

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
A CHANGE TO ITS TRANSMISSION) PSC Docket No. 14-208
SERVICE CHARGE FOR ITS ELECTRIC)
SUPPLY AND TRANSMISSION CUSTOMERS)
(FILED June 13, 2014))

ORDER NO. 8584

This 23rd day of July 2014, the Delaware Public Service Commission (the "Commission") finds, determines, and Orders the following:

WHEREAS, on June 13, 2014 Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Commission an application to increase its Transmission Service Charge for both its Standard Offer Service ("SOS") Fixed Price Service and SOS Hourly Priced Service from \$1.998546 per kW-month to \$2.545253 per kW-month and to revise Tariff Leaf Nos. 111 and 114 to reflect these increases.

WHEREAS, according to Delmarva, these adjustments are derived from the procedure for establishing retail transmission rates set forth in Paragraph F of the Settlement Agreement that the Commission approved in PSC Docket No. 04-391, Order No. 6746 (Oct. 11, 2005). That settlement established a pass-through mechanism that permits Delmarva to establish a Transmission Service Charge for retail customers that mirror the transmission rates that PJM Interconnection, L.L.C. charges Delmarva under Federal Energy Regulatory Commission ("FERC") requirements.

WHEREAS, the Transmission Service Charge is the result of the 2014 annual update to the Network Integration Transmission Service

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Rate for the Delmarva Transmission Service Zone ("Network Rate") filed in FERC Docket No. ER09-1158 based on 2013 FERC Form 1 data.

WHEREAS, review of the FERC-approved formula rate is subject to the Federal Energy Regulatory Commission's ("FERC") Formula Rate Implementation Protocols ("Protocols").

WHEREAS, in an order issued October 17, 2013 in Docket No. ER09-1158, FERC held that prudence challenges along with challenges to inputs to the formula rate are permitted as part of the challenge to the annual updates.

WHEREAS, Staff will be issuing discovery in FERC Docket No. ER09-1158 primarily intended to confirm whether Delmarva's 2014 update to the Network Rate was in compliance with the Protocols.

WHEREAS, Staff states that preliminary review of the inputs to the 2014 Network Rate indicate areas that should be pursued with discovery requests and, pursuant to the Protocols, any adjustments that might be necessary would be reflected in the next annual update to the Network Rate.

WHEREAS, given the procedures of the Protocols requiring any adjustments to the Network Rate to be reflected in the following annual update filed in FERC Docket No. ER09-1158, Staff recommends that the Commission approve the proposed 2014 Annual Update to the Transmission Service Charge as filed by the Company in the instant docket.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That, pursuant to 26 Del. C. §306(a) (1), the proposed rates for Transmission Service Charges for SOS Fixed Price Service and Hourly Priced Service offerings reflected on revised Tariff Leaf Nos. 111 and 114 which Delmarva Power & Light Company filed on June 13, 2014, are approved, effective with usage on and after August 12, 2014 as requested by the Company.

2. That the Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary