	Special Billing	4,323,162	various	897,541		3,425,621
4	DC Charitable Contributions		426.1	2,346,686	18,616,909	16,270,223
5	MD Charitable Contributions		426.1	374,743	7,104,447	6,729,704
6	DC Rate Credits		242.0	7,800,000	25,600,000	17,800,000
7	MD Rate Credits		242.0	34,951,213	34,951,213	
8	MD MFN Credits		242.0	930,442	4,466,121	3,535,679
9	Other Long Term Liabilities	2,500,000			67,015	2,567,015
10						
11						
12						
13						
14						
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46						
47	TOTAL	34,819,623		51,389,940	94,196,156	77,625,839

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report - 2016/Q4
FOOTNOTE DATA			

Schedule Page: 269 Line No.: 1 Column: c

The following are the individual amounts for various:

\$2,124,000 recorded to account 242.0
 \$ 412,000 recorded to account 253.0
 \$ 463,506 recorded to account 923.0

\$2,999,506 Total

Schedule Page: 269 Line No.: 2 Column: c

The following are the individual amounts for various:

\$ 61,748 recorded to account 232.0
 \$1,028,061 recorded to account 165.0

\$1,089,809 Total

Schedule Page: 269 Line No.: 3 Column: c

The following are the individual amounts for various:

\$ 184,251 recorded to account 143.9
 \$ 675,543 recorded to account 415.0
 \$ 37,747 recorded to account 417.0

\$ 897,541 Total

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization
- For other (Specify), include deferrals relating to other income and deductions.

Line No	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	1,545,838,950	61,022,669	9,736,552
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	1,545,838,950	61,022,669	9,736,552
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	1,545,838,950	61,022,669	9,736,552
10	Classification of TOTAL			
11	Federal Income Tax	1,342,639,015	49,144,036	7,841,241
12	State Income Tax	203,199,935	11,878,633	1,895,311
13	Local Income Tax			

NOTES

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		Various		Various	18,058,806	1,615,183,873	2
							3
							4
					18,058,806	1,615,183,873	5
							6
							7
							8
					18,058,806	1,615,183,873	9
							10
					14,543,491	1,398,485,301	11
					3,515,315	216,698,572	12
							13

NOTES (Continued)

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 9 Column: k

Description	Beginning	Debit 410	Credit 411	Debit Adj.	Credit Adj.	Ending
Property	1,516,848,835	60,814,171			2,812,228	1,580,475,234
FAS 109 AFUDC Equity	24,961,125				7,040,268	32,001,393
FAS 109 Flowthrough	40,196,969				8,206,310	48,403,279
FAS 109 Transmission	12,893,886					12,893,886
CIAC	(58,201,253)		9,736,552			(67,937,805)
Leased Vehicles	9,139,388	208,498				9,347,886
Total	1,545,838,950	61,022,669	9,736,552		18,058,806	1,615,183,873

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3		401,192,990	22,329,213	12,774,142
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	401,192,990	22,329,213	12,774,142
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	401,192,990	22,329,213	12,774,142
20	Classification of TOTAL			
21	Federal Income Tax	319,197,998	17,982,623	10,287,536
22	State Income Tax	81,994,992	4,346,590	2,486,606
23	Local Income Tax			

NOTES

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
					14,091,295	424,839,356	3
							4
							5
							6
							7
							8
					14,091,295	424,839,356	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
					14,091,295	424,839,356	19
							20
					11,348,293	338,241,378	21
					2,743,002	86,597,978	22
							23

NOTES (Continued)

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 19 Column: k

Description	Beginning	Debit 410	Credit 411	Debit Adj.	Credit Adj.	Ending
FAS 109 Flowthrough	57,267,342				11,689,722	68,957,064
Prepaid Pension Costs	116,932,861	22,329,213				139,262,074
Regulatory Assets	210,905,112		11,704,111			199,201,001
MD Property Taxes	7,434,306				2,401,573	9,835,879
Unamortized Loss - Reacq. Debt	7,801,170		905,556			6,895,614
Other	852,199		164,475			687,724
Total	401,192,990	22,329,213	12,774,142		14,091,295	424,839,356

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	SFAS 109 Regulatory Liability	6,231,670	various	4,826,087		1,405,583
2	Maryland SOS:					
3	Energy	3,382,758	182.3	22,019,243	22,036,635	2,600,150
4	Transmission		182.3	3,678,418	3,678,418	
5	Administrative Costs		182.3	1,177,311	1,897,871	720,560
6	District of Columbia SOS:					
7	Energy		182.3	20,038,220	20,038,220	
8	Transmission		182.3	2,560,205	2,560,205	
9	Administrative Costs	1,135,307	182.3	2,315,617	1,180,310	
10	DC Residential Aid Discount-SOS Gen & Trans		182.3	193,458	193,458	
11	DC Bill Stabilization Adjustment Deferral		182.3	442,584	442,584	
12	Net Energy Metering	1,211,578	254.0	1,211,578		
13	FERC Formula Rate Adjustment-Transmission	14,098,846	various	12,612,176	4,031,310	5,517,980
14	Third Party Receivables	3,252,426	various	7,644,559	4,392,133	
15	MD Grid Resiliency Charge		various	2,915,241	2,915,241	
16	MD Tax Compensation Carrying Costs-Order 9418		various	412,262	3,185,398	2,773,136
17	MD Tax Compensation Payment-carrying costs	3,169,298	254.0	3,169,298	2,112,965	2,112,965
18	MD Dynamic Pricing, Critical Peak Rebate Credit	2,905,610	various	2,178,663	4,040,003	4,766,950
19	MD Bill Stabilization Adjustment Deferral	(1,211,579)	182.3	606	1,212,185	
20	MD Capacity Gap	64,462	various	246,837	202,384	20,009
21						
22						
23						
24						
25						
26						
27						
28						
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30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	34,240,376		88,442,363	74,119,220	19,917,233

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 1 Column: c

The following are the individual amounts comprising "various" -

\$4,705,908 recorded to account 182.3

\$120,179 recorded to account 190.0

\$4,826,087 Total

Schedule Page: 278 Line No.: 13 Column: c

The following are the individual amounts comprising "various" -

\$2,161,930 recorded to account 182.3

\$10,450,246 recorded to account 456.1

\$12,612,176 Total

Schedule Page: 278 Line No.: 14 Column: c

The following are the individual amounts comprising "various" -

\$4,078,520 recorded to account 144.0

\$2,163,987 recorded to account 182.3

\$1,402,052 recorded to account 184.0

\$7,644,559 Total

Schedule Page: 278 Line No.: 15 Column: c

The following are the individual amounts comprising "various" -

\$1,183,020 recorded to account 182.3

\$854,507 recorded to account 440.0

\$864,212 recorded to account 442.0

\$3,006 recorded to account 444.0

\$10,496 recorded to account 446.0

\$2,915,241 Total

Schedule Page: 278 Line No.: 16 Column: c

The following are the individual amounts comprising "various" -

\$396,162 recorded to account 407.3

\$16,100 recorded to account 426.5

\$412,262 Total

Schedule Page: 278 Line No.: 18 Column: c

The following are the individual amounts comprising "various" -

\$17,930 recorded to account 182.3

\$2,160,733 recorded to account 407.3

\$2,178,663 Total

Schedule Page: 278 Line No.: 20 Column: c

The following are the individual amounts comprising "various" -

\$2,041 recorded to account 182.3

\$244,796 recorded to account 407.3

\$246,837 Total

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	991,384,770	984,363,071
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	902,189,966	881,849,984
5	Large (or Ind.) (See Instr. 4)	11,926,114	12,452,453
6	(444) Public Street and Highway Lighting	13,711,940	13,547,682
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways	17,657,568	16,476,809
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	1,936,870,356	1,908,689,999
11	(447) Sales for Resale	21,734,228	23,785,847
12	TOTAL Sales of Electricity	1,958,604,584	1,932,475,846
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	1,958,604,584	1,932,475,846
15	Other Operating Revenues		
16	(450) Forfeited Discounts	7,307,620	4,799,622
17	(451) Miscellaneous Service Revenues	164,582	339,472
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	13,935,055	15,096,978
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	51,886,291	42,497,751
22	(456.1) Revenues from Transmission of Electricity of Others	180,100,783	183,819,201
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	253,394,331	246,553,024
27	TOTAL Electric Operating Revenues	2,211,998,915	2,179,028,870

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 105-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
8,372,045	8,451,793	773,236	743,816	2
				3
16,466,199	16,193,702	74,793	73,502	4
551,777	623,203	13	11	5
142,622	144,945	126	115	6
				7
581,647	573,789	3	3	8
				9
26,114,290	25,987,432	848,171	817,447	10
				11
26,114,290	25,987,432	848,171	817,447	12
				13
26,114,290	25,987,432	848,171	817,447	14

Line 12, column (b) includes \$ 48,719,884 of unbilled revenues.
 Line 12, column (d) includes 747,894 MWH relating to unbilled revenues

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 17 Column: c

Items greater than \$250,000:

\$567,630 Reconnect Fees
-529,555 Customer Service Credits

Schedule Page: 300 Line No.: 21 Column: b

Items greater than \$250,000:

\$ 49,530,830 Billed Stabilization Adjustment
-2,505,697 Calendar Revenue Normalization
882,849 Acct Mgmt Fees
973,065 Intercompany Use of Power

Schedule Page: 300 Line No.: 21 Column: c

Items greater than \$250,000:

\$24,228,646 Bill Stabilization Adjustment
15,503,507 Calendar Revenue Normalization
1,025,009 Intercompany Use of Power

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440) Residential or Domestic					
2	Service					
3	Residential	6,346,016	787,568,809	648,874	9,780	0.1241
4	Residential All-Electric	561,434	61,099,019	69,067	8,129	0.1088
5	Residential Time Metered	956,195	117,201,623	54,126	17,666	0.1226
6	Outdoor Lighting - Res	381	106,377	340	1,121	0.2792
7	Residential - Master Metered Apts	309,137	17,664,412	997	310,067	0.0571
8	Residential All-Electric (MMA)	6,231	365,698	12	519,250	0.0587
9	Electric Vehicle - Res	483	110,147	160	3,019	0.2280
10	Unbilled Revenue	192,167	20,886,573			0.1087
11	Adjustment - Duplicate Customers			-340		
12	MD/DP EWR PAR Credits		-13,617,888			
13	TOTAL	8,372,045	991,384,770	773,236	10,827	0.1184
14						
15	(442) Commercial and Industrial					
16	Small (or Comm.) Voltage below					
17	66 KV):					
18	GS Non-Demand	268,223	28,317,021	17,104	15,682	0.1056
19	Unmetered GS Non Demand	597	164,261	2	298,500	0.2751
20	GS-Low Voltage	645,415	68,218,505	5,159	125,105	0.1057
21	General Service - Primary Servc	422,491	46,287,932	30,211	13,985	0.1096
22	Unmetered General Service	957	128,380	5	191,400	0.1341
23	Time Meter GS-Low Voltage	5,762,533	313,993,035	3,446	1,672,238	0.0545
24	Time Meter GS-Primary Service	4,128,055	132,391,992	238	17,344,769	0.0321
25	Time Meter Med GS-Low Volt II	4,222,939	252,804,981	17,279	244,397	0.0599
26	Time Meter Med GS-Low Volt III	441,951	23,672,920	155	2,851,297	0.0536
27	Time Meter Med GS Prim Svc II	68,262	3,475,817	88	775,705	0.0509
28	Time Meter Med GS Prim Svc III	20,893	1,293,349	7	2,984,714	0.0619
29	Temporary or Supplementary Svc	39,884	5,388,757	1,063	36,827	0.1351
30	Telecommunications Network Svc	18,596	852,157	10	1,859,600	0.0458
31	Outdoor Lighting- Comm	1,862	451,058	742	2,509	0.2422
32	Electric Vehicle - Comm	93	3,728	2	46,500	0.0401
33	Traffic Signal - SVC	9,600	321,851	3	3,200,000	0.0335
34	Unbilled Revenue	413,848	24,597,022			0.0594
35	Adjustment - Duplicate Customers			-742		
36	MD/DP EWR PAR Credits		-272,800			
37	TOTAL	16,466,199	902,189,966	74,792	220,160	0.0548
38						
39	(442) Commercial and Industrial					
40	Large (or Ind.) (High Voltage of					
41	TOTAL Billed	25,366,396	1,888,150,472	848,171	29,907	0.0744
42	Total Unbilled Rev. (See Instr. 6)	747,894	48,719,884	0	0	0.0651
43	TOTAL	26,114,290	1,936,870,356	848,171	30,789	0.0742

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	66 KV or higher):					
2	Time Meter GS-High Voltage	478,405	11,381,689	14	34,171,786	0.0238
3	Unbilled Revenue	73,372	544,425			0.0074
4	TOTAL	551,777	11,926,114	14	39,412,643	0.0216
5	(444) Public Street and Highway					
6	Lighting					
7	Metered Street Lights	1,578	80,215	64	24,656	0.0508
8	Unmetered Street Lighting	130,103	12,638,872	62	2,098,435	0.0971
9	Unbilled Revenue	10,941	992,853			0.0907
10	TOTAL	142,622	13,711,940	126	1,131,921	0.0961
11						
12	(446) Sales to Railroads and					
13	Railways					
14	Rapid Transit Svc	299,139	9,311,342	1	299,139,000	0.0311
15	Time Metered Rapid Transit	224,942	6,647,213	2	112,471,000	0.0296
16	Unbilled Revenue	57,566	1,699,011			0.0295
17	TOTAL	581,647	17,657,566	3	193,882,333	0.0304
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	25,366,396	1,888,150,472	848,171	29,907	0.0744
42	Total Unbilled Rev.(See Instr. 6)	747,894	48,719,884	0	0	0.0651
43	TOTAL	28,114,290	1,936,870,356	848,171	30,789	0.0742

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 6 Column: a
Customers excluded from total (customers are included under other schedules).

