DELMARVA POWER & LIGHT COMPANY
TESTIMONY OF LEONARD J. BECK
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE
CONCERNING THE ANNUAL GAS ENVIRONMENTAL
SURCHARGE RIDER (ESR) RATE REVIEW
PSC DOCKET NO. 08-____

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1. Q: <u>Please state your name, position and business address.</u>

A: My name is Leonard Joseph Beck, MBA, Senior Regulatory Affairs Analyst, testifying on behalf of Delmarva Power & Light Company ("Delmarva Power" or "Company"), located at I-95 and Route 273, P.O. Box 9239, Newark, Delaware 19714-9239.

2. Q: <u>What is your educational and professional background and experience?</u>

A: I earned a Master of Business Administration Degree in August 2000 at the Wilmington College (now Wilmington University) in Wilmington, Delaware. My current and prior employment information is contained in my resume, which is attached at the end of the testimony and marked as Schedule LJB-1.

3. Q: <u>Have you testified before the Delaware Public Service Commission?</u>

A: Yes. I provided testimony in the Gas Environmental Surcharge Rider filing DE PSC Docket Numbers 06-283 (in 2006) and 07-237 (in 2007).

4. Q: <u>What is the purpose of your testimony?</u>

A: The purpose of my testimony is to support the Company's Annual Application for a review of the Gas Environmental Surcharge Rider Rate ("ESR Rate"). I will discuss the costs expended in the Environmental Cost Year

("ECY") of June 1, 2007 through May 31, 2008 and detail the calculation of the proposed ESR Rate decrease.

5. **Q: <u>What is the Company requesting?</u>**

A: The Company is requesting to decrease the current ESR Rate of $0.00238 per ccf to $0.00175 for the new recovery year effective November 1, 2008.

6. **Q: <u>Has the Company proposed any Rate Structure Redesign of its ESR Rate in this proceeding?</u>**

A: No. The Company has not proposed any rate structure redesign in this filing. The Company has calculated the rate using the same methodology approved by the Commission by Order No. 6401 in Docket No. 04-53.

7. **Q: <u>Please explain the background of the ESR Rate.</u>**

A: In Docket No. 03-127, the Company filed for a change in Gas Base Rates in March 2003. In that proceeding, the Company had requested recovery of certain expenses associated with remediation of its Manufactured Gas Plant sites. The parties entered into a Settlement in the Gas Base Rate Case which was approved on December 9, 2003 by Commission Order No. 6327. The Settlement Agreement contained a provision which allowed the Company to file for a separate mechanism to recover appropriate costs associated with the remediation of the Manufactured Gas Plants. Section II A 2 of the approved Settlement Agreement is below:

> The Parties agree that, should the Commission approve this Settlement, the Company will file an application for a change in its tariffs to implement an environmental remediation surcharge, equivalent to the mechanism that Chesapeake Utilities currently has in effect. The Company will file this request separately, including $522,988 (actual incremental "out-of-pocket"

> expenses as described in Staff witness Henkes' testimony, Ex. 19 at 63) as the initial amount to be recovered under the surcharge mechanism. The proposed surcharge rider for research and development projects has been withdrawn from this proceeding and will not be reflected in tariffs as an outcome of this proceeding.

The Company filed the Application to establish this Gas Environmental Surcharge mechanism on February 13, 2004 in Docket No. 04-53. The Company's Application requested recovery of the $522,998 specified in the Settlement Agreement in Docket No. 03-127. A complete summary of the recovery requests and results from 2003 through 2008 are contained in worksheet LJB-2.

8. Q: <u>Please explain the outcome of the Company's most recent annual Environmental Surcharge Filing in PSC Docket No. 07-237.</u>

A: In its Application, the Company filed the annual Gas ESR rate review effective November 1, 2007, coincident with the effective date of the Company's annual Gas Cost Rate filing. The Company recommended that the Gas ESR rate level be maintained. The Commission Staff reviewed the Company's testimony and supporting documentation, and Staff filed testimony that supported maintaining the current ESR rate as previously filed. On June 17, 2008, by Order No. 7407, the Commission approved maintaining the previous Environmental Surcharge Rider rate (unchanged) through 10-31-2008.

9. Q: <u>Please review any contested issues in PSC Docket No. 07-237?</u>

A: There were no contested issues in the filing last year.

10. Q: <u>Which sites were involved in environmental remediation in Delaware for the Company's Manufactured Gas Plants?</u>

1 **A:** The Company has two former Manufactured Gas Plant locations in
2 Delaware. For remediation purposes, Delaware Natural Resources and
3 Environmental Control (DNREC) divided the first of two sites (the Wilmington
4 plant) into three sites. The location of the second plant is in New Castle,
5 Delaware; which is not being remediated at this time. The three DNREC
6 designated sites in Wilmington include: Wilmington Coal Gas Site-North,
7 Wilmington Coal Gas Site – South, and the Public Works Yard. These otherwise
8 contiguous plant sites were separated by South Madison and Beech Streets prior
9 to the recent redevelopment.
10 For the Environmental Cost Year June 1, 2007 to May 31, 2008, expenses were
11 only incurred on the Wilmington Coal Gas Site: South.
12 **11. Q: <u>Please review the level of cost recovery the Company is requesting in this</u>**
13 **<u>filing.</u>**
14 **A:** Schedule LJB-3 is a schedule of the Environmental Expenses that were
15 incurred during the Environmental Cost Year ("ECY"). Per the Company's tariff
16 Leaf No. 80, the ECY is defined as "the time period over which environmental
17 costs are incurred and any payments from other parties are netted against those
18 costs. The ECY will include actual data recorded for the year. Recovery of
19 environmental costs for an ECY will begin with the Recovery year that starts
20 immediately following the end of the ECY." For the purposes of this Application,
21 the ECY runs from June 1, 2007 through May 31, 2008, and the Company
22 incurred costs of $18,913.20 during this period.
23 **12. Q: <u>Were any payments netted against these costs during the ECY?</u>**

1 **A:** No, the Company did not receive any payments from other parties to be
2 netted against these costs in the ECY.

3 **13. Q: <u>What types of costs make up the expenses listed on Schedule LJB-3?</u>**

4 A: The expenses listed on Schedule LJB-3 are made up of costs that were
5 billed to the Company by ENSR Corporation, an engineering and environmental
6 consulting firm retained by Delmarva to assist in the remediation efforts on the
7 Manufactured Gas Plant sites. Their work included completion of the required
8 Supplemental Investigation on Wilmington Coal Gas Site - South, attending
9 meetings with DNREC and Delmarva including preparation of responses to
10 DNREC comments and general project management and communications with
11 Delmarva regarding the required Supplemental Investigation.

12 **<u>14. Q: What types of costs are to be recovered under this ESR?</u>**

13 **A:** Per the Company's tariff leaf No. 79, the costs to be recovered by this
14 Rider are defined as: "Applicable environmental costs are those incurred as a
15 result of, but are not limited to investigating, testing, monitoring, remediation,
16 land acquisition, legal costs related directly to the site remediation, and disposal
17 sites. These costs must be actually incurred, incremental "out-of-pocket"
18 remediation related expenses and must exclude internal costs, such as internal
19 labor and overhead expenses." All of the costs included in the $18,913.20 in the
20 ECY in this filing meet the above criteria.

21 **15. Q: <u>What type of internal review procedures does the Company employ with</u>**
22 **<u>respect to processing environmental invoices and tracking costs?</u>**

1 **A:** All environmental cost invoices submitted to the Company are reviewed
2 by the individual who has responsibility for monitoring the environmental
3 activities at a particular Manufactured Gas Plant site. The reviewed invoices are
4 then submitted to an Environmental Manager for approval. Cost invoices for
5 outside legal services, when incurred, are reviewed and approved by the legal
6 department. Original invoice documents are retained by the approving
7 department.

8 Separate accounting orders have been established to track "Out of
9 Pocket" expenses eligible for inclusion in the Gas Environmental Surcharge Rider
10 Rate. Periodically, both during the ECY and in preparation for the annual filing, a
11 PHI Service Company Business Support Coordinator extracts computerized
12 accounting system data which documents charges to the appropriate orders. The
13 charges are reviewed by the Business Support Coordinator (or the Manager of
14 Utility Operations Finance in the Coordinator's absence) and the Manager of Gas
15 Engineering or the Manager of Gas operations and Planning. If any of the
16 charges, in their judgment, are not properly includable as "Out of Pocket
17 expenditures" then a correction process is initiated through the involved
18 department. The final ECY report is run by the Business Support Coordinator,
19 reviewed and compiled for approval by the Manager of Gas Engineering as source
20 information for Schedule LJB-3. Paper copies of the included invoices are held
21 by the Business Support Coordinator and are available for review.

