

**ATLANTIC CITY ELECTRIC**  
**PRO FORMA CONSOLIDATED BALANCE SHEETS**  
(Dollars in Millions)  
(Unaudited)

	June 30, <u>2003</u>	Pro Forma <u>Adjustments</u>	Pro <u>Forma</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 39.8	\$ -	\$ 39.8
Restricted funds held by trustee	13.1		13.1
Accounts receivable, less allowance for uncollectible accounts	159.6	-	159.6
Fuel, materials and supplies - at average cost	37.7	-	37.7
Prepaid expenses and other	<u>41.2</u>	<u>-</u>	<u>41.2</u>
Total Current Assets	<u>291.4</u>	<u>-</u>	<u>291.4</u>
<b>Investments and Other Assets</b>			
Regulatory assets, net	1,077.7	-	1,077.7
Other	<u>28.7</u>	<u>-</u>	<u>28.7</u>
Total Investments and Other Assets	<u>1,106.4</u>	<u>-</u>	<u>1,106.4</u>
<b>Property, Plant and Equipment</b>			
Property, plant and equipment	1,873.7	-	1,873.7
Accumulated depreciation	<u>(774.5)</u>	<u>-</u>	<u>(774.5)</u>
Net Property, Plant, and Equipment	<u>1,099.2</u>	<u>-</u>	<u>1,099.2</u>
<b>Total Assets</b>	<u>\$ 2,497.0</u>	<u>\$ -</u>	<u>\$ 2,497.0</u>

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	June 30, 2003	Pro Forma Adjustments	Pro Forma
<b>CAPITALIZATION AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-term debt	\$ 66.8	\$ (66.8)	\$ -
Accounts payable and accrued payroll	73.2	-	73.2
Accounts payable to associated companies	10.7	-	10.7
Interest accrued	23.5	-	23.5
Taxes accrued	-	-	-
Other	85.4	-	85.4
Total Current Liabilities	<u>259.6</u>	<u>(66.8)</u>	<u>192.8</u>
<b>Deferred Credits</b>			
Income taxes	512.5	-	512.5
Investment tax credits	25.4	-	25.4
Pension benefits obligation	52.8	-	52.8
Other postretirement benefits obligation	42.0	-	42.0
Other	46.9	-	46.9
Total Deferred Credits	<u>679.6</u>	<u>-</u>	<u>679.6</u>
<b>Long-Term Debt and Capital Lease Obligations</b>			
Long-term debt	915.0	136.8	1,051.8
Capital lease obligations	-	-	-
Total Long-Term Debt and Capital Lease Obligations	<u>915.0</u>	<u>136.8</u>	<u>1,051.8</u>
<b>Company Obligated Mandatorily Redeemable Preferred Securities</b>			
Of Subsidiary Trust Which Holds Solely Parent Junior Subordinated Debentures	<u>25.0</u>	<u>-</u>	<u>25.0</u>
<b>Preferred Stock</b>			
Redeemable serial preferred stock	<u>6.2</u>	<u>-</u>	<u>6.2</u>
<b>Commitments and Contingencies</b>			
<b>Shareholders' Equity</b>			
Common stock	55.0	-	55.0
Premium on stock and other capital contributions	411.5	-	411.5
Capital stock expense	(1.2)	-	(1.2)
Retained income	146.3	(70.0)	76.3
Total Shareholders' Equity	<u>611.6</u>	<u>(70.0)</u>	<u>541.6</u>
<b>Total Capitalization and Liabilities</b>	<u>\$ 2,497.0</u>	<u>\$ -</u>	<u>\$ 2,497.0</u>