Schedule Page: 304 Line No.: 31 Column: a
Customers excluded from total (customers are included under other schedules).

Schedule Page: 304 Line No.: 32 Column: a
Customers excluded from total (customers are included under other schedules).

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	PJM Interconnection	OS	PJM Tariff			
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
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SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RO sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
	21,538,537	143,821	51,870	21,734,228	1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
0	21,538,537	143,821	51,870	21,734,228	
0	21,538,537	143,821	51,870	21,734,228	

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: j

Interchange deliveries resulting from the integrated economic dispatch of generation and purchased energy resources in the PJM power pool to supply load in the PJM control area as well as credits related to transmission losses.

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering				
63	(547) Fuel				
64	(548) Generation Expenses				
65	(549) Miscellaneous Other Power Generation Expenses				
66	(550) Rents				
67	TOTAL Operation (Enter Total of lines 62 thru 66)				
68	Maintenance				
69	(551) Maintenance Supervision and Engineering				
70	(552) Maintenance of Structures				
71	(553) Maintenance of Generating and Electric Plant				
72	(554) Maintenance of Miscellaneous Other Power Generation Plant				
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)				
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)				
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	719,868,103	738,700,320		
77	(556) System Control and Load Dispatching	2,641,410	1,812,442		
78	(557) Other Expenses	25,512,952	27,627,983		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	748,022,465	768,140,745		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 69, 74 & 79)	748,022,465	768,140,745		
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering	6,335,418	4,894,102		
84					
85	(561.1) Load Dispatch-Reliability				
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	1,592,571	1,778,239		
87	(561.3) Load Dispatch-Transmission Service and Scheduling	273,949	323,818		
88	(561.4) Scheduling, System Control and Dispatch Services	33,266	44,439		
89	(561.5) Reliability, Planning and Standards Development	148,085	151,816		
90	(561.6) Transmission Service Studies				
91	(561.7) Generation Interconnection Studies				
92	(561.8) Reliability, Planning and Standards Development Services	8,586	10,771		
93	(562) Station Expenses	188,268	236,153		
94	(563) Overhead Lines Expenses	4,655	5,666		
95	(564) Underground Lines Expenses	238,375	128,769		
96	(565) Transmission of Electricity by Others				
97	(566) Miscellaneous Transmission Expenses	2,029,339	397,836		
98	(567) Rents	7,616,596	7,616,596		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	18,469,108	15,588,205		
100	Maintenance				
101	(568) Maintenance Supervision and Engineering	512,872	1,027,898		
102	(569) Maintenance of Structures				
103	(569.1) Maintenance of Computer Hardware				
104	(569.2) Maintenance of Computer Software	460,094	627,106		
105	(569.3) Maintenance of Communication Equipment				
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		231		
107	(570) Maintenance of Station Equipment	7,183,000	5,495,598		
108	(571) Maintenance of Overhead Lines	2,734,371	3,907,441		
109	(572) Maintenance of Underground Lines	1,732,227	2,321,112		
110	(573) Maintenance of Miscellaneous Transmission Plant	4,171,368	2,990,334		
111	TOTAL Maintenance (Total of lines 101 thru 110)	16,793,932	16,369,720		
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	35,263,040	31,957,925		

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Potomac Electric Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3. REGIONAL MARKET EXPENSES			
114	Operation			
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation	19,931		26,966
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	9,537		11,848
122	(575.8) Rents			
123	Total Operation (Lines 115 thru 122)	29,468		38,814
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	29,468		38,814
132	4. DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	2,543,075		2,719,125
135	(581) Load Dispatching	5,427,093		5,365,424
136	(582) Station Expenses	1,453,979		1,243,487
137	(583) Overhead Line Expenses	482,081		575,556
138	(584) Underground Line Expenses	6,789,575		6,506,939
139	(585) Street Lighting and Signal System Expenses	-30,184		50,236
140	(586) Meter Expenses	7,084,586		6,662,202
141	(587) Customer Installations Expenses	7,402,870		5,849,692
142	(588) Miscellaneous Expenses	20,714,224		17,380,696
143	(589) Rents	8,314,820		8,350,573
144	TOTAL Operation (Enter Total of lines 134 thru 143)	60,182,119		54,703,930
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	1,538,551		1,109,448
147	(591) Maintenance of Structures	1,442		12,257
148	(592) Maintenance of Station Equipment	20,366,843		13,531,007
149	(593) Maintenance of Overhead Lines	46,817,445		41,308,456
150	(594) Maintenance of Underground Lines	14,827,371		13,098,438
151	(595) Maintenance of Line Transformers	3,703,846		3,895,239
152	(596) Maintenance of Street Lighting and Signal Systems	3,345,225		3,776,067
153	(597) Maintenance of Meters	2,552,034		1,416,520
154	(598) Maintenance of Miscellaneous Distribution Plant	5,042,933		2,024,527
155	TOTAL Maintenance (Total of lines 146 thru 154)	98,195,690		80,171,959
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	158,377,809		134,875,889
157	5. CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision			
160	(902) Meter Reading Expenses	4,022,446		4,530,976
161	(903) Customer Records and Collection Expenses	79,094,511		91,065,038
162	(904) Uncollectible Accounts	27,040,893		19,841,222
163	(905) Miscellaneous Customer Accounts Expenses			
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	110,157,850		115,437,236

Name of Respondent Potomac Electric Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision				
168	(908) Customer Assistance Expenses	6,481,289	2,929,971		
169	(909) Informational and Instructional Expenses	2,207,324	1,195,848		
170	(910) Miscellaneous Customer Service and Informational Expenses	-3,877	14,428		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	8,684,736	4,140,247		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses	-131,583	134,616		
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	-131,583	134,616		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	8,835,356	5,456,077		
182	(921) Office Supplies and Expenses	450,006	423,188		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	134,621,640	89,044,104		
185	(924) Property Insurance	1,196,655	974,882		
186	(925) Injuries and Damages	161,536	4,460,083		
187	(926) Employee Pensions and Benefits	32,396,514	31,319,735		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	7,678,105	4,421,392		
190	(929) (Less) Duplicate Charges-Cr	14,164,036	14,397,683		
191	(930.1) General Advertising Expenses	710,861	1,499,269		
192	(930.2) Miscellaneous General Expenses	1,457,433	2,200,563		
193	(931) Rents	4,695,691	4,417,303		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	178,039,761	129,818,913		
195	Maintenance				
196	(935) Maintenance of General Plant	5,021,719	4,790,405		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	183,061,480	134,609,318		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	1,243,465,265	1,189,334,790		

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
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FOOTNOTE DATA

Schedule Page: 320 Line No.: 77 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$451,949.

Schedule Page: 320 Line No.: 83 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$531,216.

Schedule Page: 320 Line No.: 97 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$32,100.

Schedule Page: 320 Line No.: 110 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$339,541.

Schedule Page: 320 Line No.: 138 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$365,342.

Schedule Page: 320 Line No.: 140 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$2,846,137.

Schedule Page: 320 Line No.: 142 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$199,457.

Schedule Page: 320 Line No.: 154 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$3,072,935.

Schedule Page: 320 Line No.: 161 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$887,735.

Schedule Page: 320 Line No.: 181 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$1,401,092.

Schedule Page: 320 Line No.: 184 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$26,697,176, primarily representing merger severance and other merger-related compensation.

Schedule Page: 320 Line No.: 187 Column: b

Account was affected by merger-related accounting entries associated with Exelon Corporation/Peppo Holdings, Inc. merger. The merger-related entries recorded to this account in 2016 totaled a debit of \$74,410.

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Pennsylvania-New Jersey-Maryland					
2	Interconnection, LLC	OS	PJM Tariff			
3						
4	AEP Energy Partners Inc	OS				
5						
6	Direct Energy Business Marketing, LLC	OS				
7						
8	DTE Energy Trading, Inc	OS				
9						
10	Energy America LLC1	OS				
11						
12	Engelhart CTP (US)	OS				
13						
14	Exelon Generation Co., LLC	OS				
	Total					

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
			5,129,796	6,420,354	54,953,280	66,503,430	2
							3
75,222				6,083,717		6,083,717	4
							5
178,181				12,583,976		12,583,976	6
							7
721,964				52,353,279		52,353,279	8
							9
73,564				5,181,383		5,181,383	10
							11
39,791				2,856,973		2,856,973	12
							13
5,203,756				395,691,586		395,691,586	14
8,789,963			5,315,326	659,596,754	54,956,023	719,868,103	

Name of Respondent Potomac Electric Power Company	This Report is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

**PURCHASED POWER (Account 555)
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2	Macquarie Cook Power, Inc.	OS				
3						
4	NEPM II, LLC	OS				
5						
6	NextEra Energy Power	OS				
7						
8	Talen Energy Marketing (Formerly PPL)	OS				
9						
10	TransCanada Power Marketing, Ltd.	OS				
11						
12	CPower Corp	OS				
13						
14	Enerwise Global	OS				
	Total					

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
282,645				21,486,212		21,486,212	2
							3
389,569				26,674,326		26,674,326	4
							5
1,121,698				82,409,001		82,409,001	6
							7
148,818				10,414,705		10,414,705	8
							9
554,755				37,508,908		37,508,908	10
							11
			124,836			124,836	12
							13
			60,694			60,694	14
8,789,963			5,315,326	659,596,754	54,956,023	719,868,103	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) / /	Year/Period of Report End of 2016/Q4
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2	Aspre Energy	OS				
3						
4	ConocoPhillips	OS				
5						
6	Constellation Energy	OS				
7						
8	Knollwood Energy	OS				
9						
10	ICAP Energy LLC	OS				
11						
12	Other RECs	OS				
13						
14	PPL EnergyPlus	OS				
	Total					

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
				295,000		295,000	2
							3
				-126,631		-126,631	4
							5
				-46,795		-46,795	6
							7
				73,125		73,125	8
							9
					1,355	1,355	10
							11
				-350,012		-350,012	12
							13
				-93,591		-93,591	14
8,789,963			5,315,326	659,596,754	54,956,023	719,868,103	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2	Select Energy	OS				
3						
4	Sempra Energy Trading	OS				
5						
6	Sol System	OS				
7						
8	TFS Energy Futures LLC	OS				
9						
10	Vitol	OS				
11						
12						
13						
14						
	Total					

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
					-73	-73	2
							3
					-689	-689	4
							5
					52,500	52,500	6
							7
						1,388	8
							9
					129,500	129,500	10
							11
							12
							13
							14
8,789,963			5,315,326	659,596,754	54,956,023	719,868,103	

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$)(j)	Energy Charges (\$)(k)	Other Charges (\$)(l)	Total (j+k+l) of Settlement (\$)(m)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
8,789,963			5,315,326	659,596,754	54,956,023	719,868,103	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Potomac Electric Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 2 Column: b

Capacity purchases from the PJM Capacity and Reliability Pricing Model (RPM) Markets to service the Maryland and District of Columbia Standard Offer Service (SOS) Hourly Priced Service (HPS) programs.

Schedule Page: 326 Line No.: 2 Column: l

Other Charges - PJM

Network Integration Transmission Service	\$	54,670,208.10
Day-ahead Scheduling Reserve		122,055.28
Balancing Operating Reserve		77,033.83
Reactive Supply and Voltage Control from Generation		47,464.27
Regulation and Frequency Response Service		20,509.92
Synchronized Reserve		11,671.70
Non-Synchronized Reserve		2,075.00
Reactive Services		1,150.15
Load Reconciliation for Day-ahead Scheduling Reserve		1,080.06
Load Reconciliation for Balancing Operating Reserve		327.45
Balancing Operating Reserve for Load Response		108.66
Load Reconciliation for Synchronized Reserve		76.67
Load Reconciliation for Non-Synchronized Reserve		38.24
Load Reconciliation for Synchronous Condensing		0.29
Synchronous Condensing		0.01
Load Reconciliation for Regulation and Frequency Response		(519.24)
Total PJM	\$	54,953,280.39

Schedule Page: 326 Line No.: 4 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326 Line No.: 6 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326 Line No.: 8 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326 Line No.: 10 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326 Line No.: 12 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326 Line No.: 14 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 2 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 4 Column: b

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Potomac Electric Power Company			

FOOTNOTE DATA

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 6 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 8 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 10 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.1 Line No.: 12 Column: j

These contracts represent Capacity demand response mitigation for Maryland customers by Curtailment Service Providers (CSP).

Schedule Page: 326.1 Line No.: 14 Column: j

These contracts represent Capacity demand response mitigation for Maryland customers by Curtailment Service Providers (CSP).

Schedule Page: 326.2 Line No.: 4 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Schedule Page: 326.2 Line No.: 6 Column: b

Megawatthours purchased from wholesale suppliers under the Maryland and District of Columbia Standard Offer Service (SOS) program in accordance with the Full Requirement Service (FSA) Agreement.

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	PJM Point to Point Trans Revenue	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
2	PJM Trans Owner Sched System Con			
3	PJM Network Intergration Trans Svc			
4	PJM Transmission Enhancement Cred			
5	BGE Home Products & Services (CPSI)	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
6				
7	Washington Gas Energy Services, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
8				
9	Constellation NewEnergy, Inc (NEV)	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
10				
11	IDT Energy, Inc	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
12				
13	Glacial Energy of Washington , DC Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
14				
15	Gexa Energy District of Columbia, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
16				
17	Stream Energy Columbia LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
18				
19	Ethical Electric	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
20				
21	HIKO Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
22				
23	Suez Energy Resources (formerlyTractebel)	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
24				
25	Consolidated Edison Solutions	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
26				
27	Sempra Energy Solutions	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
28				
29	Strategic Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
30				
31	Direct Energy Services (EAMM)	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
32				
33	Blue Star Energy Services, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
34				
	TOTAL			

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
OATT						1
						2
						3
						4
PJM Tariff	Pepco System	Pepco System		114,426		5
						6
PJM Tariff	Pepco System	Pepco System		5,593,173		7
						8
PJM Tariff	Pepco System	Pepco System		4,378,872		9
						10
PJM Tariff	Pepco System	Pepco System		72,268		11
						12
PJM Tariff	Pepco System	Pepco System				13
						14
PJM Tarriff	Pepco System	Pepco System		55,077		15
						16
PJM Tariff	Pepco System	Pepco System		12,814		17
						18
PJM Tariff	Pepco System	Pepco System		98,408		19
						20
PJM Tariff	Pepco System	Pepco System		235		21
						22
PJM Tariff	Pepco System	Pepco System		624,525		23
						24
PJM Tariff	Pepco System	Pepco System		315,691		25
						26
PJM Tariff	Pepco System	Pepco System		562,444		27
						28
PJM Tarriff	Pepco System	Pepco System		1,020,056		29
						30
PJM Tarriff	Pepco System	Pepco System		321,378		31
						32
PJM Tarriff	Pepco System	Pepco System		49,228		33
						34
			0	17,602,069		0

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
		1,308,944	1,308,944	1
		598,388	598,388	2
		161,179,996	161,179,996	3
		17,013,455	17,013,455	4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
0	0	180,100,783	180,100,783	

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Name of Respondent Potomac Electric Power Company	This Report is. (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456 1)
(including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	First Energy Corporation	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
2				
3	UGI Energy Services, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
4				
5	Liberty Power Maryland, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
6				
7	Liberty Power DC, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
8				
9	MidAmerican Energy, Co	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
10				
11	Horizon Power & Light, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
12				
13	Glacial Energy of Maryland	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
14				
15	Gexa Energy Maryland, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
16				
17	WPS Energy Services	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
18				
19	BGE Home Products	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
20				
21	Virdian Energy PA, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
22				
23	Energy Plus Holdings	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
24				
25	Devonshire Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
26				
27	Public Power & Utility of MD	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
28				
29	North American Public Power & Gas, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
30				
31	NextEra Energy MD LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
32				
33	Clear View Electric	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
34				
	TOTAL			

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM Tarriff	Pepco System	Pepco System		15,523		1
						2
PJM Tarriff	Pepco System	Pepco System		13,562		3
						4
PJM Tarriff	Pepco System	Pepco System		69,511		5
						6
PJM Tarriff	Pepco System	Pepco System		65,509		7
						8
PJM Tarriff	Pepco System	Pepco System		130,862		9
						10
PJM Tarriff	Pepco System	Pepco System		39,081		11
						12
PJM Tarriff	Pepco System	Pepco System				13
						14
PJM Tarriff	Pepco System	Pepco System		53,615		15
						16
PJM Tarriff	Pepco System	Pepco System		268,187		17
						18
PJM Tarriff	Pepco System	Pepco System		190,978		19
						20
PJM Tarriff	Pepco System	Pepco System		40,367		21
						22
PJM Tarriff	Pepco System	Pepco System		38,145		23
						24
PJM Tarriff	Pepco System	Pepco System		13,223		25
						26
PJM Tarriff	Pepco System	Pepco System		46,256		27
						28
PJM Tarriff	Pepco System	Pepco System		14,246		29
						30
PJM Tarriff	Pepco System	Pepco System		632		31
						32
PJM Tarriff	Pepco System	Pepco System		18,355		33
						34
			0	17,602,069		0

Name of Respondent Potomac Electric Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (l) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
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				29
				30
				31
				32
				33
				34
0	0	180,100,783	180,100,783	

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456 1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Stream Energy Maryland, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
2				
3	Reliant Energy Northeast, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
4				
5	Starion Energy PA, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
6				
7	Palmco Power LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
8				
9	AMBIT NorthEast, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
10				
11	Texas Retail Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
12				
13	Oasis Power, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
14				
15	PPL EnergyPlus, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
16				
17	Public Power, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
18				
19	GDF Suez Retail Solutions	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
20				
21	Great American Power, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
22				
23	XOOM Energy Maryland	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
24				
25	Maryland Gas and Electric	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
26				
27	Champion Energy Services, Inc	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
28				
29	A P Gas & Electric	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
30				
31	Major Energy Electric Services, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
32				
33	Eligo Energy	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
34				
	TOTAL			

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM Tarriff	Pepco System	Pepco System		46,205		1
						2
PJM Tarriff	Pepco System	Pepco System		70,702		3
						4
PJM Tarriff	Pepco System	Pepco System		32,180		5
						6
PJM Tarriff	Pepco System	Pepco System		15,401		7
						8
PJM Tarriff	Pepco System	Pepco System		70,607		9
						10
PJM Tarriff	Pepco System	Pepco System		9,725		11
						12
PJM Tarriff	Pepco System	Pepco System		24,955		13
						14
PJM Tarriff	Pepco System	Pepco System		328,150		15
						16
PJM Tarriff	Pepco System	Pepco System		24,262		17
						18
PJM Tarriff	Pepco System	Pepco System		9,360		19
						20
PJM Tarriff	Pepco System	Pepco System		11,366		21
						22
PJM Tarriff	Pepco System	Pepco System		96,595		23
						24
PJM Tarriff	Pepco System	Pepco System		64,395		25
						26
PJM Tarriff	Pepco System	Pepco System		118,646		27
						28
PJM Tarriff	Pepco System	Pepco System		2,876		29
						30
PJM Tarriff	Pepco System	Pepco System		21,368		31
						32
PJM Tarriff	Pepco System	Pepco System		4,622		33
						34
			0	17,602,069		0

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No
				1
				2
				3
				4
				5
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				8
				9
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				31
				32
				33
				34
0	0	180,100,783	180,100,783	

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Name of Respondent Potomac Electric Power Company		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Hess Energy Marketing	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
2					
3	North Eastern States Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
4					
5	DC Gas & Electric	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
6					
7	Source Power & Gas	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
8					
9	SFE Energy	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
10					
11	Inspire Energy Holdings, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
12					
13	Energy ME Midwest	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
14					
15	Nordic Energy	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
16					
17	Plymouth Rock Energy, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
18					
19	Discount Power, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
20					
21	Agera Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
22					
23	Green Mountain Energy Co.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
24					
25	Renaissance Power & Gas, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
26					
27	EDF Energy Services, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
28					
29	MidAmerican Energy Services, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
30					
31	Commerce Energy, Inc.	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
32					
33	National Gas & Electric, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS	
34					
	TOTAL				

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM Tarriff	Pepco System	Pepco System		1,974,241		1
						2
PJM Tarriff	Pepco System	Pepco System		6,595		3
						4
PJM Tarriff	Pepco System	Pepco System		13,854		5
						6
PJM Tarriff	Pepco System	Pepco System		51,540		7
						8
PJM Tarriff	Pepco System	Pepco System		18,086		9
						10
PJM Tarriff	Pepco System	Pepco System		20,072		11
						12
PJM Tarriff	Pepco System	Pepco System		19,100		13
						14
PJM Tarriff	Pepco System	Pepco System		10,726		15
						16
PJM Tarriff	Pepco System	Pepco System		2,004		17
						18
PJM Tarriff	Pepco System	Pepco System		36		19
						20
PJM Tarriff	Pepco System	Pepco System		40,610		21
						22
PJM Tarriff	Pepco System	Pepco System		351		23
						24
PJM Tarriff	Pepco System	Pepco System		3,793		25
						26
PJM Tarriff	Pepco System	Pepco System		54,137		27
						28
PJM Tarriff	Pepco System	Pepco System		180,431		29
						30
PJM Tarriff	Pepco System	Pepco System		17,065		31
						32
PJM Tarriff	Pepco System	Pepco System		725		33
						34
			0	17,602,069		0

Name of Respondent Potomac Electric Power Company	This Report is.		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
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				30
				31
				32
				33
				34
0	0	180,100,783	180,100,783	

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Name of Respondent Potomac Electric Power Company	This Report Is. (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456 1)
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classi- fication (d)
1	Atlantic Energy MD, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
2				
3	Star Energy Partners, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
4				
5	Trident Retail Energy, LLC	PJM Interconnection, LLC	PJM Interconnection, LLC	OS
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
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32				
33				
34				
	TOTAL			

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM Tarriff	Pepco System	Pepco System		389		1
						2
PJM Tarriff	Pepco System	Pepco System		251		3
						4
PJM Tarriff	Pepco System	Pepco System		1		5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	17,602,069		0

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
0	0	180,100,783	180,100,783	

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FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: m
Pepco share of PJM pool Point-to-Point transmission revenue from the administration of the PJM Interconnection, LLC Open Access Transmission Tariff (OATT).

Schedule Page: 328 Line No.: 2 Column: m
Revenue from the PJM Interconnection, LLC for Transmission Owner Scheduling, System Control and Dispatch Service with the Pepco Zone Control Center.

Schedule Page: 328 Line No.: 3 Column: m
Revenue from the PJM Interconnection, LLC for Network Integration Transmission Service and Other Supporting Facilities, specifically, SMECO interconnections with Pepco.

Schedule Page: 328 Line No.: 4 Column: m
Revenue from Transmission Enhancements.

Schedule Page: 328 Line No.: 5 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 7 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 9 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 11 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 13 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 15 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 17 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 19 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 21 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 23 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 25 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

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FOOTNOTE DATA			

Schedule Page: 328 Line No.: 27 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 29 Column: i
Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328 Line No.: 31 Column: i
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Schedule Page: 328 Line No.: 33 Column: i
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Schedule Page: 328.1 Line No.: 1 Column: i
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Schedule Page: 328.1 Line No.: 3 Column: i
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Schedule Page: 328.1 Line No.: 5 Column: i
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Schedule Page: 328.1 Line No.: 21 Column: i

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Schedule Page: 328.1 Line No.: 23 Column: i

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Schedule Page: 328.1 Line No.: 33 Column: i

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Schedule Page: 328.2 Line No.: 1 Column: i

Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

Schedule Page: 328.2 Line No.: 3 Column: i

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Schedule Page: 328.2 Line No.: 13 Column: i

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Schedule Page: 328.2 Line No.: 15 Column: i

Estimated generation level electricity transmitted for other alternate energy suppliers in

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Potomac Electric Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
FOOTNOTE DATA			

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Schedule Page: 328.2 Line No.: 17 Column: i

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Schedule Page: 328.3 Line No.: 1 Column: i

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Schedule Page: 328.3 Line No.: 3 Column: i

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Schedule Page: 328.3 Line No.: 5 Column: i

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Schedule Page: 328.3 Line No.: 7 Column: i

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Schedule Page: 328.3 Line No.: 9 Column: i

Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail

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FOOTNOTE DATA

Choice Program.