22 **16. Q: <u>Please explain how the Environmental Surcharge Rider Rate is calculated.</u>**

1 **A:** There are several time periods and factors used to calculate the
2 Environmental Surcharge Rider Rate. The definitions of the factors and time
3 periods are contained on Gas Tariff Leaf Nos. 79 and 80. There is an
4 Environmental Cost Year ("ECY"), which was defined earlier in this testimony, a
5 Recovery Year, an Amortization Factor, and a Reconciliation Factor. Each of
6 these terms is defined below:
7 **Recovery Year**
8 The Recovery Year is each November 1 through October 31 and is the time
9 period in which the annually calculated environmental rider will be billed to firm
10 Customers. For purposes of this filing, the Recovery Year will begin November
11 1, 2008 when rates are proposed to go into effect, until October 31, 2009.
12 **Amortization Factor**
13 Recovery of net environmental costs incurred during an Environmental Cost Year
14 will be accomplished through a five year amortization, offset by the tax benefit
15 associated with those environmental costs as defined below. A net annual
16 amortization amount will be calculated for each of the five years of amortization
17 scheduled for the Environmental Cost Year. The amortization factor for any year
18 will be comprised of the total net annual amount scheduled for that year.
19 **Reconciliation Factor**
20 The reconciliation factor shall be equal to the over/under collection of the
21 environmental cost rider. Over/under collection is the accumulated experienced
22 net over or under recovery of the environmental costs during the twelve-month

period ending June 30th immediately preceding the beginning of the next recovery year.

The Environmental Surcharge Rider Rate is equal to the sum of the amortization and reconciliation factors divided by projected firm sales over the recovery year.

17. <u>Q: Please describe in detail your calculations on Schedules LJB-3 and LJB-4.</u>

A: Please reference Schedules LJB-3 through Schedule LJB-7 for the calculation of the rate. As shown on Schedule LJB-3, the Company incurred expenses of $18,913.20 during the ECY of June 1, 2007 through May 31, 2008. Schedule LJB-4 is the recovery schedule of the applicable environmental costs, and demonstrates the amortization of the costs over five years while subtracting out the deferred tax benefit to be given to Customers. As illustrated on Schedule LJB-4, amortizing the current costs over five years, offset with the deferred tax benefit to Customers, yields the net recovery amount of $ 17,218.50.

The surcharge is set up to share costs between Customers and Shareholders. This sharing is accomplished by amortizing the expenses in the Environmental Cost Year ("ECY") over a five year period with Customers being responsible for the annual costs amortization and the Shareholders responsible for the carrying costs (interest) on the unamortized cost balances. Customers receive the benefits of the deferred taxes associated with the unamortized remediation cost balances and no interest accrual, or interest expense, for unamortized balances.

18. <u>Q: Please explain Schedule LJB-5.</u>

1 **A:** Schedule LJB-5 calculates the Reconciliation Factor or over/under
2 collection of the Environmental Rider for the period that preceded the recovery
3 year in this filing. This schedule compares the projected collections to the amount
4 actually collected from Customers for a certain period. As illustrated on Schedule
5 LJB-5, the Reconciliation factor is an under-collection of $ 8,460.77. This
6 reconciliation factor accounts for approximately 2.3% of the proposed net amount
7 to be recovered (as calculated on LJB-6).

8 **19. Q: Why does this schedule end with the period June 2008?**

9 **A:** The schedule is updated through the last month where actual collection
10 information is available, which at the time of this application was June 2008. The
11 period of July 2008 forward will be trued-up in the Company's next annual
12 Environmental Surcharge to be filed this time next year.

13 **20. Q: Please explain Schedule LJB-6.**

14 **A:** LJB-6 is a summary of all the Environmental Cost Year schedule
15 recoveries. This schedule illustrates a proposed net recovery of $360,233.19 for
16 the Recovery Year beginning November 1, 2008. This net recovery amount
17 includes $11,150.22 for the fifth year amortization factor for the recovery year
18 ending May 2004, plus $182,812.20 for the fourth year amortization factor for the
19 recovery year ending May 2005, plus $145,239.22 for the third amortization year
20 for the recovery year ending May 2006, plus $9,466.02 for the second year
21 amortization factor for the recovery year ending May 2007, plus $3,104.76 for the
22 latest ECY of June 2007 through May 2008 (calculated on Schedule LJB-4), plus

1 the $8,460.77 of under-collection through June 2008 as calculated on Schedule
2 LJB-5.
3 A total of $549,232.41 in remediation expenses remains uncollected at the
4 time of this filing. This calculation is reflected on the lower portion of LJB-6.
5 **21. Q: Please explain the actual calculation of the rate on Schedule LJB-7.**
6 **A:** The total recovery amount of $360,233.19 as calculated on Schedule LJB-
7 6 is then grossed up by 0.3% in order to recover the Delaware Public Service
8 Commission assessment. With this addition, the Total Net Recovery for the
9 period November 1, 2008 through October 31, 2009 is $361,313.89. This is the
10 amount that the Company targets to collect from Customers. Schedule LJB-7
11 calculates the ESR Rate level by dividing the total net recovery by the projected
12 firm sales for the Recovery Year, 20,672,070 mcf, resulting in a rate of $0.01748
13 per mcf or $0.00175 per ccf. Since the current rate is $0.00238 per ccf, the
14 calculated decrease is $0.00063 per ccf, or $0.076 for 120 ccf; a typical
15 Residential winter heating bill amount.
16 **22. Q: How was the firm sales forecast developed which is used in this filing for the**
17 **calculation of the ESR?**
18 **A:** The sales forecast used in the calculation of this rate was developed for the
19 Company's annual Gas Cost Rate (GCR) filing for the period November 1, 2008
20 through October 31, 2009, proposed to become effective November 1, 2008. The
21 sales forecast is discussed in the testimony of Company witness Mr. Philip L.
22 Phillips, Jr. and is found in the Gas Cost Rate filing titled, Schedule PLP-1 GCR
23 + ESR Sales Forecast 08-09.

1 **23. Q: Please address any changes in ownership of the sites and update the**
2 **Company's estimate of when it anticipates the remediation of its known sites will**
3 **be completed?**
4 **A:** There has been no change of Delmarva ownership in any of the identified
5 sites since the previous annual filing (Docket No.07-237). Delmarva currently
6 continues to own the majority of the area designated by DNREC as Wilmington
7 Coal Gas Site - South. Delmarva currently expects to incur remediation-related
8 expenses for the Wilmington sites through approximately 2010.
9 **24. Q: What is the Company's current estimate of additional required remediation**
10 **expenses for the Wilmington Manufactured Gas Plant areas?**
11 **A.** As of May 31, 2008, the close of the Environmental Cost Year in this
12 filing, the Company estimates approximately $1,431,000 for future Wilmington
13 Manufactured Gas Plant out-of-pocket remediation cost. The estimate last year
14 was $1,450,000. The new estimate is essentially the same, less the $19,000 spend
15 during the current Environmental Cost Year ending May 31, 2008. The actual
16 costs to be incurred are largely in the control of DNREC, however, which
17 determines the degree of remediation at the sites.
18 **25. Q: Please identify the Customers who are subject to the Environmental**
19 **Surcharge Rider Rate.**
20 **A:** The rider is applicable to all firm delivery service Customers, including
21 Classifications: Residential Gas Sales Service "RG", General Gas Sales Service
22 "GG", Medium Volume Gas Sales Service "MVG", Large Volume Gas Sales

1 Service "LVG", General Volume Firm Transportation "GVFT", Medium Volume
2 Firm Transportation "MVFT", and Large Volume Firm Transportation "LVFT".

3 **26. <u>Q: What is the impact of this filing on Customers?</u>**

4 **A:** Since the Company is requesting a decrease in the Environmental
5 Surcharge Rate, there will be a $0.076 decrease for the typical monthly heating
6 bill with 120 ccf usage. Refer to the Customer Billing Comparisons that make up
7 Schedule LJB-8 for additional details.

8 **27. <u>Q: Please explain the Company's expectation of timing of this filing.</u>**

9 **A:** The Company's Gas Tariff Leaf No. 79 states "The Company will file
10 with the Commission a copy of the environmental surcharge rider computation at
11 least 30 days prior to the proposed effective date of November 1." These tariff
12 leafs were approved by the Commission in Docket No. 04-53. Therefore, by the
13 Company filing this application on August 29, 2008, the requirement to file a
14 copy of ESR computation at least 30 days prior to the effective date is met, and
15 the Company proposes that the new rate will go into effect on November 1, 2008
16 subject to refund after review by the Commission.

17 **28. <u>Q: Does this conclude your testimony?</u>**

18 **A:** Yes.

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Current employer: Delmarva Power, a subsidiary of PHI (Pepco Holding, Inc.), a Gas and Electric Utility serving about 1.9 million Customers in Delaware, Maryland, New Jersey and Washington, D.C.:

- March 2003 to today - I currently serve as a **Senior Regulatory Affairs Analyst** in a multiple-jurisdiction, Regulatory Affairs Department. I have been Case Manager on a number of filings and provided both written and verbal testimony in the 2006 & 2007 Gas Environmental Surcharge filings. I also participate in filings (including drafting proposed tariff changes), such as SOS & BGS annual rate adjustments and periodic base rate cases (including providing data request responses). I serve as a liaison and communicate regularly with Commissioners (DE and FERC), Hearing Examiners (DE) and Commission Staff (MD & NJ) during my typical work and reporting duties. Other tasks include tariff administration management (for DE, MD, and NJ) and Internet updates, SOx reporting, and Enhanced Security / Business Continuity Team management.

