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October 7, 2014

**VIA ELECTRONIC MAIL AND  
OVERNIGHT DELIVERY**

Ms. Connie McDowell  
Senior Regulatory Policy Administrator  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

Re: Request for Waiver from the Provisions of Electric Tariff Leaf No. 12 and Gas Tariff Leaf No. 8 pertaining to the Timing of the Payment of Interest on Customer Deposit Accounts

Dear Ms. McDowell:

Delmarva Power and Light Company ("Delmarva") hereby files this request for a waiver from the requirements set forth in its Electric and Gas Tariffs, Leaf Nos. 12 and 8 respectively (the "Tariffs") (copies attached), to pay interest on customer deposits in the January bill. Specifically, Section III. A. of the Tariffs provides as follows:

A. *Customer's Deposit to Guarantee Payment of Final Bills*

*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. No interest shall be paid unless the deposit is held longer than ninety (90) days. For deposits paid in installment payments, interest shall begin to accrue from the date of final deposit payment.*

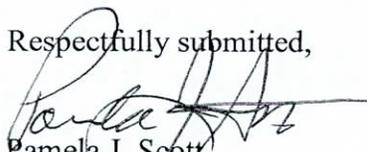
As you are aware, Delmarva has been working on the implementation of its new billing system which is expected to go live in January of 2015. As such, it will be extremely difficult to perform the necessary calculations and other processes required to pay interest on deposits in

customer's January bill. As an alternative, Delmarva is requesting approval to pay such interest in December of 2014, based upon November account information, so that this process can be completed prior to the cut over to the new billing system. For the 2015 annual period, Delmarva would resume the schedule of calculating and paying the interest to customers in January based on the previous annual period. For the payment to be made in January of 2016, the interest would be computed on 13 months (November 2014-December 2015) so that all customers would then be made whole and no further waiver of the Tariffs would be required. If a customer were to terminate service prior to December 2015, the interest would be computed from November 2014 to the point in time in 2015 that they terminate service.

For the reasons set forth herein, Delmarva respectfully requests that the Commission grant a waiver to Sections III. A. of the Tariffs as outlined herein. We ask that you treat this letter as Delmarva's request for such waiver. As such, I have filed the original and ten (10) copies of this letter with the Commission Secretary. As this request is time sensitive, we ask that it be expedited and placed on the Commission's agenda for the October 14, 2014 meeting.

Please feel free to contact me at (302) 429-3143 or Heather Hall at (302) 454-4828 should you have any questions or require further information.

Respectfully submitted,



Pamela J. Scott

Attachments

cc: Alisa Bentley (Original and 10 copies)  
Robert Howatt (via electronic mail)  
Janis Dillard (via electronic mail)  
Julie Donoghue, Esquire (via electronic mail)  
Dennis Kelleher, Esquire (via electronic mail)  
David Bonar (via electronic mail)  
Regina A. Iorii, Esquire (via electronic mail)  
Todd Goodman, Esquire (via electronic mail)  
Heather Hall (via electronic mail)

## RULES AND REGULATIONS

SECTION III - CUSTOMER'S DEPOSIT

## A. Customer's Deposit to Guarantee Payment of Final Bills

The Company shall require a cash deposit from an Applicant or an existing Customer for each account until satisfactory credit is established to guarantee payment of final bills for service rendered. The Company reserves the right to hold either an aggregate deposit for all accounts for a single Customer or multiple deposits for separate accounts for a single Customer. Where the Company holds more than one deposit for separate accounts for the same Customer, the Company shall administer each deposit individually. Such deposit shall not be more in amount than two-twelfths (2/12) of the estimated annual applicable Delivery Service revenue or combined Electric Supply & Delivery Service revenue, or as may be reasonably required by the Company in cases involving service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

Deposits shall be collected in whole dollar amounts. A deposit shall not be required if the amount is less than fifty dollars (\$50).

Required deposits may be deferred at the Customer's request to the first month's bill or may be paid in installments over three (3) consecutive monthly billing periods. Customers with prior unpaid balance may be required to pay the full deposit prior to establishing new service.

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. No interest shall be paid unless the deposit is held longer than ninety (90) days. For deposits paid in installment payments, interest shall begin to accrue from the date of final deposit payment. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated or on the date notice is sent to the Customer's last known address that the deposit is no longer required. Deposits shall be refunded after one (1) year for Residential deposits and after four (4) years for Non-Residential deposits and after satisfactory credit has been established. Satisfactory credit is defined as payment of the last twelve (12) consecutive monthly bills without an unpaid previous balance and no detrimental credit information recorded against the Customer's account within the last twelve (12) months. Detrimental credit information is defined as adverse credit reports from recognized credit reporting services available to the general business community or from accounting records of the Company.

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