

**CONNECTIV**  
**PRO FORMA CONSOLIDATED BALANCE SHEETS**  
**(Dollars in Millions)**  
**(Unaudited)**

<b>ASSETS</b>	<u>June 30, 2003</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 66.0	\$ -	\$ 66.0
Restricted cash	6.1	-	6.1
Marketable securities	1.4	-	1.4
Restricted funds held by trustee	28.1	-	28.1
Accounts receivable, less allowance for uncollectible accounts of \$21.1 and \$29.4	606.1	-	606.1
Fuel, materials and supplies - at average cost	123.3	-	123.3
Prepaid expenses and other	58.9	-	58.9
Total Current Assets	<u>889.9</u>	<u>-</u>	<u>889.9</u>
<b>Investments and Other Assets</b>			
Goodwill	313.1	-	313.1
Regulatory assets, net	1,171.3	-	1,171.3
Investment in finance leases	-	-	-
Prepaid pension costs	95.6	-	95.6
Other	184.5	-	184.5
Total Investments and Other Assets	<u>1,764.5</u>	<u>-</u>	<u>1,764.5</u>
<b>Property, Plant and Equipment</b>			
Property, plant and equipment	6,042.1	-	6,042.1
Accumulated depreciation	(2,069.5)	-	(2,069.5)
Net Property, Plant, and Equipment	<u>3,972.6</u>	<u>-</u>	<u>3,972.6</u>
<b>Total Assets</b>	<u><u>\$ 6,627.0</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,627.0</u></u>

**CONECTIV**  
**PRO FORMA CONSOLIDATED BALANCE SHEETS**  
(Dollars in Millions)  
(Unaudited)

	June 30, 2003	Pro Forma Adjustments	Pro Forma
<b>CAPITALIZATION AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-term debt	\$ 1,678.0	\$ (66.8) (1)	\$ 1,611.2
Accounts payable and accrued payroll	306.8	-	306.8
Capital lease obligations due within one year	0.2	-	0.2
Interest and taxes accrued	39.2	-	39.2
Derivative instruments	118.6	-	118.6
Other	173.9	-	173.9
Total Current Liabilities	2,316.7	(66.8)	2,249.9
<b>Deferred Credits</b>			
Income taxes	964.6	-	964.6
Investment tax credits	44.7	-	44.7
Other postretirement benefits obligation	90.3	-	90.3
Other	168.2	-	168.2
Total Deferred Credits	1,267.8	-	1,267.8
<b>Long-Term Debt and Capital Lease Obligations</b>			
Long-term debt	1,663.2	136.8 (2)	1,800.0
Capital lease obligations	0.5	-	0.5
Total Long-Term Debt and Capital Lease Obligations	1,663.7	136.8	1,800.5
<b>Company Obligated Mandatorily Redeemable Preferred Securities Of Subsidiary Trust Which Holds Solely Parent Junior Subordinated Debentures</b>			
	95.0	-	95.0
<b>Preferred Stock</b>			
Redeemable serial preferred stock	27.9	-	27.9
<b>Commitments and Contingencies</b>			
<b>Shareholders' Equity</b>			
Common stock			
Premium on stock and other capital contributions	1,132.5	-	1,132.5
Capital stock expense	(7.0)	-	(7.0)
Accumulated other comprehensive loss	(5.7)	-	(5.7)
Retained income	136.1	(70.0) (3)	66.1
Total Shareholders' Equity	1,255.9	(70.0)	1,185.9
<b>Total Capitalization and Liabilities</b>	<b>\$ 6,627.0</b>	<b>\$ -</b>	<b>\$ 6,627.0</b>