- January 2001 – Was promoted to **Regulatory Affairs Analyst**. I began in the role as a Project Manager for the design and implementation of the Regulatory Compliance System (RCS), a tracking system insuring compliance for many departments throughout the corporation. I learned tariff administration, the Internet update process, basic Commission Reporting, and trained co-workers in the use of computer programs.

- August 2000 – I completed a Master of Business Administration (MBA) degree at Wilmington College (now Wilmington University in Delaware) with a 3.96 GPA. My focus was finance, business management and human resources.

- September 1998 to December 2000 – Joined the Administration Technology team as an **Analyst** and worked primarily in a Project Manager role preparing the Call Centers and Support areas for Y2K. During this assignment, I organized a multi-utility Y2K workshop at the Conference Center, which I hosted. Twenty utilities participated.

- April 1997 to September 1998 – I was hired by Delmarva Power to serve in the Call Centers in Newark, DE. During the first 1.5 years, I learned all aspects of electric and gas business (Regulated and Non-Regulated) relating to Customer Service. I assisted in training new employees, wrote training and procedure documents, and became familiar with the billing systems.

Past Employers:

- 1995 to 1997 – Was **Marketing Manager** for Document Security Management, Inc. of Newark, DE. I assisted in setting up this new franchise and obtained new Customer business through mail, phone and in-person contacts. I coordinated participation at several trade shows and local Chamber of Commerce functions.

- 1993 to 1994 – I served as **International Marketing Manager** for AstroPower, Inc., a past Delaware photovoltaic manufacturer. I communicated with customers worldwide via phone, mail and fax. My writing projects included brochures, technical manuals, news articles for

publication, specifications, and quotations for solar cells, modules and processing equipment in value up to $3 million. My largest sale was a year contract for $1 million of solar cells per month with an Indian firm.

- 1987 to 1992 – **Controller and Sales Manager** for Bell Thermolite, Inc., a window and door manufacturer. My first assignment was to process an accounting computer system upgrade. I prepared computerized monthly financial statements, yearly budgets, bank vs. revenue reconciliation, audits, maintained the general ledger, and supervised the office staff. The company's annual revenue was about $4 million. Other duties included processing the weekly payroll and related tax reports for about 65 employees.

- 1985 to 1987 – **President and CEO** of Cortex America, Inc. of Wilmington, DE. I founded this corporation to import cork products. Managed all aspects related to purchasing, sales, production, transportation and accounting. Sold product to corporations including Corning Glass, Armstrong World Industries, Gallo Winery and others. During this period, I also worked in temporary accounting positions.

- 1981 to 1985 – **Controller** for Maryland Cork Company, Inc. located in Elkton, MD. Prepared computerized monthly financial statements, yearly budgets, bank vs. revenue reconciliation, audits, maintained the general ledger, assisted with union negotiations, Customer Service & purchasing for this ground cork products manufacturer / importer. I converted the company bookkeeping system from a hand written ledger system to a computerized accounting system.

- 1979 to 1980 – **Assembly Department Manager** for General MetalCraft, Inc., located in Dover, DE. Managed a union shop of 50 union employees, supervisors and quality inspectors, and was Production Controller for the entire facility of about 450 employees.

- 1977 to 1978 – **Public Accountant** for Vertex Business Systems, Inc. of Newark, DE. Was Public Accountant for 75 small business owners located in the Delaware valley. I visited clients monthly and quarterly to review computerized financial statements, prepare payroll taxes, advised on readiness for year-end taxes, and prepared individual, partnership and corporate taxes for my clients and their families.

Hobbies and Interests outside Work:
I enjoy volleyball and fitness activities, wood carving, 3-dimentional art projects, gardening and electric vehicles and vehicle-to-grid technology.

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Schedule LJB-2

Summary of Environmental Surcharge Rider To-Date

Since the Environmental Surcharge Rider was established, the Delaware Public Service Commission has approved (or may approve with this filing) for the recovery by Delmarva Power the following amounts for remediation expenses at the three Wilmington subdivided sites, and the net amounts collected from Customers.

DOCKET NO.:		REMEDIATION EXPENSES:	% OF TOTAL:	CUSTOMERS TO PAY:		CUSTOMER BENEFIT*:		PERIODS ENDING:
04-53		$ 522,988.00	22%	$ 475,442.33		$ 47,545.67		May 31, 2003
04-484		$ 55,751.00	2%	$ 50,682.68		$ 5,068.32		May 31, 2004
05-356		$ 957,588.96	40%	$ 870,533.01		$ 87,055.95		May 31, 2005
06-283		$ 798,811.76	33%	$ 726,196.11		$ 72,615.65		May 31, 2006
07-237		$ 54,679.30	2%	$ 49,779.84		$ 4,899.46		May 31, 2007
08-___		$ 18,913.20	1%	$ 17,218.50		$ 1,694.70		May 31, 2008
TOTALS:		$ 2,408,732.22	100%	$ 2,189,852.47		$ 218,879.75		

* The Customer Benefit figures above reflect the amounts Customers received from the deferred taxes associated with the unamortized remediation cost balance, but does not reflect the carrying costs (interest) paid by the Company for the unamotrized balances. In addition, no internal labor costs and associated benefits to manage the clean-up process and prepare this annual filing are recovered from Customers.

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Schedule LJB-3

Schedule of Environmental Expenses incurred
during Environmental Cost Year (ECY)
June 1, 2007 through May 31, 2008

Wilmington Coal Gas Site - North (sold)			Wilmington Coal Gas Site - South			Wilmington Public Works Yard		
DATE:	VENDOR / REF.:	AMOUNT:	DATE:	VENDOR / REF.:	AMOUNT:	DATE:	VENDOR / REF.:	AMOUNT:
	none this period	$ -	Jun-07	ENSR Corporation	$2,346.07		none this period	$ -
			Jul-07	ENSR Corporation	$3,718.73			
			Aug-07	ENSR Corporation	$1,343.01			
			Nov-07	ENSR Corporation	$9,532.36			
			Dec-07	ENSR Corporation	$1,001.76			
			Mar-08	ENSR Corporation	$971.27			
	Total North Site:	$ -		Total South Site:	$ 18,913.20		Total PWY Site:	$ -
							TOTAL ALL SITES:	$ 18,913.20

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Schedule LJB-4

Cost Recovery Schedule for
Environmental Cost Year
June 1, 2007 through May 31, 2008

Expenses	$ 18,913.20	1/
Cost of Capital	7.73%	2/
Tax Rate	40.655%	
Adjusted Cost of Capital	11.02%	

Year	Amortization	Unamortized balance	Income Taxes	Deferred Tax Account	Deferred Tax Benefit	Amount To be Recovered	To be recovered during Recovery Year Beginning
1	$ 3,782.64	$ 15,130.56	$ 1,537.83	$ 6,151.32	$ 677.88	**$ 3,104.76** 3/	Nov-08
2	$ 3,782.64	$ 11,347.92	$ 1,537.83	$ 4,613.49	$ 508.41	$ 3,274.23	Nov-09
3	$ 3,782.64	$ 7,565.28	$ 1,537.83	$ 3,075.66	$ 338.94	$ 3,443.70	Nov-10
4	$ 3,782.64	$ 3,782.64	$ 1,537.83	$ 1,537.83	$ 169.47	$ 3,613.17	Nov-11
5	$ 3,782.64	$ -	$ 1,537.83	$ -	$ -	$ 3,782.64	Nov-12
Total	$ 18,913.20		$ 7,689.15		$ 1,694.70	**$ 17,218.50**	

1/ Costs as shown on Schedule LJB-3
2/ Cost of Capital calculated from the Settlement Agreement in Docket No. 06-284
3/ Amount to be recovered this year in addition to the four prior years amortization amounts. (See LJB-6)

Schedule LJB-5

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Schedule of Over/Under Collection

Year	Month		Total Firm Estimated Throughput (mcf) 1/	Rate Charged Net of PSC Assessment (mcf) 3/	Amount To be Recovered Net of PSC Assessment	Actual Recovery Net of PSC Assessment	(Over)/Under Recovery Net of PSC Assessment
2007	July	1/	541,109	$ 0.02373	$ 12,839.76	$ 14,263.24	$ (1,423.48)
2007	August	1/	528,774	$ 0.02373	$ 12,547.07	$ 14,310.12	$ (1,763.05)
2007	September	1/	592,311	$ 0.02373	$ 14,054.71	$ 14,398.78	$ (344.07)
2007	October	1/	800,055	$ 0.02373	$ 18,984.19	$ 16,346.83	$ 2,637.36
2007	November	2/	1,444,896	$ 0.02373	$ 34,285.36	$ 33,434.66	$ 850.70
2007	December	2/	2,264,139	$ 0.02373	$ 53,724.85	$ 57,742.25	$ (4,017.40)
2008	January	2/	3,116,071	$ 0.02373	$ 73,940.00	$ 69,942.79	$ 3,997.21
2008	February	2/	3,280,279	$ 0.02373	$ 77,836.43	$ 72,273.33	$ 5,563.10
2008	March	2/	2,785,062	$ 0.02373	$ 66,085.62	$ 64,116.54	$ 1,969.08
2008	April	2/	1,960,306	$ 0.02373	$ 46,515.32	$ 42,614.58	$ 3,900.74
2008	May	2/	1,094,628	$ 0.02373	$ 25,973.99	$ 25,734.89	$ 239.10
2008	June	2/	644,363	$ 0.02373	$ 15,289.83	$ 18,438.35	$ (3,148.52)
Total			19,051,993		$ 452,077.13	$ 443,616.36	**$ 8,460.77**