Schedule Page: 328.3 Line No.: 11 Column: i

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Schedule Page: 328.3 Line No.: 13 Column: i

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Schedule Page: 328.4 Line No.: 1 Column: i

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Schedule Page: 328.4 Line No.: 3 Column: i

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Schedule Page: 328.4 Line No.: 5 Column: i

Estimated generation level electricity transmitted for other alternate energy suppliers in the District of Columbia and Maryland jurisdictions under those jurisdictions' Retail Choice Program.

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Name of Respondent Potomac Electric Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	570,197		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000			
6	Trustee Fees	124,735		
7	Board of Director Expenses	266,700		
8	Research, Development	317,926		
9	and Demonstration, Including Memberships			
10	Write-off of Software	187,574		
11	Miscellaneous	-11,699		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
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35				
36				
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40				
41				
42				
43				
44				
45				
46	TOTAL	1,457,433		

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			520,766		520,766
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant	29,797,770				29,797,770
8	Distribution Plant	133,633,363				133,633,363
9	Regional Transmission and Market Operation					
10	General Plant	10,477,088			428,418	10,905,506
11	Common Plant-Electric					
12	TOTAL	173,908,221		520,766	428,418	174,857,405

B. Basis for Amortization Charges

Account 404 includes amortization of computer software development costs amortized using the straight line method. Account 405 includes amortization of the cost of leasehold improvements in the Company's general office building (amortized during 2016 using the straight line method over the remaining life of a lease expiring 2028) and amortization of purchased and leased equipment (amortized using the straight line method through the remaining life or lease term). There are no changes in the basis or rates used from the preceding year.

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	350.2 - ALLOCABLE	1,471			1.25		
13	352 - ALLOCABLE	32,160			2.95		
14	352.1 - DC	96			2.44		
15	352.2 - MD	116	45.00		3.27	R4	
16	352.3 - SMECO	68			3.01		
17	353 - ALLOCABLE	725,689			2.67		
18	353.1 - DC	5,516			1.95		
19	353.2 - MD	7,391	40.00		3.07	R3	
20	353.3 - SMECO	1,254			3.01		
21	354 - ALLOCABLE	110,272			1.97		
22	354.1 - DC	2,664			1.69		
23	354.2 - MD	3,757	55.00		1.91	R3	
24	354.3 - SMECO	1,000			3.01		
25	355 - ALLOCABLE	12,820			2.82		
26	355.1 - DC	34			2.63		
27	355.2 - MD	46	55.00		2.91	R3	
28	355.3 - SMECO	6			3.01		
29	356 - ALLOCABLE	120,790			1.79		
30	356.1 - DC	943			1.80		
31	356.2 - MD	1,598	55.00		1.51	S1.5	
32	356.3 - SMECO	296			3.01		
33	357 - ALLOCABLE	83,377			1.77		
34	357.1 - DC	812			1.75		
35	357.2 - MD	903	55.00		1.50	S2	
36	357.3 - SMECO	201			3.01		
37	358 - ALLOCABLE	187,089			1.69		
38	358.1 - DC	1,238			1.93		
39	358.2 - MD	1,532	55.00		1.24	S2	
40	358.3 - SMECO	287			3.01		
41	359 - ALLOCABLE	7,556			1.80		
42	359.1 - DC	331			1.87		
43	359.2 - MD	444	60.00		1.49	S5	
44	359.3 - SMECO	5			3.01		
45	Subtotal	1,311,762					
46							
47							
48	360.2 - MD	274	55.00		0.64	S0.5	
49	361 - DC	59,641		-10.00	2.10		
50	361 - MD	51,958	75.00	-35.00	1.21	R3	

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	361 - SUB TRANS	5,863			1.72		
13	361.1 - DC	3,380		-10.00	2.10		
14	361.2 - MD	1,873	75.00	-35.00	1.21	R3	
15	362 - DC	321,971		-20.00	2.65		
16	362 - MD	294,323	55.00	-30.00	1.85	S0.5	
17	362 - SUB TRANS	257,712			2.64		
18	362.1 - DC	9,970		-20.00	2.65		
19	362.2 - MD	11,782	55.00	-30.00	1.85	S0.5	
20	364 - DC	109,387	26.00	-50.00	2.99	SC	
21	364 - MD	257,515	55.00	-80.00	2.38	R1.5	
22	364 - SUB TRANS	36,645			4.94		
23	364.1 - DC	389	26.00	-50.00	2.99	SC	
24	364.2 - MD	1,012	55.00	-80.00	2.38	R1.5	
25	365 - DC	114,630	26.00	-60.00	4.46	S5	
26	365 - MD	437,088	55.00	-70.00	2.41	R0.5	
27	365 - SUB TRANS	37,787			5.23		
28	365.1 - DC	501	26.00	-60.00	4.46	S5	
29	365.2 MD	1,536	55.00	-70.00	2.41	R0.5	
30	366 - DC	668,861	86.00	-20.00	2.28	R1	
31	366 - MD	271,919	60.00	-40.00	1.61	R3	
32	366 - SUB TRANS	128,858			1.94		
33	366.1 - DC	9,424	86.00	-20.00	2.28	R1	
34	366.2 - MD	1,924	60.00	-40.00	1.61	R3	
35	367 - DC	660,957	43.00	-25.00	2.12	SC	
36	367 - MD	600,176	55.00	-60.00	1.99	R4	
37	367 - SUB TRANS	130,884			4.76		
38	367.1 - DC	3,831	43.00	-25.00	2.12	SC	
39	367.2 - MD	1,614	55.00	-60.00	1.99	R4	
40	368 - DC	472,005	19.00	-20.00	3.54	L2	
41	368 - MD	470,896	40.00	-40.00	2.63	R2.5	
42	368.1 - DC	106	19.00	-20.00	3.54	L2	
43	368.2 - MD	130	40.00	-40.00	2.63	R2.5	
44	369.1 - DC	13,922	37.00	-40.00	3.38	R0.5	
45	369.2 - DC	105,183	31.00	-60.00	3.34	S6	
46	369.2 - MD	21,385	45.00	-60.00	2.73	R3	
47	369.3 - DC	156,119	25.00	-50.00	2.46	R3	
48	369.3 - MD	144,901	45.00	-60.00	2.55	R3	
49	369.3 - SMECO	99	45.00		2.79	L0.5	
50	370 - ALLOCABLE	20,503			2.86		

Name of Respondent Potomac Electric Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4		
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	370 - MD	2,268	30.00		2.01	S3	
13	370 - SMECO	407			2.79		
14	370.1 - DC	52,616			6.83		
15	370.1 - MD	68,639	38.00		10.00	R2.5	
16	371.1 - DC	1,367			0.47		
17	373.1 - DC	65	18.00	-30.00	19.11	SC	
18	373.1 - MD	26,553	45.00	-40.00	2.30	S2	
19	373.2 - DC	8,394	30.00	-20.00	7.87	SC	
20	373.2 - MD	18,935	47.00	-50.00	2.30	R3	
21	373.2 - SMECO	2	20.00		2.79		
22	373.4 - DC	50	24.00	-10.00	3.14	SC	
23	373.4 - MD	1,875	42.00	-50.00	2.76	R1.5	
24	Subtotal	6,080,105					
25							
26	390 - ALLOCABLE	96,355			2.81		
27	390 - DC	3,429	45.00	-5.00	1.78	R3	
28	390 - MD	4,314	45.00	-20.00	13.97	R3	
29	390 - SMECO	284	45.00		4.40	R3	
30	391.1 - ALLOCABLE	9,901	15.00		6.67		
31	391.1 - DC	3,437	15.00		6.67		
32	391.1 - MD	3,209	15.00		6.67	SQ	
33	391.1 - SMECO	10			4.40		
34	391.3 - ALLOCABLE	2,236			9.84		
35	391.3 - DC	3,076	10.00		10.00		
36	391.3 - MD	1,400	5.00		19.56	SQ	
37	391.3 - SMECO	1			4.40		
38	391.5 - DC	10	8.00		12.50		
39	393.3 - DC	244	25.00		4.00		
40	393.4 - DC	29	25.00		4.00		
41	393.5 - MD	18	15.00		4.67	SQ	
42	393.6 - MD	7	15.00		4.67	SQ	
43	394.1 - DC	80	25.00		4.00		
44	394.2 - MD	1	15.00		6.45	SQ	
45	394.6 - DC	2,459	25.00		4.00		
46	394.7 - DC	1,310	25.00		4.00		
47	394.8 - MD	1,649	15.00		6.45	SQ	
48	394.9 - MD	1,067	15.00		6.45	SQ	
49	395.3 - DC	677	15.00		6.67		
50	395.4 - DC	129	15.00		6.67		

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	395.5 - MD	712	15.00		5.70	SQ	
13	395.6 - MD	136	15.00		5.70	SQ	
14	396 - ALLOCABLE	869			7.99		
15	397 - ALLOCABLE	64,342			6.13		
16	397.1 - ALLOCABLE	4,197			6.13		
17	397.1 - DC	1,995			3.77		
18	397.2 - MD	3,538	12.00		14.51		
19	397.3 - DC	32,813	15.00		6.67		
20	397.3 - MD	35,526	15.00		6.59		
21	397.3 - SMECO	169			4.40		
22	398.1 - DC	78	20.00		5.00		
23	398.2 - MD	105	15.00		6.65	SQ	
24	398.6 - DC	1,935	20.00		5.00		
25	398.7 - DC	2,154	20.00		5.00		
26	398.8 - MD	1,961	15.00		6.65	SQ	
27	398.9 - MD	2,279	15.00		6.65	SQ	
28	subtotal	288,141					
29							
30	total	7,680,008					
31							
32							
33							
34							
35							
36							
37							
38							
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Name of Respondent Potomac Electric Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	DC FC 766 Fuel Adjustment Clause Audit and				
2	Review Program	25,000		25,000	
3					
4	DC FC 945 Investigation into Electric Services				
5	Market Competition and Regulatory Practices	-337,227		-337,227	
6					
7	DC FC 991 Investigation into Explosions				
8	Occurring in or around Distribution System	215,000		215,000	
9					
10	DC FC 1017 Investigation into the Development				
11	and Designation of Standard Offer Service	150,000		150,000	
12					
13	DC FC 1103 Application to Increase Rates for				
14	Distribution Service		4,491	4,491	
15	Amortization of Case Costs		1,086,667	1,086,667	1,403,611
16					
17	DC FC 1116 Application for Approval of				
18	Triennial Underground Infrastructure				
19	Improvement Plan	29,800		29,800	
20					
21	DC FC 1119 Application for Approval of				
22	Proposed Merger Transaction	30,000		30,000	
23					
24	DC FC 1121 Application to Receive Financing				
25	Order	20,000		20,000	
26					
27	DC FC 1125 Application for the Promotion of				
28	the Utility Discount Programs	93,632		93,632	
29					
30	DC FC 1139 Application to Increase Rates for				
31	Distribution Service	1,463,912	1,884,091	3,348,003	
32					
33	MD 9214 Generation Facilities Needed to Meet				
34	Long-Term Demand for Standard Offer Service				
35	Amortization of Case Costs		55,058	55,058	55,058
36					
37	MD 9240 Motion to Discontinue Quarterly and				
38	Annual Reporting		8,244	8,244	
39					
40	MD 9311 Application to Increase Distribution		3,994	3,994	
41	Rates - Amortization of Case Costs		42,972	42,972	42,972
42					
43	MD 9311 (Appeal) Application to Increase				
44	Distribution Rates		11,270	11,270	
45					
46	TOTAL	1,690,117	5,987,988	7,678,105	1,671,641

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR					
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.	
Department (f)	Account No. (g)	Amount (h)						
							1	
Electric	928	25,000					2	
							3	
							4	
Electric	928	-337,227					5	
							6	
							7	
Electric	928	215,000					8	
							9	
							10	
Electric	928	150,000					11	
							12	
							13	
Electric	928	4,491					14	
Electric	928	1,086,667		182.3	1,066,667	316,944	15	
							16	
							17	
							18	
Electric	928	29,800					19	
							20	
							21	
Electric	928	30,000					22	
							23	
							24	
Electric	928	20,000					25	
							26	
							27	
Electric	928	93,631					28	
							29	
							30	
Electric	928	3,348,003					31	
							32	
							33	
							34	
Electric	928	55,058		182.3	55,058		35	
							36	
							37	
Electric	928	8,244					38	
							39	
Electric	928	3,995					40	
Electric	928	42,972		182.3	42,972		41	
							42	
							43	
Electric	928	11,270					44	
							45	
		7,678,105		431,000		1,315,988	786,653	46

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	MD 9336 Application to Increase Distribution		36,129	36,129	
2	Rates -Amortization of Case Costs		113,333	113,333	170,000
3					
4	MD 9336 (Appeal) Application to Increase				
5	Distribution Rates		1,072	1,072	
6					
7	MD 9385 Application for Approval to Change				
8	Depreciation Rates		58,049	58,049	
9					
10	MD 9418 Application to Increase Distribution		1,837,284	1,837,284	
11	Rates -Amortization of Case Costs		17,958	17,958	
12					
13	Advanced Meter Infrastructure Case		11,814	11,814	
14					
15	ER05-515 Annual Updates -FERC Transmission		147,794	147,794	
16					
17	EL02-111 SECA-FERC Transmission		13,533	13,533	
18					
19	EL13-48/EL15-27 ROE/Protocols FERC				
20	Transmission		9,301	9,301	
21					
22	Miscellaneous Costs-DC, MD and Other		644,934	644,934	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	1,690,117	5,987,988	7,678,105	1,671,641

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
 4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
 5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
Electric	928	36,129					1
Electric	928	113,333		182.3	113,333	56,667	2
							3
							4
Electric	928	1,072					5
							6
							7
Electric	928	58,049					8
							9
Electric	928	1,837,284	431,000				10
Electric	928	17,958		182.3	17,958	413,042	11
							12
Electric	928	11,814					13
							14
Electric	928	147,794					15
							16
Electric	928	13,533					17
							18
							19
Electric	928	9,301					20
							21
Electric	928	644,934					22
							23
							24
							25
							26
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							29
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							33
							34
							35
							36
							37
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		7,678,105	431,000		1,315,988	786,653	46

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

- | | | |
|--|--|---|
| <p>A. Electric R, D & D Performed Internally:</p> <p>(1) Generation</p> <p>a. hydroelectric</p> <p> i. Recreation fish and wildlife</p> <p> ii Other hydroelectric</p> <p>b. Fossil-fuel steam</p> <p>c. Internal combustion or gas turbine</p> <p>d. Nuclear</p> <p>e. Unconventional generation</p> <p>f. Siting and heat rejection</p> <p>(2) Transmission</p> | <p>a. Overhead</p> <p>b. Underground</p> <p>(3) Distribution</p> <p>(4) Regional Transmission and Market Operation</p> <p>(5) Environment (other than equipment)</p> <p>(6) Other (Classify and include items in excess of \$50,000.)</p> <p>(7) Total Cost Incurred</p> | <p>B. Electric, R, D & D Performed Externally:</p> <p>(1) Research Support to the electrical Research Council or the Electric Power Research Institute</p> |
|--|--|---|

Line No.	Classification (a)	Description (b)
1	A. Electric RD&D Performed Internally:	
2	(3) Distribution	Microgrid Design
3		Street Light Pilot Project
4	B. Electric RD&D Performed Externally:	
5	(1) Research Support to Electric Power	Membership - EPRI
6	Research Institute (EPRI)	EPRI Demonstration of RF Sensors
7		for Downed Distribution Systems
8		
9	(4) Research Support to Others	Membership - National Electric
10		Energy, Testing, Research and
11		Application Center
12		(Georgia Tech Research Corp)
13		
14		Membership - The Gridwise Alliance Inc
15		
16		Membership - Smart Grid Consumer
17		Collaborative
18		
19		
20		
21		
22		
23		
24		
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37		

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
10,555		588	10,555		2
28,737		588	28,737		3
					4
	268,651	930.2	268,651		5
					6
	17,078	930.2	17,078		7
					8
					9
					10
					11
	21,180	930.2	21,180		12
					13
	6,610	930.2	6,610		14
					15
					16
	4,407	930.2	4,407		17
					18
					19
					20
					21
					22
					23
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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	365		
4	Transmission	1,516,763		
5	Regional Market			
6	Distribution	20,487,339		
7	Customer Accounts	18,947,243		
8	Customer Service and Informational	1,791,173		
9	Sales			
10	Administrative and General	5,693,201		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	48,436,084		
12	Maintenance			
13	Production			
14	Transmission	5,950,871		
15	Regional Market			
16	Distribution	25,347,397		
17	Administrative and General	6,091		
18	TOTAL Maintenance (Total of lines 13 thru 17)	31,304,359		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	365		
21	Transmission (Enter Total of lines 4 and 14)	7,467,634		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	45,834,736		
24	Customer Accounts (Transcribe from line 7)	18,947,243		
25	Customer Service and Informational (Transcribe from line 8)	1,791,173		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	5,699,292		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	79,740,443	2,147,669	81,888,112
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	79,740,443	2,147,669	81,888,112
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	61,585,703	1,332,952	62,918,655
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	61,585,703	1,332,952	62,918,655
72	Plant Removal (By Utility Departments)			
73	Electric Plant	7,611,716	164,747	7,776,463
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	7,611,716	164,747	7,776,463
77	Other Accounts (Specify, provide details in footnote):			
78	Expenses from Merchandising, Jobbing & Contract Work - 416	2,092,317	58,703	2,151,020
79	Expenses of Non- Utility Operations - 417.1	83,266	2,640	85,906
80	Other Deductions - 426	31,528	635	32,163
81	Intercompany Receivables - 146	441,055	12,449	453,504
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	2,648,166	74,427	2,722,593
96	TOTAL SALARIES AND WAGES	151,586,028	3,719,795	155,305,823

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)	1,166,015	2,440,734	4,537,876	8,419,857
3	Net Sales (Account 447)	(44,786)	(127,515)	(178,390)	(197,928)
4	Transmission Rights	14,709,004	28,758,245	41,694,457	54,670,208
5	Ancillary Services	30,919	67,825	228,308	285,309
6	Other Items (list separately)				
7	Demand	(4,614,601)	(8,944,805)	(12,717,128)	(16,408,741)
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46	TOTAL	11,246,551	22,194,484	33,565,123	44,768,705

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

Line No.	Type of Ancillary Service (a)	Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch			83,200			598,388
2	Reactive Supply and Voltage			47,498			
3	Regulation and Frequency Response			19,991			
4	Energy Imbalance						
5	Operating Reserve - Spinning			11,748			
6	Operating Reserve - Supplement						
7	Other			204,220			
8	Total (Lines 1 thru 7)			366,657			598,388

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FOOTNOTE DATA			

Schedule Page: 398 Line No.: 7 Column: d

Balancing Operating Reserve	\$	78,936.00
Non-Synchronized Reserve		2,113.00
Reactive Services		1,116.00
Scheduling Reserve		122,055.00
Total Other	\$	204,220.00

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	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2016/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service for Self	Firm Network Service for Others	Long-Term Firm Point-to-point Reservations	Other Long-Term Firm Service	Short-Term Firm Point-to-point Reservation	Other Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January	4,603	19	800						
2	February	4,364	13	2000						
3	March	3,665	3	800						
4	Total for Quarter 1									
5	April	3,418	6	800						
6	May	4,581	27	1700						
7	June	4,735	21	1400						
8	Total for Quarter 2									
9	July	5,786	25	1600						
10	August	5,495	12	1800						
11	September	5,324	9	1700						
12	Total for Quarter 3									
13	October	3,851	20	1600						
14	November	3,425	21	1900						
15	December	4,375	15	1800						
16	Total for Quarter 4									
17	Total Year to Date/Year									

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ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	26,114,290
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	95,644
7	Other		27	Total Energy Losses	781,901
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	26,991,835
9	Net Generation (Enter Total of lines 3 through 8)				
10	Purchases	8,789,963			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received	18,201,872			
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)	18,201,872			
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	26,991,835			

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MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	2,411,698		4,603	19	800
30	February	2,197,797		4,364	13	2000
31	March	1,975,755		3,665	3	800
32	April	1,848,022		3,416	6	800
33	May	2,007,648		4,581	27	1700
34	June	2,358,017		4,735	21	1400
35	July	2,849,299		5,786	25	1600
36	August	2,890,872		5,495	12	1800
37	September	2,374,411		5,324	9	1700
38	October	1,952,824		3,851	20	1600
39	November	1,899,549		3,425	21	1900
40	December	2,225,943		4,375	15	1800
41	TOTAL	26,991,835				

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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Tower Lines-500,000V							
2	Conemaugh Gen. Station, PA	MD-PA State line	500.00		Tower	34.07		1
3	Sub. 66, MD	Mt. Airy, Tap	500.00		Tower	18.13		2
4	Sub. 66, MD	High Ridge, BG&E	500.00		Tower	2.63		1
5					Steel Pole	7.69		
6	Chalk Point Gen. Sta., MD	Calvert Cliffs, BG&E	500.00		Tower	7.30		1
7					Steel Pole	2.21		
8	Chalk Point Gen. Sta., MD	Sub. 202, MD	500.00		Tower	19.43		1
9	Sub. 202, MD	Possum Point	500.00		Tower	32.45		1
10		(VEPCO Tie), VA						
11	Tower Lines-230,000V							
12	Panda Gen. Station, MD	Sub. 202, MD	230.00		Tower		2.47	1
13					Steel Pole	4.96		
14	Dickerson Gen. Station	Potomac River						
15	MD East Line	(VEPCO Tie), VA	230.00		Tower	7.25		1
16	Dickerson Gen. Station	Sub. 118, MD						
17	MD South Line		230.00		Tower	10.71		2
18								
19	Station H	Sub. 118, MD						
20	MD North Line		230.00		Tower	10.13		2
21								
22	Dickerson Gen. Station	Station H			Single Pole			
23	North Line		230.00		Steel	0.60		1
24	South Line		230.00		Steel	0.87		1
25	Sub. 118, MD	Sub. 165, MD						
26	North Line		230.00		Tower	11.32		2
27	South Line		230.00		Tower	11.32		2
28								
29								
30	Sub. 165, MD	Sub. 66, MD						
31	North Line		230.00		Tower	3.56		2
32	South Line		230.00		Tower	3.55		2
33	Sub. 66, MD	Sub. 120, MD						
34	North Line		230.00		Tower	10.19		2
35	South Line		230.00		Tower	10.19		2
36					TOTAL	653.63	144.57	119

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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
2,493 MCM	482,125	4,900,836	5,382,961	24,260			24,260	2
1,590 MCM	3,152,420	14,398,030	17,550,450					3
1,590 MCM	2,804,971	6,402,701	9,207,672					4
A.C.S.R.	8,200,902	18,746,121	26,947,023					5
1,590 MCM	1,405,898	13,865,484	15,271,382					6
A. C. S. R.	145,438	1,426,858	1,572,296					7
1,590 MCM	1,600,070	16,581,249	18,181,319					8
1,590 MCM	4,219,187	24,550,661	28,769,848					9
A.C.S.R.								10
								11
1,590 MCM								12
A. C. C. R.		680,092	680,092					13
								14
1,033.5 MCM	229,029	1,868,180	2,117,209					15
								16
1,590 MCM	141,162	4,760,068	4,901,230					17
								18
								19
1,590 MCM	141,162	21,495,854	21,837,016					20
								21
								22
1,590 MCM		549,459	549,459					23
A.C.S.R.		13,505,803	13,505,803					24
								25
1,590 MCM	220,694	1,862,333	2,083,027					26
A.C.S.R.	222,194	965,289	1,187,483					27
								28
								29
								30
1,590 MCM	67,656	515,269	582,925					31
A.C.S.R.	67,656	323,490	391,146					32
								33
1,590 MCM	178,712	1,638,226	1,816,938					34
A.C.S.R.	178,713	842,011	1,020,724					35
								36
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	36

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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1								
2	Sub. 120, MD	Sub. 162, MD						
3	North Line		230.00		Tower		9.44	1
4	South Line		230.00		Tower		9.45	1
5	Sub. 120, MD	Sub. 122, MD						
6	East Line		230.00		Tower	20.81		1
7	West Line		230.00		Tower	20.87		1
8	Sub. 162, MD	Sub. 122, MD						
9	East Line		230.00		Tower		11.26	1
10								
11	Sub. 162, MD	Chalk Point Generating						
12	West		230.00		Tower		33.34	1
13								
14	Sub. 122, MD	Chalk Point Generating						
15	East Line	Station, MD	230.00		Tower	22.14		1
16								
17	Sub. 122, MD	Aquasco Sub. 200, MD						
18	East Line				Tower	17.89		1
19	West Line				Tower	17.89		1
20	Aquasco Sub. 200, MD	Chalk Point Generating, MD						
21	East Line				Tower	4.21		1
22	West Line				Tower	4.18		1
23	Sub. 122, MD	Sub. 166, MD						
24	West Line		230.00		Tower		10.28	1
25	East Line		230.00		Tower	10.30		2
26	Morgantown Generating	Sub. 196, MD						
27	Station, MD							
28	East Line		230.00		Tower	13.20		1
29	West Line		230.00		Tower	13.15		1
30	Sub. 196, MD	Sub. 232, MD						
31	East Line		230.00		Tower	2.22		1
32	Morgantown Generating	Sub. 232, MD						
33	Station, MD		230.00		Tower		15.35	1
34	Morgantown Generating	Sub. 166, MD						
35	Station, MD							
36					TOTAL	653.63	144.57	119

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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
1,590 MCM	316,891	440,921	757,812					3
A.C.S.R.	165,661	418,248	583,909					4
								5
1,590 MCM	307,267	894,214	1,201,481					6
A.C.S.R.	307,267	932,995	1,240,262					7
								8
1,590 MCM	141,606	446,050	587,656					9
								10
								11
1,590 MCM	269,414	1,637,581	1,906,995					12
								13
								14
1,590 MCM	127,808	931,387	1,059,195					15
A. C. S. R.								16
								17
1,590 MCM	102,246	904,966	1,007,212					18
1,590 MCM	102,246	904,965	1,007,211					19
								20
1,590 MCM	25,562	224,129	249,691					21
1,590 MCM	25,562	590,132	615,694					22
								23
1,590 MCM	85,904	387,242	473,146					24
A.C.S.R.	171,806	987,645	1,159,451					25
								26
								27
1,590 MCM	101,285	536,842	637,927					28
A.C.S.R.	101,284	549,530	650,814					29
1,590 MCM								30
A.C.S.R.	135,359	1,111,973	1,247,332					31
1,590 MCM		2,976,604	2,976,604					32
A.C.S.R.								33
								34
1,590 MCM	236,644	1,317,276	1,553,920					35
								36
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

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- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	West Line		230.00		Tower		26.41	1
2	Sub. 196, MD	Sub. 122, MD						
3	West Line		230.00		Tower	23.51		1
4								
5	Sub. 166, MD	Sub. 202, MD						
6	North Line		230.00		Tower	4.44		2
7	South Line		230.00		Tower	4.41		1
8	Sub. 202, MD	Sub. 84, MD						
9	North Line		230.00		Tower	6.25		2
10	South Line		230.00		Tower	6.28		2
11	Sub. 122, MD	Sub. 123, MD						
12	North Line		230.00		Tower	4.66		2
13	South Line		230.00		Tower	4.66		2
14	Chalk Point Generating Station, MD	Sub. 195, MD						
15			230.00		Tower	11.19		2
16	Sub. 195, MD	Morgantown Generating Station, MD						
17			230.00		Tower	9.91		2
18	Sub. 118, MD	Sub. 121, MD						
19	North Line		230.00		Steel Pole	11.35		2
20	South Line		230.00		Steel Pole	11.35		2
21	Sub. 165, MD	Sub. 158, MD						
22	West Line		230.00		Tower	4.32		2
23	East Line		230.00		Tower	4.34		2
24	Sub. 120, MD	Sub. 163, MD						
25	East Line		230.00		Tower	6.30		2
26								
27	West Line		230.00		Steel Pole	6.30		2
28								
29	Sub. 232, MD	Sub. 166, MD						
30			230.00		Tower	11.50		2
31								
32	Sub. 163, MD	Sub. 27, MD						
33	East Line		230.00		Tower	3.29		2
34								
35	West Line		230.00		Steel Pole	3.29		2
36					TOTAL	653.63	144.57	119

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
A.C.S.R.	236,644	1,171,348	1,407,992					1
1,590 MCM								2
A.C.S.R.	221,263	1,395,039	1,616,302					3
								4
								5
1,590 MCM	331,112	1,620,445	1,951,557					6
A.C.S.R.	165,556	754,580	920,136					7
								8
1,590 MCM	373,295	26,257,425	26,630,720					9
A.C.S.R.	373,294	9,807,056	10,180,350					10
								11
1,590 MCM	108,678	6,683,153	6,791,831					12
A.C.C.R.	108,680	6,259,335	6,368,015					13
1,590 MCM								14
A.C.S.R.	156,366	1,270,678	1,427,044					15
1,590 MCM								16
A.C.S.R.	143,484	1,455,190	1,598,674					17
								18
1,590 MCM	412,340	6,597,191	7,009,531					19
A.C.S.R.M	412,340	12,603,455	13,015,795					20
								21
1,033.5 MCM	676,173	359,765	1,035,938					22
A.C.S.R.	676,173	1,135,337	1,811,510					23
								24
1,590 MCM	39,765	21,239,027	21,278,792					25
								26
1,590 MCM	39,763	6,863,147	6,902,910					27
								28
1,590 MCM		1,037,473	1,037,473					29
								30
								31
								32
1,590 MCM	20,156	382,069	402,225					33
								34
1,590 MCM	20,155	3,379,926	3,400,081					35
								36
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1								
2	Pipe Type Cable Lines-							
3	230,000V							
4	Benning Generating	Sub. 123, MD	230.00		Underground	10.32		2
5	Station, D.C.				Construction			
6								
7	Benning Generating	Sub. 123, MD	230.00		Underground	10.73		2
8	Station, D.C.				Construction			
9								
10	Buzzard Point Generating	Sub. 123, MD	230.00		Underground	10.57		1
11	Station, D.C.				Construction			
12	Buzzard Point Generating	Sub. 136, MD	230.00		Underground	7.14		2
13	Station, D.C.				Construction			
14								
15								
16	Potomac River Generating	Sub. 84, MD	230.00		Underground	12.39		2
17	Station, VA				Construction			
18	Sub. 136, D.C.	Sub. 84, MD	230.00		UDG	13.92		2
19	Potomac River Generating	Sub. 84, MD	230.00		UDG	13.66		2
20	Station, VA							
21								
22								
23	Buzzard Point Generating	Sub. 123	230.00		Underground	10.65		1
24	Station, D.C.							
25	Pipe Type Cable Lines-							
26	138,000V							
27	Sub. 121, MD	Sub. 6, MD	138.00		Underground	9.23		2
28					Construction			
29	Sub. 121, MD	Sub. 129, D.C.	138.00		Underground	17.63		2
30					Construction			
31	Sub. 6, MD	Sub. 129, D.C.	138.00		Underground	4.89		1
32					Construction			
33								
34	Pipe Type Cable Lines-							
35	138,000V (continued)							
36					TOTAL	653.63	144.57	119

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
2,500 MCM		4,871,511	4,871,511					4
								5
								6
3,000 MCM		5,908,195	5,908,195					7
								8
								9
1,500 MCM		3,324,563	3,324,563					10
Cu.								11
3,000 MCM		9,453,121	9,453,121					12
Cu.								13
		5,570,061	5,570,061					14
								15
3,000 MCM	326,312	24,554,071	24,880,383					16
Cu.								17
3,000 MCM Cu.		16,380,764	16,380,764					18
3,000 MCM Cu.		35,419,428	35,419,428					19
								20
		32,273,212	32,273,212					21
		34,532,997	34,532,997					22
3,000 kmil Cu.								23
								24
								25
								26
1,250 MCM	14,866	4,249,936	4,264,802					27
Cu.								28
1,250 MCM		10,646,212	10,646,212					29
Cu.								30
1,250 MCM		11,764,931	11,764,931					31
Cu.								32
								33
								34
								35
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	36

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
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Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Sub. 6, MD	Sub. 2, D.C.	138.00		Underground	9.61		1
2					Construction			
3	Sub. 129, D.C.	Sub. 2, D.C.	138.00		Underground	4.76		1
4					Construction			
5	Sub. 2, D.C.	Sub. 52, D.C.	138.00		Underground	0.40		1
6					Construction			
7	Sub. 52, D.C.	Buzzard Point Generating	138.00		Underground	3.39		1
8		Station, D.C.			Construction			
9	Sub. 52, D.C.	Buzzard Point Generating	138.00		Underground	3.15		1
10		Station, D.C.			Construction			
11	Sub. 2, D.C.	Sub. 18, D.C.	138.00		Underground	2.48		1
12					Construction			
13	Sub. 18, D.C.	Sub. 52, D.C.	138.00		Underground	1.86		1
14					Construction			
15	Sub. 18, D.C.	Buzzard Point Generating	138.00		Underground	1.63		1
16		Station, D.C.			Construction			
17	Sub. 18, D.C.	Buzzard Point Generating	138.00		Underground	1.34		1
18		Station, D.C.			Construction			
19			138.00		Underground			
20					Construction			
21								
22								
23	Steel Pole Lines		115.00		Single Pole		26.57	6
24					Steel			
25								
26								
27	115 KV Pipe Type		115.00		Underground	11.50		5
28	Cable Lines				Construction			
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	653.63	144.57	119

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TRANSMISSION LINE STATISTICS (Continued)

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9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1,250 MCM		13,194,893	13,194,893					1
Cu.								2
1,250 MCM		1,433,307	1,433,307					3
Cu.								4
1,250 MCM		238,516	238,516					5
Cu.								6
1,250 MCM		2,727,723	2,727,723					7
Cu.								8
1,250 MCM		2,984,095	2,984,095					9
Cu.								10
1,250 MCM		1,543,856	1,543,856					11
Cu.								12
1,250 MCM		1,266,990	1,266,990					13
Cu.								14
1,250 MCM		669,447	669,447					15
Cu.								16
1,250 MCM		1,672,164	1,672,164					17
Cu.								18
		40,775,445	40,775,445					19
								20
								21
								22
1,033.5 MCM		2,066,285	2,066,285					23
A.C.S.R.								24
								25
								26
750 MCM		5,277,017	5,277,017					27
Cu.								28
								29
								30
								31
								32
								33
								34
								35
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	36

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
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Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1								
2	Expenses (excluding those							
3	applicable to jointly owned							
4	line)							
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33	Expenses (excluding those							
34	applicable to jointly owned							
35	line)							
36					TOTAL	653.63	144.57	119

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TRANSMISSION LINE STATISTICS (Continued)

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Size of Conductor and Material (i)	COST OF LINE (include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
				6,573,794	4,466,598	7,616,596	18,656,988	35
	31,038,216	549,160,893	580,199,109	6,598,054	4,466,598	7,616,596	18,681,248	36

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Potomac Electric Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2016/Q4
FOOTNOTE DATA			

Schedule Page: 422 Line No.: 2 Column: f

Represents the Company's share (an undivided 27% interest) in a 126.19 mile transmission line owned jointly with 8 other utilities. Owners have an operating agreement with PECO and GPU (Metropolitan Edison Company) to operate and maintain the facilities, and owners share expenses in proportion to share of ownership. The owners in common of the Conemaugh-Conastone Transmission Line are as follows:

	Percentage
Public Service Electric & Gas	23.00
Atlantic City Electric	8.00
Baltimore Gas & Electric	7.00
Delmarva Power & Light	9.00
Metropolitan Edison	1.00
Pennsylvania Power & Light	2.00
PECO Energy Co	22.00
Potomac Electric Power	27.00
UGI Corporation	1.00
Total	100.00

Schedule Page: 422 Line No.: 12 Column: f

Feeder installed by Panda-Brandywine for Pepco ownership. Feeder is the electrical interconnection between Pepco and Panda.

Schedule Page: 422 Line No.: 13 Column: f

Feeder installed by Panda-Brandywine for Pepco ownership. Feeder is the electrical interconnection between Pepco and Panda.

Schedule Page: 422.1 Line No.: 31 Column: f

Existing Transmission Line Cut in and out of Sub. 232

Schedule Page: 422.1 Line No.: 33 Column: g

Existing Transmission Line Cut in and out of Sub. 232

Schedule Page: 422.2 Line No.: 29 Column: f

Existing Transmission Line Cut in and out of Sub. 232

Schedule Page: 422.3 Line No.: 29 Column: a

Includes two taps to Sub. 6, MD.

Schedule Page: 422.4 Line No.: 23 Column: g

Represents 20.58 miles constructed on steel poles owned by Consolidated Rail Corp., and 5.8 miles owned by Consolidated Rail Corp. but operated by Potomac Electric Power Company.

