



STATE OF DELAWARE

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October 9, 2014

MEMORADUM

TO: The Chairman and Members of the Commission

FROM: Connie S. McDowell, Senior Regulatory Policy Administrator

SUBJECT: In the Matter of the Application of Delmarva Power & Light Company for a Waiver From the Provisions of Electric Tariff Leaf No. 12 and Gas Tariff Leaf 8 Pertaining to the Timing of the Payment of Interest on Customer Deposit Accounts (filed October 7, 2014) - P.S.C. Docket No. 14-0438

On October 7, 2014, Delmarva Power & Light Company ("Delmarva" or the "Company") filed a request for a waiver from certain requirements of Section III - Customer Deposits on Electric Tariff Leaf No. 12 and Gas Tariff Leaf No. 8. The language on these Tariff Leaves is "Simple interest on deposits at an annual rate equal to the average of the percent yields of the 1-year Treasury constant maturities for September, October and November of the preceding year, shall be applied annually as a credit to the Customer's account and so indicated on the January bill". The Company is requesting the waiver because it is expecting to implement its new billing system in January 2015 and it would be difficult to perform the necessary calculations and other processes required to pay interest on customer deposits and post them on the January 2015 bills.

Delmarva is proposing to pay 11 months of interest (December 2013-November 2014) for customer deposits on the December 2014 bills. For the 2015 annual period, Delmarva will pay 13 months of interest (November 2014-December 2015) for customer deposits on the January 2016 bills. All customers would be made whole by this process.

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This request is limited to the 2014 and 2015 time periods and then the waiver would be discontinued. It is Staff's opinion that this request is reasonable and recommends that the Commission grant the request.