1/ Estimated throughput as shown in the Company's filing approved March 20, 2007 by Commission order No. 7145 in Docket No. 06-283
2/ Estimated throughput as shown in the Company's filing approved June 17, 2008 by Commission order No. 7407 in Docket No. 07-237
3/ Rate charge is net of PSC Assessment ($0.02380*.997 for July 2007 to June 2008)

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Schedule LJB-6

Schedule of Summary of Environmental Cost Year Recoveries

Recovery Year Beginning	Environmental Cost Year Ending May-03 1/	Am. Year	Environmental Cost Year Ending May-04 2/	Am. Year	Environmental Cost Year Ending May-05 3/	Am. Year	Environmental Cost Year Ending May-06 4/	Am. Year	Environmental Cost Year Ending May-07 5/	Am. Year	Environmental Cost Year Ending May-08 6/	Am. Year	To Be Recovered Nov '08 - Oct '09 Recovery Year	(Over)/Under Recovery 7/	**Total** To Be Recovered Nov '08 - Oct '09 Recovery Year	(Over)/Under Recovery as % of Total:
Nov-03	$ 85,579.33	1														
Nov-04	$ 90,333.90	2	$ 9,122.85	1												
Nov-05	$ 95,088.47	3	$ 9,629.69	2	$ 156,695.41	1										
Nov-06	$ 99,843.03	4	$ 10,136.54	3	$ 165,401.01	2	$ 130,716.09	1								
Nov-07	$ 104,597.60	5	$ 10,643.38	4	$ 174,106.60	3	$ 137,977.66	2	$ 8,976.08	1						
Nov-08	$ -		$ 11,150.22	5	$ 182,812.20	4	$ 145,239.22	3	$ 9,466.02	2	$ 3,104.76	1	**$ 351,772.42**	$ 8,460.77	**$ 360,233.19**	2.3%
Nov-09	$ -		$ -		$ 191,517.79	5	$ 152,500.79	4	$ 9,955.97	3	$ 3,274.23	2				
Nov-10	$ -		$ -		$ -		$ 159,762.35	5	$ 10,445.91	4	$ 3,443.70	3				
Nov-11	$ -		$ -		$ -		$ -		$ 10,935.86	5	$ 3,613.17	4				
Nov-12	$ -		$ -		$ -		$ -		$ -		$ 3,782.64	5				
Total	$ 475,442.33		$ 50,682.68		$ 870,533.01		$ 726,196.11		$ 49,779.84		$ 17,218.50					

1/ Environmental Cost Year Recovery as shown in the Company's filing approved April 20, 2004 by Commission Order No. 6401 in Docket No. 04-53
2/ Environmental Cost Year Recovery as shown in the Company's filing approved May 24, 2005 by Commission Order No. 6626 in Docket No. 04-384
3/ Environmental Cost Year Recovery as shown in the Company's filing approved April 25, 2006 by Commission Order No. 6889 in Docket No. 05-356
4/ Environmental Cost Year Recovery as shown in the Company's filing approved Mar. 20, 2007 by Commission Order No. 7145 in Docket No. 06-283
5/ Environmental Cost Year Recovery as shown in the Company's filing approved June 17, 2008 by Commission Order No. 7407 in Docket No. 07-237
6/ Reference Schedule LJB-4
7/ Reference Schedule LJB-5

Balances to be collected in future periods from above:		
Nov-09	$	357,248.78
Nov-10	$	173,651.96
Nov-11	$	14,549.03
Nov-12	$	3,782.64
Total:	$	549,232.41

Delmarva Power
2008 Annual Gas Environmental Surcharge Filing
PSC Docket No. 08-___

Schedule LJB-7

Environmental Surcharge Rider Rate Calculation

Projected Sales in mcf

Month		Residential Service	General Service	Medium Volume Service	Large Volume Service	Total Firm Sales	Firm Transportation	Total Firm Throughput	Recovery at $ 0.01748	Recovery Net of PSC Assessment	PSC Assessment
Nov-08	1/	687,706	364,633	57,936	22,717	1,132,992	617,131	1,750,123	$ 30,589.25	$ 30,497.76	$ 91.49
Dec-08	1/	1,241,048	621,079	92,853	39,056	1,994,036	656,345	2,650,381	$ 46,324.27	$ 46,185.72	$ 138.56
Jan-09	1/	1,686,548	784,264	110,591	42,823	2,624,226	667,858	3,292,084	$ 57,540.18	$ 57,368.08	$ 172.10
Feb-09	1/	1,671,218	780,942	114,070	47,669	2,613,899	680,030	3,293,929	$ 57,572.43	$ 57,400.23	$ 172.20
Mar-09	1/	1,364,273	663,195	99,277	52,469	2,179,214	672,910	2,852,124	$ 49,850.41	$ 49,701.30	$ 149.10
Apr-09	1/	902,203	481,840	66,212	46,933	1,497,188	547,438	2,044,626	$ 35,736.68	$ 35,629.79	$ 106.89
May-09	1/	392,396	277,068	38,646	30,210	738,320	461,200	1,199,520	$ 20,965.62	$ 20,902.92	$ 62.71
Jun-09	1/	182,272	129,670	29,993	23,546	365,481	361,887	727,368	$ 12,713.19	$ 12,675.16	$ 38.03
Jul-09	1/	145,848	85,150	24,125	20,311	275,434	350,867	626,301	$ 10,946.71	$ 10,913.96	$ 32.74
Aug-09	1/	126,448	80,810	21,782	21,510	250,550	410,138	660,688	$ 11,547.73	$ 11,513.19	$ 34.54
Sep-09	1/	144,096	98,384	24,463	18,427	285,370	374,232	659,602	$ 11,528.75	$ 11,494.27	$ 34.48
Oct-09	1/	184,761	198,407	26,717	16,558	426,443	488,899	915,342	$ 15,998.66	$ 15,950.81	$ 47.85
Totals		8,728,817	4,565,442	706,665	382,229	14,383,153	6,288,935	**20,672,088**	**$ 361,313.89**	360,233.19	$ 1,080.70

Rate Calculation:

Subtotal to be Recovered (Nov. 1, 2008 to Oct. 31, 2009 - Sched. LJB-6)	$ 360,233.19	
PSC Assessment added at:	0.30%	
Total Recovery including PSC Assessment	**$ 361,313.89**	
Firm Throughput (mcf)	20,672,088	
Proposed Rate per mcf	$ 0.01748	
Proposed Rate per ccf	$ 0.00175	-26%
Rate Currently in Effect per ccf	$ 0.00238	
Typcial monthly heating bill impact on 120 ccf residential customer	$ (0.076)	

1/ Sales are forecasted sales per the Company's GCR Filing submitted the Summer of 2008 net of Gas Lighting sales of 252 mcf

DELAWARE GAS BILLING COMPARISON
RESIDENTIAL (R) & RESIDENTIAL SPACE HEATING (RSH)

Current Rates Eff November 1, 2007 and Current Gas Environmental Surcharge Rider Eff November 1, 2007
vs.
Current Rates Eff November 1, 2007 and Proposed Gas Environmental Surcharge Rider Eff November 1, 2008