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (f) to (g), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Sub. 196, MD	Sub. 232, MD	2.22	Tower		1	1
2	Morgantown Generating Station, MD	Sub. 232, MD	15.35	Tower		1	1
3							
4	Sub. 232, MD	Sub. 166, MD	11.50	Tower		2	2
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
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28							
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39							
40							
41							
42							
43							
44	TOTAL		29.07			4	4

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
1590 MCM	ACSR		230			430,493		430,493	1
1590 MCM	ACSR		230			2,976,604		2,976,604	2
									3
1590 MCM	ACSR		230			1,037,473		1,037,473	4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
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									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
						4,444,570		4,444,570	44

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Substation No. 2, Washington, DC	Distribution	138.00	13.80	
2	Substation No. 2, Washington, DC	Transmission	138.00	138.00	
3	Substation No. 4, Riverdale, MD	Distribution	34.50	13.80	
4	Substation No. 6, Bethesda, MD	Distribution	34.50	13.80	
5	Substation No. 6, Bethesda, MD	Distribution	138.00	34.50	
6	Substation No 7, Washington, DC.	Distribution	230.00	13.80	
7	Substation No 8, Washington, DC.	Distribution	34.50	4.00	
8	Substation No. 8, Washington, DC.	Distribution	34.50	13.80	
9	Substation No. 9, Silver Spring, MD	Distribution	69.00	13.80	
10	Substation No. 9, Silver Spring, MD	Distribution	34.50	13.80	
11	Substation No. 10, Washington, DC	Distribution	69.00	13.80	
12	Substation No 12, Washington, DC	Distribution	13.80	4.00	
13	Substation No. 12, Washington, DC	Distribution	69.00	13.80	
14	Substation No. 13, Washington, DC	Distribution	34.50	4.00	
15	Substation No. 13, Washington, DC	Distribution	34.50	13.80	
16	Substation No. 15, Oakland, MD	Distribution	69.00	13.80	
17	Substation No. 18, Washington, DC	Distribution	138.00	13.80	
18	Substation No. 20, Potomac, MD	Distribution	69.00	13.80	
19	Substation No. 21, Washington, DC	Distribution	34.50	13.80	
20	Substation No. 24, Rockville, MD	Distribution	69.00	13.80	
21	Substation No. 25, Washington, DC	Distribution	69.00	13.80	
22	Substation No. 26, Silver Spring, MD	Distribution	69.00	13.80	
23	Substation No. 27, Takoma Park, MD	Distribution	34.50	4.00	
24	Substation No. 27, Takoma Park, MD	Distribution	34.50	13.80	
25	Substation No. 27, Takoma Park, MD	Distribution	230.00	34.50	
26	Substation No 27, Takoma Park, MD	Distribution	230.00	69.00	
27	Substation No 28, Washington, DC	Distribution	13.80	4.00	
28	Substation No 30, Seat Pleasant, MD	Distribution	13.80	4.00	
29	Substation No. 31, Gaithersburg, MD	Distribution	69.00	13.80	
30	Substation No. 33, Washington, DC	Distribution	34.50	13.80	
31	Substation No. 38, Washington, DC	Distribution	34.50	13.80	
32	Substation No. 38, Washington, DC	Distribution	34.50	4.00	
33	Substation No. 38, Washington, DC	Distribution	13.80	4.00	
34	Substation No. 40, Washington, DC	Distribution	13.80	4.00	
35	Substation No. 41, Washington, DC	Distribution	230.00	69.00	
36	Substation No. 41, Washington, DC	Distribution	69.00	34.50	
37	Substation No. 42, Washington, DC	Transmission	230.00	138.00	
38	Substation No. 42, Washington, DC	Distribution	138.00	13.80	
39	Substation No. 44, Colesville, MD	Distribution	69.00	13.80	
40	Substation No. 45, Washington, DC	Transmission	230.00	115.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
212	4					1
	1		Regulating Trans.	2	336	2
67	2					3
120	4					4
300	4					5
206	4					6
10	2					7
45	3					8
84	2					9
40	2					10
200	4					11
23	3					12
120	4					13
23	4					14
75	4					15
90	3					16
212	4					17
90	3					18
124	4					19
90	3					20
86	3					21
90	3					22
13	2					23
45	3					24
312	3					25
624	3					26
24	4					27
7	1					28
94	3					29
30	2					30
60	4					31
6	1					32
6	1					33
18	4					34
724	3					35
20	1					36
1030	4					37
300	6					38
94	3					39
448	2					40

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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Substation No. 48, Washington, DC.	Distribution	13.80	4.00	
2	Substation No. 49, Gaithersburg, MD	Distribution	69.00	13.80	
3	Substation No. 52, Washington, DC	Distribution	138.00	13.80	
4	Substation No. 56, Montgomery Village, MD	Distribution	69.00	13.80	
5	Substation No. 58, Coral Hills, MD	Distribution	13.80	4.00	
6	Substation No. 59, Oxon Hill, MD	Distribution	69.00	13.80	
7	Substation No. 61, Washington, DC	Distribution	13.80	4.00	
8	Substation No. 64, Washington, DC	Distribution	13.80	4.00	
9	Substation No. 66, Brighton, MD	Transmission	500.00	230.00	
10	Substation No. 69, Branchville, MD	Distribution	69.00	13.80	
11	Substation No. 70, Washington, DC	Distribution	13.80	4.00	
12	Substation No. 71, Washington, DC	Distribution	13.80	4.00	
13	Substation No. 72, Camp Springs, MD	Distribution	69.00	13.80	
14	Substation No. 74, Washington, DC	Distribution	69.00	13.80	
15	Substation No. 75, Silver Spring, MD	Distribution	69.00	13.80	
16	Substation No. 77, Washington, DC	Distribution	69.00	13.80	
17	Substation No. 79, Rockville, MD	Distribution	69.00	13.80	
18	Substation No. 80, Bethesda, MD	Distribution	34.50	13.80	
19	Substation No. 83, Washington, DC	Transmission	230.00	230.00	
20	Substation No. 84, Oxon Hill, MD	Distribution	230.00	69.00	
21	Substation No. 84, Oxon Hill, MD	Transmission	230.00	230.00	
22	Substation No. 85, Kingswood, MD	Distribution	69.00	13.80	
23	Substation No. 89, Washington, DC	Distribution	13.80	4.00	
24	Substation No. 90 E, Washington, DC	Distribution	13.80	4.00	
25	Substation No. 90 W, Washington, DC	Distribution	13.80	4.00	
26	Substation No. 92, Washington, DC	Distribution	13.80	4.00	
27	Substation No. 93, Westmoreland Hills, MD	Distribution	34.50	4.00	
28	Substation No. 97, Green Meadows, MD	Distribution	34.50	13.80	
29	Substation No. 100, Washington, DC	Distribution	13.80	4.00	
30	Substation No. 105, Clinton, MD	Distribution	69.00	13.80	
31	Substation No. 111, Washington, DC	Distribution	13.80	4.00	
32	Substation No. 117, Washington, DC	Distribution	69.00	13.80	
33	Substation No. 118, Germantown, MD	Distribution	230.00	69.00	
34	Substation No. 118, Germantown, MD	Distribution	69.00	13.80	
35	Substation No. 119, Gaithersburg, MD	Distribution	69.00	13.80	
36	Substation No. 121, Rockville, MD	Distribution	230.00	34.50	
37	Substation No. 121, Rockville, MD	Distribution	230.00	69.00	
38	Substation No. 121, Rockville, MD	Transmission	230.00	138.00	
39	Substation No. 121, Rockville, MD	Distribution	138.00	34.50	
40	Substation No. 121, Rockville, MD	Distribution	34.50	13.80	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
27	4					1
94	3					2
256	5					3
94	3					4
5	1					5
90	3					6
6	1					7
7	1					8
2000	6					9
90	3					10
5	1					11
7	1					12
60	2					13
101	3					14
60	3					15
113	3					16
97	3					17
99	4					18
			Shunt Reactors	2	200	19
648	3					20
			Shunt Reactors	2	160	21
74	3					22
7	1					23
7	1					24
7	1					25
6	1					26
6	1					27
90	3					28
7	1					29
60	2					30
5	1					31
150	4					32
524	4					33
90	3					34
90	3					35
150	2					36
904	4					37
600	4					38
75	1					39
90	3					40

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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Substation No. 122, Upper Marlboro, MD	Distribution	69.00	13.80	
2	Substation No. 123, Seat Pleasant, MD	Distribution	230.00	69.00	
3	Substation No. 123, Seat Pleasant, MD	Transmission	230.00	138.00	
4	Substation No. 124, Washington, DC	Distribution	69.00	13.80	
5	Substation No. 125, Germantown, MD	Distribution	69.00	13.80	
6	Substation No. 126, Washington, DC	Distribution	13.80	4.00	
7	Substation No. 129, Washington, DC	Distribution	138.00	13.80	
8	Substation No. 130, Washington, DC	Distribution	13.80	4.00	
9	Substation No. 131, Washington, DC	Distribution	13.80	4.00	
10	Substation No. 133, Washington, DC	Distribution	69.00	13.80	
11	Substation No. 134, Suitland, MD	Distribution	69.00	13.80	
12	Substation No. 136, Washington, DC	Distribution	230.00	13.80	
13	Substation No. 136, Washington, DC	Transmission	230.00	230.00	
14	Substation No. 140, Adelphi, MD	Distribution	69.00	13.80	
15	Substation No. 140, Adelphi, MD	Distribution	69.00	34.50	
16	Substation No. 143, Montgomery County, MD	Distribution	69.00	13.80	
17	Substation No. 145, Washington, DC	Distribution	34.50	4.00	
18	Substation No. 146, Washington, DC	Distribution	34.50	4.00	
19	Substation No. 148, Cheverly, MD	Distribution	115.00	13.80	
20	Substation No. 149, West Lanham, MD	Distribution	115.00	13.80	
21	Substation No. 149, West Lanham, MD	Distribution	115.00	34.50	
22	Substation No. 150, Washington, DC	Distribution	13.80	4.00	
23	Substation No. 151, Prince George's County, MD	Distribution	69.00	13.80	
24	Substation No. 152, Washington, DC	Distribution	13.80	4.00	
25	Substation No. 153, White Oak, MD	Distribution	69.00	13.80	
26	Substation No. 154, Bethesda, MD	Distribution	69.00	13.80	
27	Substation No. 155, Croom, MD	Distribution	69.00	13.80	
28	Substation No. 156, Silver Spring, MD	Distribution	69.00	13.80	
29	Substation No. 157, Washington, DC	Distribution	13.80	4.00	
30	Substation No. 158, Rockville, MD	Distribution	230.00	69.00	
31	Substation No. 158, Rockville, MD	Distribution	69.00	13.80	
32	Substation No. 159, Oxon Hill, MD	Distribution	69.00	13.80	
33	Substation No. 160, Gaithersburg, MD	Distribution	69.00	13.80	
34	Substation No. 161, Washington, DC	Distribution	69.00	13.80	
35	Substation No. 162, Jericho Park, MD	Transmission	230.00	115.00	
36	Substation No. 163, College Park, MD	Distribution	230.00	69.00	
37	Substation No. 164, Clinton, MD	Distribution	69.00	13.80	
38	Substation No. 165, Brookville, MD	Distribution	69.00	13.80	
39	Substation No. 165, Brookville, MD	Transmission	230.00	230.00	
40	Substation No. 167, Bethesda, MD	Distribution	34.50	13.80	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
90	3					1
824	4					2
168	1					3
150	4					4
90	3					5
10	2					6
200	4					7
6	1					8
6	1					9
150	4					10
90	3					11
206	4					12
			Reactors	2	200	13
40	2					14
30	1					15
70	3					16
7	1					17
7	1					18
90	3					19
90	3					20
150	3					21
14	2					22
90	3					23
7	1					24
90	3					25
90	3					26
90	3					27
94	3					28
7	1					29
872	4					30
90	3					31
90	3					32
113	3					33
154	4					34
448	2					35
896	4					36
90	3					37
60	2					38
						39
60	3					40

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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Substation No. 168, Washington, DC	Distribution	69.00	13.80	
2	Substation No. 169, Wheaton, MD	Distribution	69.00	13.80	
3	Substation No. 171, Rockville, MD	Distribution	69.00	13.80	
4	Substation No. 172, Rockville, MD	Distribution	69.00	13.80	
5	Substation No. 173, Greenbelt, MD	Distribution	34.50	13.80	
6	Substation No. 174, Adelphi, MD	Distribution	69.00	13.80	
7	Substation No. 175, Bladensburg, MD	Distribution	115.00	13.80	
8	Substation No. 176, Clinton, MD	Distribution	69.00	13.80	
9	Substation No. 177, Silver Spring, MD	Distribution	69.00	13.80	
10	Substation No. 178, Lanham, MD	Distribution	115.00	13.80	
11	Substation No. 181, Washington, DC	Distribution	13.80	4.00	
12	Substation No. 183, Takoma Park, MD	Distribution	34.50	13.80	
13	Substation No. 185, Capitol Heights, MD	Distribution	69.00	13.80	
14	Substation No. 189, Hyattsville, MD	Distribution	69.00	13.80	
15	Substation No. 190, Washington, DC	Distribution	69.00	13.80	
16	Substation No. 190, Washington, DC	Distribution	69.00	69.00	
17	Substation No. 191, Upper Marlboro, MD	Distribution	69.00	13.80	
18	Substation No. 192, West Bethesda, MD	Distribution	69.00	13.80	
19	Substation No. 193, Kensington, MD	Distribution	69.00	13.80	
20	Substation No. 194, Beltsville, MD	Distribution	69.00	13.80	
21	Substation No. 197, Washington, DC	Distribution	69.00	13.80	
22	Substation No. 199, Silver Spring, MD	Distribution	69.00	13.80	
23	Substation No. 202, Clinton, MD	Transmission	500.00	230.00	
24	Substation No. 209, Gaithersburg, MD	Distribution	69.00	13.80	
25	Substation No. 211, Rockville, MD	Distribution	69.00	13.80	
26	Substation No. 212, Washington, DC	Distribution	69.00	13.80	
27	Benning Generating Station	Distribution	69.00	13.80	
28	Buzzard Point Generating Station	Distribution	34.50	13.80	
29	Potomac River Generating Station	Distribution	230.00	69.00	
30	Potomac River Generating Station	Distribution	69.00	69.00	
31	Chalk Point Generating Station	Distribution	230.00	69.00	
32	Chalk Point Generating Station	Transmission	500.00	230.00	
33	Morgantown Generating Station	Distribution	230.00	69.00	
34	Generating Station	H ^{***}	230.00	69.00	
35	Generating Station	H ^{***}	230.00	230.00	
36	Spare Transformer		13.80	4.00	
37	Spare Transformer		34.50	4.00	
38	Spare Transformer		34.50	13.80	
39	Spare Transformer		69.00	13.80	
40	Spare Transformer		138.00	13.80	