MONTHLY SALES (CCF)	4 SUMMER - TOTAL BILL PER MONTH								8 WINTER - TOTAL BILL PER MONTH								ANNUAL - 4 SUMMER & 8 WINTER AT CONSTANT MONTHLY USAGE ANNUAL IMPACT - TOTAL BILL			
	Present			Proposed			Total		Present			Proposed			Total		Present Annual	Proposed Annual	Total	
	*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF	*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF	Total	Total	DIFF.	% DIFF
0	$9.56	$0.00	$9.56	$9.56	$0.00	$9.56	$0.00	0.0%	$9.56	$0.00	$9.56	$9.56	$0.00	$9.56	$0.00	0.0%	$114.72	$114.72	$0.00	0.0%
1	$9.98	$0.97	$10.95	$9.98	$0.97	$10.95	$0.00	0.0%	$9.98	$0.97	$10.95	$9.98	$0.97	$10.95	$0.00	0.0%	$131.40	$131.40	$0.00	0.0%
2	$10.41	$1.93	$12.34	$10.41	$1.93	$12.34	$0.00	0.0%	$10.41	$1.93	$12.34	$10.41	$1.93	$12.34	$0.00	0.0%	$148.08	$148.08	$0.00	0.0%
3	$10.83	$2.90	$13.73	$10.83	$2.90	$13.73	$0.00	0.0%	$10.83	$2.90	$13.73	$10.83	$2.90	$13.73	$0.00	0.0%	$164.76	$164.76	$0.00	0.0%
4	$11.25	$3.86	$15.11	$11.25	$3.86	$15.11	$0.00	0.0%	$11.25	$3.86	$15.11	$11.25	$3.86	$15.11	$0.00	0.0%	$181.32	$181.32	$0.00	0.0%
5	$11.68	$4.83	$16.51	$11.67	$4.83	$16.50	($0.01)	-0.1%	$11.68	$4.83	$16.51	$11.67	$4.83	$16.50	($0.01)	-0.1%	$198.12	$198.00	($0.12)	-0.1%
10	$13.79	$9.65	$23.44	$13.79	$9.65	$23.44	$0.00	0.0%	$13.79	$9.65	$23.44	$13.79	$9.65	$23.44	$0.00	0.0%	$281.28	$281.28	$0.00	0.0%
20	$18.03	$19.30	$37.33	$18.02	$19.30	$37.32	($0.01)	0.0%	$18.03	$19.30	$37.33	$18.02	$19.30	$37.32	($0.01)	0.0%	$447.96	$447.84	($0.12)	0.0%
25	$20.14	$24.13	$44.27	$20.13	$24.13	$44.26	($0.01)	0.0%	$20.14	$24.13	$44.27	$20.13	$24.13	$44.26	($0.01)	0.0%	$531.24	$531.12	($0.12)	0.0%
40	$26.50	$38.61	$65.11	$26.47	$38.61	$65.08	($0.03)	0.0%	$26.50	$38.61	$65.11	$26.47	$38.61	$65.08	($0.03)	0.0%	$781.32	$780.96	($0.36)	0.0%
60	$34.96	$57.91	$92.87	$34.93	$57.91	$92.84	($0.03)	0.0%	$34.1	$57.91	$92.04	$34.10	$57.91	$92.01	($0.03)	0.0%	$1,107.80	$1,107.44	($0.36)	0.0%
79	$43.01	$76.25	$119.26	$42.96	$76.25	$119.21	($0.05)	0.0%	$40.60	$76.25	$116.85	$40.55	$76.25	$116.80	($0.05)	0.0%	$1,411.84	$1,411.24	($0.60)	0.0%
100	$51.90	$96.52	$148.42	$51.84	$96.52	$148.36	($0.06)	0.0%	$47.74	$96.52	$144.26	$47.68	$96.52	$144.20	($0.06)	0.0%	$1,747.76	$1,747.04	($0.72)	0.0%
120	**$60.37**	**$115.82**	**$176.19**	**$60.29**	**$115.82**	**$176.11**	**($0.08)**	**0.0%**	**$54.55**	**$115.82**	**$170.37**	**$54.47**	**$115.82**	**$170.29**	**($0.08)**	**0.0%**	**$2,057.72**	**$2,056.76**	**($0.96)**	**0.0%**
140	$68.83	$135.12	$203.95	$68.75	$135.12	$203.87	($0.08)	0.0%	$61.35	$135.12	$196.47	$61.26	$135.12	$196.38	($0.09)	0.0%	$2,387.56	$2,386.52	($1.04)	0.0%
160	$77.30	$154.43	$231.73	$77.20	$154.43	$231.63	($0.10)	0.0%	$68.15	$154.43	$222.58	$68.05	$154.43	$222.48	($0.10)	0.0%	$2,707.56	$2,706.36	($1.20)	0.0%
180	$85.77	$173.73	$259.50	$85.66	$173.73	$259.39	($0.11)	0.0%	$74.96	$173.73	$248.69	$74.85	$173.73	$248.58	($0.11)	0.0%	$3,027.52	$3,026.20	($1.32)	0.0%
200	$94.24	$193.03	$287.27	$94.11	$193.03	$287.14	($0.13)	0.0%	$81.76	$193.03	$274.79	$81.64	$193.03	$274.67	($0.12)	0.0%	$3,347.40	$3,345.92	($1.48)	0.0%
220	$102.71	$212.34	$315.05	$102.57	$212.34	$314.91	($0.14)	0.0%	$88.57	$212.34	$300.91	$88.43	$212.34	$300.77	($0.14)	0.0%	$3,667.48	$3,665.80	($1.68)	0.0%
240	$111.17	$231.64	$342.81	$111.02	$231.64	$342.66	($0.15)	0.0%	$95.37	$231.64	$327.01	$95.22	$231.64	$326.86	($0.15)	0.0%	$3,987.32	$3,985.52	($1.80)	0.0%
260	$119.64	$250.94	$370.58	$119.48	$250.94	$370.42	($0.16)	0.0%	$102.18	$250.94	$353.12	$102.01	$250.94	$352.95	($0.17)	0.0%	$4,307.28	$4,305.28	($2.00)	0.0%
280	$128.11	$270.25	$398.36	$127.93	$270.25	$398.18	($0.18)	0.0%	$108.98	$270.25	$379.23	$108.81	$270.25	$379.06	($0.17)	0.0%	$4,627.28	$4,625.20	($2.08)	0.0%
300	$136.58	$289.55	$426.13	$136.39	$289.55	$425.94	($0.19)	0.0%	$115.79	$289.55	$405.34	$115.60	$289.55	$405.15	($0.19)	0.0%	$4,947.24	$4,944.96	($2.28)	0.0%

*Environmental Surcharge is reflected in base.

"R" & "RSH" RATE ($/CCF)	CUSTOMER CHARGE	SUMMER ALL BLOCKS	WINTER 1ST BLOCK	WINTER TAIL BLOCK	WINTER HEAT BLOCK
PRESENT	$9.56	$0.423390	$0.423390	$0.340220	$0.340220
PROPOSED	$9.56	$0.422760	$0.422760	$0.339590	$0.339590
Current Environmental Surcharge Rider	$0.00238				
Proposed Environmental Surcharge Rider	$0.00175				

PRESENT GCR	$9.651700	/MCF	OR	$0.965170 /CCF
PROPOSED GCR	$9.651700	/MCF	OR	$0.965170 /CCF

DELAWARE GAS BILLING COMPARISON
GENERAL GAS (GG)

Current Rates Eff November 1, 2007 and Current Gas Environmental Surcharge Rider Eff November 1, 2007
vs.
Current Rates Eff November 1, 2007 and Proposed Gas Environmental Surcharge Rider Eff November 1, 2008

MONTHLY SALES (CCF)	4 SUMMER - TOTAL BILL PER MONTH							
	Present			Proposed			Total	
	*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF
0	$27.31	$0.00	$27.31	$27.31	$0.00	$27.31	$0.00	0.0%
25	$36.11	$24.13	$60.24	$36.10	$24.13	$60.23	($0.01)	0.0%
50	$44.92	$48.26	$93.18	$44.89	$48.26	$93.15	($0.03)	0.0%
75	$53.72	$72.39	$126.11	$53.67	$72.39	$126.06	($0.05)	0.0%
100	$62.52	$96.52	$159.04	$62.46	$96.52	$158.98	($0.06)	0.0%
200	$97.74	$193.03	$290.77	$97.61	$193.03	$290.64	($0.13)	0.0%
300	$132.95	$289.55	$422.50	$132.76	$289.55	$422.31	($0.19)	0.0%
400	$168.16	$386.07	$554.23	$167.91	$386.07	$553.98	($0.25)	0.0%
500	$203.38	$482.59	$685.97	$203.06	$482.59	$685.65	($0.32)	0.0%
1000	$356.72	$965.17	$1,321.89	$356.25	$965.17	$1,321.42	($0.47)	0.0%
1500	$487.35	$1,447.76	$1,935.11	$486.88	$1,447.76	$1,934.64	($0.47)	0.0%
2000	$617.97	$1,930.34	$2,548.31	$617.50	$1,930.34	$2,547.84	($0.47)	0.0%
2500	$748.60	$2,412.93	$3,161.53	$748.13	$2,412.93	$3,161.06	($0.47)	0.0%
3000	$879.22	$2,895.51	$3,774.73	$878.75	$2,895.51	$3,774.26	($0.47)	0.0%
3500	$1,009.85	$3,378.10	$4,387.95	$1,009.38	$3,378.10	$4,387.48	($0.47)	0.0%
4000	$1,140.47	$3,860.68	$5,001.15	$1,140.00	$3,860.68	$5,000.68	($0.47)	0.0%
4500	$1,271.10	$4,343.27	$5,614.37	$1,270.63	$4,343.27	$5,613.90	($0.47)	0.0%
5000	$1,401.72	$4,825.85	$6,227.57	$1,401.25	$4,825.85	$6,227.10	($0.47)	0.0%
6000	$1,662.97	$5,791.02	$7,453.99	$1,662.50	$5,791.02	$7,453.52	($0.47)	0.0%
7000	$1,924.22	$6,756.19	$8,680.41	$1,923.75	$6,756.19	$8,679.94	($0.47)	0.0%
8000	$2,185.47	$7,721.36	$9,906.83	$2,185.00	$7,721.36	$9,906.36	($0.47)	0.0%
9000	$2,446.72	$8,686.53	$11,133.25	$2,446.25	$8,686.53	$11,132.78	($0.47)	0.0%
10000	$2,707.97	$9,651.70	$12,359.67	$2,707.50	$9,651.70	$12,359.20	($0.47)	0.0%
12000	$3,230.47	$11,582.04	$14,812.51	$3,230.00	$11,582.04	$14,812.04	($0.47)	0.0%
14000	$3,752.97	$13,512.38	$17,265.35	$3,752.50	$13,512.38	$17,264.88	($0.47)	0.0%
16000	$4,275.47	$15,442.72	$19,718.19	$4,275.00	$15,442.72	$19,717.72	($0.47)	0.0%
18000	$4,797.97	$17,373.06	$22,171.03	$4,797.50	$17,373.06	$22,170.56	($0.47)	0.0%
20000	$5,320.47	$19,303.40	$24,623.87	$5,320.00	$19,303.40	$24,623.40	($0.47)	0.0%

8 WINTER - TOTAL BILL PER MONTH								
Present			Proposed			Total	
*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF
$27.31	$0.00	$27.31	$27.31	$0.00	$27.31	$0.00	0.0%
$36.11	$24.13	$60.24	$36.10	$24.13	$60.23	($0.01)	0.0%
$44.92	$48.26	$93.18	$44.89	$48.26	$93.15	($0.03)	0.0%
$53.72	$72.39	$126.11	$53.67	$72.39	$126.06	($0.05)	0.0%
$62.52	$96.52	$159.04	$62.46	$96.52	$158.98	($0.06)	0.0%
$97.74	$193.03	$290.77	$97.61	$193.03	$290.64	($0.13)	0.0%
$132.95	$289.55	$422.50	$132.76	$289.55	$422.31	($0.19)	0.0%
$168.16	$386.07	$554.23	$167.91	$386.07	$553.98	($0.25)	0.0%
$203.38	$482.59	$685.97	$203.06	$482.59	$685.65	($0.32)	0.0%
$356.72	$965.17	$1,321.89	$356.25	$965.17	$1,321.42	($0.47)	0.0%
$487.35	$1,447.76	$1,935.11	$486.88	$1,447.76	$1,934.64	($0.47)	0.0%
$617.97	$1,930.34	$2,548.31	$617.50	$1,930.34	$2,547.84	($0.47)	0.0%
$748.60	$2,412.93	$3,161.53	$748.13	$2,412.93	$3,161.06	($0.47)	0.0%
$879.22	$2,895.51	$3,774.73	$878.75	$2,895.51	$3,774.26	($0.47)	0.0%
$1,009.85	$3,378.10	$4,387.95	$1,009.38	$3,378.10	$4,387.48	($0.47)	0.0%
$1,140.47	$3,860.68	$5,001.15	$1,140.00	$3,860.68	$5,000.68	($0.47)	0.0%
$1,271.10	$4,343.27	$5,614.37	$1,270.63	$4,343.27	$5,613.90	($0.47)	0.0%
$1,401.72	$4,825.85	$6,227.57	$1,401.25	$4,825.85	$6,227.10	($0.47)	0.0%
$1,662.97	$5,791.02	$7,453.99	$1,662.50	$5,791.02	$7,453.52	($0.47)	0.0%
$1,924.22	$6,756.19	$8,680.41	$1,923.75	$6,756.19	$8,679.94	($0.47)	0.0%
$2,185.47	$7,721.36	$9,906.83	$2,185.00	$7,721.36	$9,906.36	($0.47)	0.0%
$2,446.72	$8,686.53	$11,133.25	$2,446.25	$8,686.53	$11,132.78	($0.47)	0.0%
$2,707.97	$9,651.70	$12,359.67	$2,707.50	$9,651.70	$12,359.20	($0.47)	0.0%
$3,230.47	$11,582.04	$14,812.51	$3,230.00	$11,582.04	$14,812.04	($0.47)	0.0%
$3,752.97	$13,512.38	$17,265.35	$3,752.50	$13,512.38	$17,264.88	($0.47)	0.0%
$4,275.47	$15,442.72	$19,718.19	$4,275.00	$15,442.72	$19,717.72	($0.47)	0.0%
$4,797.97	$17,373.06	$22,171.03	$4,797.50	$17,373.06	$22,170.56	($0.47)	0.0%
$5,320.47	$19,303.40	$24,623.87	$5,320.00	$19,303.40	$24,623.40	($0.47)	0.0%

ANNUAL IMPACT - TOTAL BILL			
		Total	
PRESENT	PROPOSED	DIFF.	% DIFF
$327.72	$327.72	$0.00	0.0%
$722.88	$722.76	($0.12)	0.0%
$1,118.16	$1,117.80	($0.36)	0.0%
$1,513.32	$1,512.72	($0.60)	0.0%
$1,908.48	$1,907.76	($0.72)	0.0%
$3,489.24	$3,487.68	($1.56)	0.0%
$5,070.00	$5,067.72	($2.28)	0.0%
$6,650.76	$6,647.76	($3.00)	0.0%
$8,231.64	$8,227.80	($3.84)	0.0%
$15,862.68	$15,857.04	($5.64)	0.0%
$23,221.32	$23,215.68	($5.64)	0.0%
$30,579.72	$30,574.08	($5.64)	0.0%
$37,938.36	$37,932.72	($5.64)	0.0%
$45,296.76	$45,291.12	($5.64)	0.0%
$52,655.40	$52,649.76	($5.64)	0.0%
$60,013.80	$60,008.16	($5.64)	0.0%
$67,372.44	$67,366.80	($5.64)	0.0%
$74,730.84	$74,725.20	($5.64)	0.0%
$89,447.88	$89,442.24	($5.64)	0.0%
$104,164.92	$104,159.28	($5.64)	0.0%
$118,881.96	$118,876.32	($5.64)	0.0%
$133,599.00	$133,593.36	($5.64)	0.0%
$148,316.04	$148,310.40	($5.64)	0.0%
$177,750.12	$177,744.48	($5.64)	0.0%
$207,184.20	$207,178.56	($5.64)	0.0%
$236,618.28	$236,612.64	($5.64)	0.0%
$266,052.36	$266,046.72	($5.64)	0.0%
$295,486.44	$295,480.80	($5.64)	0.0%

*Environmental Surcharge is reflected in base.

"GG" RATE ($/CCF)	CUSTOMER CHARGE	SUMMER 1ST 750 CCF	SUMMER >750 CCF	WINTER 1ST 750 CCF	WINTER >750 CCF
PRESENT	$27.31	$0.352130	$0.261250	$0.352130	$0.261250
PROPOSED	$27.31	$0.351500	$0.261250	$0.351500	$0.261250

PRESENT GCR	$9.651700 /MCF	OR	$0.965170 /CCF	
PROPOSED GCR	$9.651700 /MCF	OR	$0.965170 /CCF	
Current Environmental Surcharge Rider	$ 0.00238			
Proposed Environmental Surcharge Rider	$ 0.00175			

DELAWARE GAS BILLING COMPARISON
MEDIUM VOLUME GAS (MVG)

Current Rates Eff November 1, 2007 and Current Gas Environmental Surcharge Rider Eff November 1, 2007
vs.
Current Rates Eff November 1, 2007 and Proposed Gas Environmental Surcharge Rider Eff November 1, 2008