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
90	3					1
101	3					2
90	3					3
94	3					4
60	3					5
40	2					6
60	2					7
90	3					8
90	3					9
90	3					10
18	3					11
90	3					12
94	3					13
90	3					14
150	4					15
			Phase Shifter	1	112	16
93	3					17
60	2					18
94	3					19
90	3					20
206	4					21
60	2					22
3000	9					23
94	3					24
90	3					25
224	4					26
38	1					27
310	14					28
800	4					29
			Reactors	2	100	30
500	4					31
1998	6					32
100	2					33
400	2					34
			Reactors	2	666	35
8		2				36
7		1				37
56		2				38
390		10				39
112		2				40

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Spare Transformer		138.00	34.50	
2	Spare Transformer		230.00	13.80	
3	Spare Transformer		230.00	34.50	
4	Spare Transformer		230.00	69.00	
5	Spare Transformer		230.00	115.00	
6	Spare Transformer		230.00	138.00	
7	Spare Transformer		500.00	230.00	
8	Total		16915.50	5865.90	
9	See Note for General Comments				
10					
11					
12					
13					
14					
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21					
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39					
40					

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
84		1				1
112		2				2
112		1				3
896		4				4
224		1				5
504		2				6
666		2				7
31367	430	30		0	13	1,774
						9
						10
						11
						12
						13
						14
						15
						16
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						40

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 426.4 Line No.: 9 Column: a

Note:

1) The voltages listed under columns (c) and (d) are in kV (kiloVolts). The capacities of all transformers are included in the above statement. All substations are unattended. 87.8 MVA of transformer capacity on customer's premises is not included in the above statement. Substation Nos. 33, 77, 80, 83, 160, 167 and 168 are in respondent's buildings located on land owned by others. Substation No. 197 is located in a building and on land not owned by the respondent.

2) All equipment in column (k) is measured in MVAR except the Phase Shifter at Sub 190, this is measured in MVA per heading.

3) Transmission and Distribution System subtotals with final total.

	Voltage (in kV)			Capacity (in MVA)	Number of Transformers in Service	Transformers Spare	Conversion Number	Apparatus Total Capacity (MVAR)
	Primary	Secondary	Tertiary					
Transmission	4898	3105	-	11086	35	5	10	1562
Distribution	12017.5	2760.9	-	20281	395	25	3	212
Total	16915.5	5865.9		31367	430	30	13	1774

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Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general"
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	PHI Service Company (PHISCO)			
3	Centralized Support Services	PHISCO	Various	263,235,465
4				
5				
6	Delmarva Power & Light Company (DPL)			
7	Building Services	DPL	935	921
8	Regulatory Affairs Services	DPL	557	180
9	Safety Services	DPL	107	2,214
10	Field Training Services	DPL	588	2,539
11	Engineering and Planning Services	DPL	Various	65,530
12	Construction and Maintenance Services	DPL	Various	6,553
13	Meter Services	DPL	908	797
14	Vehicle Services	DPL	Various	2,667
15	Drafting Services	DPL	Various	72,041
16	Communication Services	DPL	Various	1,908
17	System Operation Services	DPL	426.5	8,170
18	Storm Restoration Services	DPL	903	1,848
19				
20	Non-power Goods or Services Provided for Affiliate			
21	Delmarva Power & Light Company (DPL)			
22	Safety Services	DPL	920	1,612
23	Shops Department Fabrication Services	DPL	588	310,301
24	Engineering and Planning Services	DPL	Various	131,533
25	Construction and Maintenance Services	DPL	Various	51,902
26	Meter Services	DPL	586	430
27	Materials and Stores	DPL	Various	270,924
28	Asset Transfer Meters	DPL	107	42,778
29				
30				
31	PHI Service Company (PHISCO)			
32	Vehicle Services	PHISCO	929	1,001,332
33	Trailers	PHISCO	929	7,725
34	Materials and Stores	PHISCO	Various	304,912
35	Network Support, IT and Training Services	PHISCO	929	280,453
36	Building Services (use of building space)	PHISCO	929	3,254,547
37				
38				
39	Constellation New Energy			
40	Account Management and Coordination Fees	Constellation New Energy	456	267,273
41				
42				

Name of Respondent Potomac Electric Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

- Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
- The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
- Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Delmarva Power & Light Company (DPL) - con't			
3	Community Affairs Services	DPL	426.5	456
4	Materials and Stores	DPL	Various	705,100
5	Building Lease use of Office Space	DPL	929	2,662
6				
7	W.A. Chester LLC			
8	Cable, Overhead and Underground and Maintenance			
9	Services	W.A. Chester LLC	Various	39,234,279
10				
11				
12	Exelon Business Services Company (EBSC)			
13	Centralized Support Services	EBSC	Various	31,370,547
14				
15				
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
21	Atlantic City Electric (ACE)			
22	Safety Services	ACE	920	620
23	Shops Department Fabrication Services	ACE	588	65,348
24	Engineering and Planning Services	ACE	Various	180,601
25	Construction and Maintenance Services	ACE	Various	73,225
26	Operation and Maintenance Services	ACE	Various	1,492
27	Communication Services	ACE	592	2,350
28	Materials and Stores	ACE	Various	56,232
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Potomac Electric Power Company			
FOOTNOTE DATA			

Schedule Page: 429 Line No.: 3 Column: a
PHI Service Company (PHISCO) Overview

Services provided by the Service Company are provided under a Service Agreement with Potomac Electric Power Company (Pepco). Charges are provided by either direct charging of costs or are based on an allocation. The Service Agreement provides specific guidelines on the allocation methods used to charge these costs to the various PHI affiliates. Information on the Service Company allocation methods are explained in detail under Schedule XXI, Methods of Allocations, in the FERC Form 60 filed for PHISCO.

PHISCO provides a variety of services which include executive management, procurement and administrative services, financial and corporate services, insurance coverage and services, human resources, legal, audit services, utility marketing, information technology, and external affairs, environmental and safety services and regulated gas and electric (transmission and distribution services).

The services provided by the regulated gas and electric area include system operations services; meter maintenance and testing; power procurement and energy planning; and other delivery services, including delivery senior management, asset management, financial analysis, engineering standards, interconnection planning and arrangements, distribution and transmission planning, value added services, engineering services for distribution, substation and transmission, system protection, drafting and construction management, electric maintenance, administrative support, forestry, process improvement, training, performance analysis, benchmarking, and enabling systems.

Schedule Page: 429 Line No.: 3 Column: c

PHISCO Centralized Support Services to PEPCO

<u>FERC account</u>	<u>Amount</u>
107	\$ 37,468,781
182.3	8,595,791
184	638,660
408.1	1,997
416	805,109
417.1	109,996
419	(22,158)
421	(4)
421.2	420,483
426.1	257,032
426.2	(6,676)
426.3	1,385
426.4	227,986
426.5	2,112,619
430	244,108
431	(36,264)
556	2,624,428
557	1,550,758
560	5,088,055
561.2	849,068
561.3	50,977
561.5	131,940

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
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FOOTNOTE DATA

562	11,428
563	301
564	3,084
566	1,290,926
568	507,686
569.2	449,960
570	379,724
571	548,094
572	11,117
573	171,684
575.5	17,401
580	1,212,741
581	1,475,555
582	105,767
583	47,265
584	208,396
585	43
586	1,108,564
587	893,846
588	9,099,689
589	64,590
590	431,373
591	102
592	1,111,695
593	1,646,212
594	610,137
595	199,373
596	15,904
597	157,207
598	560,761
902	123,280
903	48,002,627
907	135,212
908	876,429
909	306,902
920	639,618
921	6,549
923	110,924,582
924	(4,305)
925	751,897
926	12,532,015
928	2,541,328
929	1,387,280
930.1	33
930.2	1,134,900
935	422,422

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Total \$ 263,235,465

Schedule Page: 429 Line No.: 11 Column: c

DPL Engineering and Planning Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
107	\$ 62,428
580	1,366
588	408
594	1,328
Total	\$ 65,530

Schedule Page: 429 Line No.: 12 Column: c

DPL Construction and Maintenance Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
107	\$ 809
573	1,341
592	2,479
593	1,609
594	206
598	109
Total	\$ 6,553

Schedule Page: 429 Line No.: 14 Column: c

DPL Truck Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
560	\$ 2,508
920	159
Total	\$ 2,667

Schedule Page: 429 Line No.: 15 Column: c

DPL Drafting Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
107	\$ 71,461
580	240
590	148
593	192
Total	\$ 72,041

Schedule Page: 429 Line No.: 16 Column: c

DPL Communication Services provided to Pepco:

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

<u>FERC</u>	<u>Amount</u>
107	\$ 620
593	1,288
Total	\$ 1,908

Schedule Page: 429 Line No.: 24 Column: c

Pepco Engineering and Planning Services provided to DPL:

<u>FERC</u>	<u>Amount</u>
560	\$ 103,181
580	28,352
Total	\$ 131,533

Schedule Page: 429 Line No.: 25 Column: c

Pepco Construction and Maintenance Services provided to DPL:

<u>FERC</u>	<u>Amount</u>
570	\$ 85
582	1,811
592	8,859
593	29,190
594	11,957
Total	\$ 51,902

Schedule Page: 429 Line No.: 27 Column: c

Pepco Materials and Stores provided to DPL:

<u>FERC</u>	<u>Amount</u>
154	\$ 266,832
929	4,092
Total	\$ 270,924

Schedule Page: 429 Line No.: 34 Column: c

Pepco Materials and Stores Overhead provided to PHISCO:

<u>FERC</u>	<u>Amount</u>
154	\$ 281,765
929	23,147
Total	\$ 304,912

Schedule Page: 429.1 Line No.: 4 Column: c

DPL Materials and Stores provided to Pepco:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Potomac Electric Power Company			2016/Q4
FOOTNOTE DATA			

<u>FERC</u>	<u>Amount</u>
154	\$ 602,997
107	18,494
416	4,965
573	798
582	1,966
594	47,240
920	453
935	24,856
929	3,331
Total	\$ 705,100

Schedule Page: 429.1 Line No.: 9 Column: c

W.A. Chester LLC - Cable, Overhead and Underground and Maintenance Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
107	\$ 38,493,646
416	114,659
564	97,903
572	138,499
586	2,507
587	6,238
588	10,695
593	186,727
594	175,109
595	344
597	4,968
903	2,984
Total	\$ 39,234,279

Schedule Page: 429.1 Line No.: 13 Column: a

Exelon Business Services Company, LLC (EBSC) Overview

Services provided by EBSC are provided under a General Service Agreement with Pepco. Charges are provided by either direct charging of costs or are based on an allocation. The factors for allocating the costs from EBSC to Exelon affiliates are contained in the General Services Agreement. Information on the EBSC allocation methods are explained in detail under Schedule XXI, Methods of Allocations, in the FERC Form 60 filed for EBSC.

EBSC provides a variety of support services, including finance services, human resources services, information technology services, and legal services to all Exelon subsidiaries.

Schedule Page: 429.1 Line No.: 13 Column: c

Exelon Business Service Company Centralized Support Services provided to Pepco:

<u>FERC</u>	<u>Amount</u>
107	\$ 1,767,231
426.1	540,550

Name of Respondent Potomac Electric Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

426.4	212,752
426.5	250,955
560	657,105
909	3,875
923	27,937,602
930.1	477
Total	\$ 31,370,547

Schedule Page: 429.1 Line No.: 24 Column: c

Pepco Engineering and Planning Services provided to ACE:

<u>FERC</u>	<u>Amount</u>
560	\$ 179,985
580	616
Total	\$ 180,601

Schedule Page: 429.1 Line No.: 25 Column: c

Pepco Construction and Maintenance provided to ACE:

<u>FERC</u>	<u>Amount</u>
592	\$ 808
593	71,944
594	473
Total	\$ 73,225

Schedule Page: 429.1 Line No.: 26 Column: c

Pepco Operation and Maintenance Services provided to ACE:

<u>FERC</u>	<u>Amount</u>
582	\$ 471
592	1,021
Total	\$ 1,492

Schedule Page: 429.1 Line No.: 28 Column: c

Pepco Materials and Stores Overhead provided to ACE:

<u>FERC</u>	<u>Amount</u>
154	\$ 55,535
929	697
Total	\$ 56,232

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