Monthly Sales (MCF)	MDQ	Load Factor	4 SUMMER - TOTAL BILL PER MONTH								8 WINTER - TOTAL BILL PER MONTH								ANNUAL IMPACT - TOTAL BILL			
			Present			Proposed			Total		Present			Proposed			Total				Total	
			*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF	*Base	GCR	Total	*Base	GCR	Total	DIFF.	% DIFF	PRESENT	PROPOSED	DIFF.	% DIFF
500	66	25	$1,530	$4,809	$6,339	$1,527	$4,809	$6,335	($3)	0.0%	$1,530	$4,809	$6,339	$1,527	$4,809	$6,335	($3)	0.0%	$76,062	$76,024	($38)	0.0%
500	33	50	$1,088	$4,472	$5,560	$1,085	$4,472	$5,557	($3)	-0.1%	$1,088	$4,472	$5,560	$1,085	$4,472	$5,557	($3)	-0.1%	$66,720	$66,683	($38)	-0.1%
500	22	75	$941	$4,360	$5,301	$937	$4,360	$5,297	($3)	-0.1%	$941	$4,360	$5,301	$938	$4,360	$5,297	($3)	-0.1%	$63,607	$63,569	($38)	-0.1%
1,000	132	25	$2,640	$9,617	$12,258	$2,634	$9,617	$12,251	($6)	-0.1%	$2,640	$9,617	$12,258	$2,634	$9,617	$12,251	($6)	-0.1%	$147,093	$147,017	($76)	-0.1%
1,000	66	50	$1,757	$8,944	$10,701	$1,750	$8,944	$10,695	($6)	-0.1%	$1,757	$8,944	$10,701	$1,750	$8,944	$10,695	($6)	-0.1%	$128,410	$128,334	($76)	-0.1%
1,000	44	75	$1,462	$8,720	$10,182	$1,456	$8,720	$10,176	($6)	-0.1%	$1,462	$8,720	$10,182	$1,456	$8,720	$10,176	($6)	-0.1%	$122,182	$122,106	($76)	-0.1%
2,000	263	25	$4,848	$19,225	$24,073	$4,835	$19,225	$24,060	($13)	-0.1%	$4,848	$19,225	$24,073	$4,835	$19,225	$24,060	($13)	-0.1%	$288,871	$288,720	($151)	-0.1%
2,000	132	50	$3,094	$17,888	$20,982	$3,081	$17,888	$20,970	($13)	-0.1%	$3,094	$17,888	$20,982	$3,081	$17,888	$20,970	($13)	-0.1%	$251,788	$251,637	($151)	-0.1%
2,000	88	75	$2,505	$17,440	$19,944	$2,492	$17,440	$19,932	($13)	-0.1%	$2,505	$17,440	$19,944	$2,492	$17,440	$19,932	($13)	-0.1%	$239,332	$239,181	($151)	-0.1%
3,000	395	25	$7,069	$28,842	$35,911	$7,050	$28,842	$35,892	($19)	-0.1%	$7,069	$28,842	$35,911	$7,050	$28,842	$35,892	($19)	-0.1%	$430,933	$430,706	($227)	-0.1%
3,000	197	50	$4,418	$26,822	$31,240	$4,399	$26,822	$31,221	($19)	-0.1%	$4,418	$26,822	$31,240	$4,399	$26,822	$31,221	($19)	-0.1%	$374,883	$374,656	($227)	-0.1%
3,000	132	75	$3,548	$26,159	$29,707	$3,529	$26,159	$29,688	($19)	-0.1%	$3,548	$26,159	$29,707	$3,529	$26,159	$29,688	($19)	-0.1%	$356,483	$356,256	($227)	-0.1%
4,000	526	25	$9,277	$38,449	$47,726	$9,252	$38,449	$47,701	($25)	-0.1%	$9,277	$38,449	$47,726	$9,252	$38,449	$47,701	($25)	-0.1%	$572,712	$572,409	($302)	-0.1%
4,000	263	50	$5,755	$35,767	$41,522	$5,730	$35,767	$41,497	($25)	-0.1%	$5,755	$35,767	$41,522	$5,730	$35,767	$41,497	($25)	-0.1%	$498,262	$497,959	($302)	-0.1%
4,000	175	75	$4,577	$34,869	$39,446	$4,552	$34,869	$39,421	($25)	-0.1%	$4,577	$34,869	$39,446	$4,552	$34,869	$39,421	($25)	-0.1%	$473,351	$473,048	($302)	-0.1%
5,000	658	25	$11,498	$48,067	$59,564	$11,466	$48,067	$59,533	($31)	-0.1%	$11,498	$48,067	$59,564	$11,466	$48,067	$59,533	($31)	-0.1%	$714,773	$714,395	($378)	-0.1%
5,000	329	50	$7,093	$44,711	$51,803	$7,061	$44,711	$51,772	($31)	-0.1%	$7,093	$44,711	$51,803	$7,061	$44,711	$51,772	($31)	-0.1%	$621,640	$621,262	($378)	-0.1%
5,000	219	75	$5,620	$43,589	$49,208	$5,588	$43,589	$49,177	($31)	-0.1%	$5,620	$43,589	$49,208	$5,588	$43,589	$49,177	($32)	-0.1%	$590,501	$590,123	($378)	-0.1%
6,000	789	25	$13,706	$57,674	$71,379	$13,668	$57,674	$71,342	($38)	-0.1%	$13,706	$57,674	$71,379	$13,668	$57,674	$71,342	($38)	-0.1%	$856,552	$856,098	($454)	-0.1%
6,000	395	50	$8,430	$53,655	$62,085	$8,392	$53,655	$62,047	($38)	-0.1%	$8,430	$53,655	$62,085	$8,392	$53,655	$62,047	($38)	-0.1%	$745,018	$744,565	($454)	-0.1%
6,000	263	75	$6,662	$52,309	$58,971	$6,625	$52,309	$58,933	($38)	-0.1%	$6,662	$52,309	$58,971	$6,625	$52,309	$58,933	($38)	-0.1%	$707,652	$707,198	($454)	-0.1%
7,000	921	25	$15,927	$67,291	$83,218	$15,882	$67,291	$83,174	($44)	-0.1%	$15,927	$67,291	$83,218	$15,882	$67,291	$83,174	($44)	-0.1%	$998,613	$998,084	($529)	-0.1%
7,000	461	50	$9,767	$62,599	$72,366	$9,723	$62,599	$72,322	($44)	-0.1%	$9,767	$62,599	$72,366	$9,723	$62,599	$72,322	($44)	-0.1%	$868,397	$867,867	($529)	-0.1%
7,000	307	75	$7,705	$61,028	$68,734	$7,661	$61,028	$68,689	($44)	-0.1%	$7,705	$61,028	$68,734	$7,661	$61,028	$68,689	($44)	-0.1%	$824,802	$824,273	($529)	-0.1%
8,000	1,053	25	$18,148	$76,909	$95,056	$18,097	$76,909	$95,006	($50)	-0.1%	$18,148	$76,909	$95,056	$18,097	$76,909	$95,006	($50)	-0.1%	$1,140,675	$1,140,070	($605)	-0.1%
8,000	526	50	$11,091	$71,533	$82,624	$11,041	$71,533	$82,574	($50)	-0.1%	$11,091	$71,533	$82,624	$11,041	$71,533	$82,574	($50)	-0.1%	$991,492	$990,887	($605)	-0.1%
8,000	351	75	$8,748	$69,748	$78,496	$8,697	$69,748	$78,446	($50)	-0.1%	$8,748	$69,748	$78,496	$8,697	$69,748	$78,446	($50)	-0.1%	$941,953	$941,348	($605)	-0.1%
9,000	1,184	25	$20,355	$86,516	$106,871	$20,299	$86,516	$106,814	($57)	-0.1%	$20,355	$86,516	$106,871	$20,299	$86,516	$106,814	($57)	-0.1%	$1,282,454	$1,281,773	($680)	-0.1%
9,000	592	50	$12,428	$80,477	$92,906	$12,372	$80,477	$92,849	($57)	-0.1%	$12,428	$80,477	$92,906	$12,372	$80,477	$92,849	($57)	-0.1%	$1,114,870	$1,114,190	($680)	-0.1%
9,000	395	75	$9,791	$78,468	$88,259	$9,734	$78,468	$88,202	($57)	-0.1%	$9,791	$78,468	$88,259	$9,734	$78,468	$88,202	($57)	-0.1%	$1,059,104	$1,058,423	($680)	-0.1%
10,000	1,316	25	$22,576	$96,133	$118,710	$22,513	$96,133	$118,647	($63)	-0.1%	$22,576	$96,133	$118,710	$22,513	$96,133	$118,647	($63)	-0.1%	$1,424,515	$1,423,759	($756)	-0.1%
10,000	658	50	$13,766	$89,422	$103,187	$13,703	$89,422	$103,124	($63)	-0.1%	$13,766	$89,422	$103,187	$13,703	$89,422	$103,124	($63)	-0.1%	$1,238,249	$1,237,493	($756)	-0.1%
10,000	439	75	$10,833	$87,188	$98,021	$10,770	$87,188	$97,958	($63)	-0.1%	$10,833	$87,188	$98,021	$10,770	$87,188	$97,958	($63)	-0.1%	$1,176,254	$1,175,498	($756)	-0.1%

*Environmental Surcharge is reflected in base.

"MVG" RATE ($/MCF)	CUSTOMER CHARGE	DEMAND SUMMER	DEMAND WINTER	COMMODITY SUMMER	COMMODITY WINTER
NON FUEL RATE					
PRESENT RATE	$419.27	$13.39	$13.390000	$0.453590	$0.453590
PROPOSED	$419.27	$13.39	$13.390000	$0.447290	$0.447290
GCR RATE	-				
PRESENT	-	$10.2000	$10.200000	$8.271000	$8.271000
PROPOSED	-	$10.2000	$10.200000	$8.271000	$8.271000

Current Environmental Surcharge Rider	$ 0.02380
Proposed Environmental Surcharge Rider	$ 0.01750

DELAWARE GAS BILLING COMPARISON
LARGE VOLUME GAS (LVG)

Current Rates Eff November 1, 2007 and Current Gas Environmental Surcharge Rider Eff November 1, 2007
vs.
Current Rates Eff November 1, 2007 and Proposed Gas Environmental Surcharge Rider Eff November 1, 2008

Monthly Sales (MCF)	MDQ	Load Factor	SUMMER - TOTAL BILL Present *Base	Present GCR	Present Total	Proposed *Base	Proposed GCR	Proposed Total	Total DIFF.	Total % DIFF
5,000	658	25	$6,697	$48,067	$54,764	$6,666	$48,067	$54,732	($32)	-0.1%
5,000	329	50	$3,984	$44,711	$48,695	$3,952	$44,711	$48,663	($32)	-0.1%
5,000	219	75	$3,077	$43,589	$46,665	$3,045	$43,589	$46,634	($32)	-0.1%
10,000	1,316	25	$12,760	$96,133	$108,893	$12,697	$96,133	$108,830	($63)	-0.1%
10,000	658	50	$7,333	$89,422	$96,755	$7,270	$89,422	$96,692	($63)	-0.1%
10,000	439	75	$5,527	$87,188	$92,715	$5,464	$87,188	$92,652	($63)	-0.1%
15,000	1,974	25	$18,822	$144,200	$163,022	$18,728	$144,200	$162,928	($95)	-0.1%
15,000	987	50	$10,682	$134,132	$144,815	$10,588	$134,132	$144,720	($95)	-0.1%
15,000	658	75	$7,969	$130,777	$138,746	$7,875	$130,777	$138,651	($95)	-0.1%
20,000	2,632	25	$24,885	$192,266	$217,151	$24,759	$192,266	$217,025	($126)	-0.1%
20,000	1,316	50	$14,032	$178,843	$192,875	$13,906	$178,843	$192,749	($126)	-0.1%
20,000	877	75	$10,411	$174,365	$184,777	$10,285	$174,365	$184,651	($126)	-0.1%
25,000	3,289	25	$30,939	$240,323	$271,262	$30,782	$240,323	$271,105	($158)	-0.1%
25,000	1,645	50	$17,381	$223,554	$240,935	$17,223	$223,554	$240,777	($158)	-0.1%
25,000	1,096	75	$12,853	$217,954	$230,807	$12,696	$217,954	$230,650	($158)	-0.1%
30,000	3,947	25	$37,002	$288,389	$325,391	$36,813	$288,389	$325,202	($189)	-0.1%
30,000	1,974	50	$20,730	$268,265	$288,995	$20,541	$268,265	$288,806	($189)	-0.1%
30,000	1,316	75	$15,304	$261,553	$276,857	$15,115	$261,553	$276,668	($189)	-0.1%
35,000	4,605	25	$43,065	$336,456	$379,521	$42,844	$336,456	$379,300	($221)	-0.1%
35,000	2,303	50	$24,080	$312,976	$337,055	$23,859	$312,976	$336,835	($221)	-0.1%
35,000	1,535	75	$17,746	$305,142	$322,888	$17,525	$305,142	$322,667	($221)	-0.1%
40,000	5,263	25	$49,127	$384,523	$433,650	$48,875	$384,523	$433,398	($252)	-0.1%
40,000	2,632	50	$27,429	$357,686	$385,115	$27,177	$357,686	$384,863	($252)	-0.1%
40,000	1,754	75	$20,188	$348,731	$368,919	$19,936	$348,731	$368,667	($252)	-0.1%
50,000	6,579	25	$61,252	$480,656	$541,908	$60,937	$480,656	$541,593	($315)	-0.1%
50,000	3,289	50	$34,119	$447,098	$481,217	$33,804	$447,098	$480,902	($315)	-0.1%
50,000	2,193	75	$25,080	$435,919	$460,999	$24,765	$435,919	$460,684	($315)	-0.1%
60,000	7,895	25	$73,378	$576,789	$650,167	$73,000	$576,789	$649,789	($378)	-0.1%
60,000	3,947	50	$40,818	$536,519	$577,337	$40,440	$536,519	$576,959	($378)	-0.1%
60,000	2,632	75	$29,973	$523,106	$553,079	$29,595	$523,106	$552,701	($378)	-0.1%
70,000	9,211	25	$85,503	$672,922	$758,425	$85,062	$672,922	$757,984	($441)	-0.1%
70,000	4,605	50	$47,516	$625,941	$673,457	$47,075	$625,941	$673,016	($441)	-0.1%
70,000	3,070	75	$34,857	$610,284	$645,141	$34,416	$610,284	$644,700	($441)	-0.1%

*Environmental Surcharge is reflected in base.

WINTER - TOTAL BILL Present *Base	Present GCR	Present Total	Proposed *Base	Proposed GCR	Proposed Total	Total DIFF.	Total % DIFF
$6,697	$48,067	54,764	$6,666	$48,067	$54,732	($32)	-0.1%
$3,984	$44,711	48,695	$3,952	$44,711	$48,663	($32)	-0.1%
$3,077	$43,589	46,665	$3,045	$43,589	$46,634	($32)	-0.1%
$12,760	$96,133	108,893	$12,697	$96,133	$108,830	($63)	-0.1%
$7,333	$89,422	96,755	$7,270	$89,422	$96,692	($63)	-0.1%
$5,527	$87,188	92,715	$5,464	$87,188	$92,652	($63)	-0.1%
$18,822	$144,200	163,022	$18,728	$144,200	$162,928	($95)	-0.1%
$10,682	$134,132	144,815	$10,588	$134,132	$144,720	($95)	-0.1%
$7,969	$130,777	138,746	$7,875	$130,777	$138,651	($95)	-0.1%
$24,885	$192,266	217,151	$24,759	$192,266	$217,025	($126)	-0.1%
$14,032	$178,843	192,875	$13,906	$178,843	$192,749	($126)	-0.1%
$10,411	$174,365	184,777	$10,285	$174,365	$184,651	($126)	-0.1%
$30,939	$240,323	271,262	$30,782	$240,323	$271,105	($158)	-0.1%
$17,381	$223,554	240,935	$17,223	$223,554	$240,777	($158)	-0.1%
$12,853	$217,954	230,807	$12,696	$217,954	$230,650	($158)	-0.1%
$37,002	$288,389	325,391	$36,813	$288,389	$325,202	($189)	-0.1%
$20,730	$268,265	288,995	$20,541	$268,265	$288,806	($189)	-0.1%
$15,304	$261,553	276,857	$15,115	$261,553	$276,668	($189)	-0.1%
$43,065	$336,456	379,521	$42,844	$336,456	$379,300	($221)	-0.1%
$24,080	$312,976	337,055	$23,859	$312,976	$336,835	($221)	-0.1%
$17,746	$305,142	322,888	$17,525	$305,142	$322,667	($221)	-0.1%
$49,127	$384,523	433,650	$48,875	$384,523	$433,398	($252)	-0.1%
$27,429	$357,686	385,115	$27,177	$357,686	$384,863	($252)	-0.1%
$20,188	$348,731	368,919	$19,936	$348,731	$368,667	($252)	-0.1%
$61,252	$480,656	541,908	$60,937	$480,656	$541,593	($315)	-0.1%
$34,119	$447,098	481,217	$33,804	$447,098	$480,902	($315)	-0.1%
$25,080	$435,919	460,999	$24,765	$435,919	$460,684	($315)	-0.1%
$73,378	$576,789	650,167	$73,000	$576,789	$649,789	($378)	-0.1%
$40,818	$536,519	577,337	$40,440	$536,519	$576,959	($378)	-0.1%
$29,973	$523,106	553,079	$29,595	$523,106	$552,701	($378)	-0.1%
$85,503	$672,922	758,425	$85,062	$672,922	$757,984	($441)	-0.1%
$47,516	$625,941	673,457	$47,075	$625,941	$673,016	($441)	-0.1%
$34,857	$610,284	645,141	$34,416	$610,284	$644,700	($441)	-0.1%

ANNUAL IMPACT - TOTAL BILL PRESENT	PROPOSED	Total DIFF.	Total % DIFF
$657,165	$656,787	($378)	-0.06%
$584,336	$583,958	($378)	-0.06%
$559,986	$559,608	($378)	-0.07%
$1,306,716	$1,305,960	($756)	-0.06%
$1,161,057	$1,160,301	($756)	-0.07%
$1,112,578	$1,111,822	($756)	-0.07%
$1,956,267	$1,955,133	($1,134)	-0.06%
$1,737,778	$1,736,644	($1,134)	-0.07%
$1,664,948	$1,663,814	($1,134)	-0.07%
$2,605,817	$2,604,305	($1,512)	-0.06%
$2,314,499	$2,312,987	($1,512)	-0.07%
$2,217,319	$2,215,807	($1,512)	-0.07%
$3,255,146	$3,253,256	($1,890)	-0.06%
$2,891,220	$2,889,330	($1,890)	-0.07%
$2,769,690	$2,767,800	($1,890)	-0.07%
$3,904,697	$3,902,429	($2,268)	-0.06%
$3,467,941	$3,465,673	($2,268)	-0.07%
$3,322,282	$3,320,014	($2,268)	-0.07%
$4,554,248	$4,551,602	($2,646)	-0.06%
$4,044,662	$4,042,016	($2,646)	-0.07%
$3,874,652	$3,872,006	($2,646)	-0.07%
$5,203,798	$5,200,774	($3,024)	-0.06%
$4,621,383	$4,618,359	($3,024)	-0.07%
$4,427,023	$4,423,999	($3,024)	-0.07%
$6,502,899	$6,499,119	($3,780)	-0.06%
$5,774,603	$5,770,823	($3,780)	-0.07%
$5,531,986	$5,528,206	($3,780)	-0.07%
$7,802,000	$7,797,464	($4,536)	-0.06%
$6,928,045	$6,923,509	($4,536)	-0.07%
$6,636,948	$6,632,412	($4,536)	-0.07%
$9,101,102	$9,095,810	($5,292)	-0.06%
$8,081,487	$8,076,195	($5,292)	-0.07%
$7,741,690	$7,736,398	($5,292)	-0.07%

"LVG" RATE ($/MC	CUSTOMER CHARGE	DEMAND SUMMER	DEMAND WINTER	COMMODITY SUMMER	COMMODITY WINTER
PRESENT RATE	$634.58	$8.247210	$8.247210	$0.12719	$0.127190
NEW RATE	$634.58	$8.247210	$8.247210	$0.12089	$0.120890
				TAIL BLOCK	
				$0.127190	$0.127190
				$0.120890	$0.120890
FUEL RATE					
PRESENT RATE		$10.200000	$10.200000	$8.271000	$8.271000
NEW RATE		$10.200000	$10.200000	$8.271000	$8.271000

Current Environmental Surcharge Rider $ 0.02380
Proposed Environmental Surcharge Rider $ 0.01750