

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

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF A CHANGE IN ELECTRIC) PSC DOCKET NO. 05-304
DISTRIBUTION BASE RATES AND MISCEL-)
LANEOUS TARIFF CHANGES)
(FILED SEPTEMBER 1, 2005))

ORDER NO. 6727

AND NOW, to-wit, this 20th day of September, A.D. 2005, Delmarva Power & Light Company ("Delmarva" or the "Company") having, on September 1, 2005, filed the above-captioned Application with the Public Service Commission ("the Commission") seeking approval to modify its Electric Base Rates, to remove supply-related costs from the delivery component of rates, to make various tariff modifications, to institute new services, to eliminate an existing service that is serving no customers, and for certain waivers of filing requirements;

AND, the Commission having determined, pursuant to 26 Del. C. §§ 303 and 304, that the proposed Electric Base Rates and other requested modifications to its tariffs should be permitted to become effective for usage on and after May 1, 2006, with proration, and subject to refund pending evidentiary hearings and further review by the Commission; now, therefore,

IT IS ORDERED:

1. That, pursuant to 26 Del. C. §§ 301 and 305, the application made by Delmarva Power & Light Company on September 1, 2005, for modifications to its Electric Base Rates, be suspended and

made effective as of May 1, 2006, with proration, subject to refund and evidentiary hearings to be held at a later date.

2. That the proposed removal of supply-related costs from the delivery component of rates and the inclusion of such costs in the supply component of rates be suspended and made effective as of May 1, 2006, with proration, subject to refund and evidentiary hearings to be held at a later date.

3. That the proposed non-rate modifications to its tariffs be suspended until such time as a final Order in this proceeding is issued.

4. That William F. O'Brien is designated as Hearing Examiner for this matter pursuant to the terms and provisions of 26 Del. C. § 502 and 29 Del. C. ch. 101 with authority to schedule and conduct such evidentiary hearings as may be necessary to develop a full and complete evidentiary record concerning this matter, and to report to the Commission his proposed findings and recommendations based on the evidence presented. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

5. That, pursuant to and in satisfaction of the requirements of 26 Del. C. § 304, Delmarva Power & Light Company shall give public notice of the filing of this application and of the Commission action thereon by publishing notice in the form attached hereto as Exhibit "A" in The News Journal and Delaware State News newspapers in two-column format outlined in black on September 27, 2005, with proof of such publication to be filed with the Commission as soon thereafter as

E X H I B I T "A"

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P U B L I C N O T I C E

**TO: ALL ELECTRIC CUSTOMERS OF DELMARVA
POWER & LIGHT COMPANY**

On September 1, 2005, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an Application with the Delaware Public Service Commission ("the Commission"). The Application requested a change in annual revenues of \$5,063,253. After assigning \$3,494,352 in costs to the supply component of rates, the net increases proposed to distribution rates are \$1,211,904 to its electric distribution base rates and \$356,997 in the fees associated with reconnections and collection of bills at customer premises. The effect of the \$1,211,904 proposed increase in electric distribution base rates and the \$3,494,352 assignment of costs to the supply component by customer class is as follows:

SERVICE CLASSIFICATION	PROPOSED INCREASE DELIVERY CHARGES		PROPOSED INCREASE DELIVERY PLUS SUPPLY CHARGES	
	AMOUNT (\$000)	PERCENT (% of total revenues)	AMOUNT (\$000)	PERCENT (% of total revenues)
R	\$ (1,537.8)	-0.90	\$ (807.9)	-0.47
R-Space Heating	\$ 4,068.6	4.88	\$ 4,495.7	1.45
SGS-ND	\$ (474.6)	-2.69	\$ (411.7)	-2.33
GS Space Heating	\$ (30.7)	-1.22	\$ (18.0)	-0.71
GS Water Heating	\$ (0.8)	-1.36	\$ (0.5)	-0.80
MGS-S	\$ (1,271.6)	-1.40	\$ (835.0)	-0.92
LGS-S	\$ (976.8)	-2.72	\$ (769.4)	-2.14
GS-P	\$ 979.0	0.65	\$ 1,987.8	1.33
GS-T	\$ (1,762.2)	-5.70	\$ (1,173.1)	-3.79
OL	\$ 2,212.7	28.15	\$ 2,232.1	28.40
ORL	\$ 6.1	10.29	\$ 6.3	10.69
TOTAL	\$ 1,211.9	0.21	\$ 4,706.3	0.80

For a typical residential customer using 750 kwh of electricity in a month, the effects of the proposed distribution base rate changes would be an increase in the monthly bill from \$69.68 to \$69.84 or about 0.2%. If the supply component changes are included, the effects would be an increase in the monthly bill from \$69.68 to \$70.13 or about 0.6%.

In addition, the Application requested approval of the Company's proposals: (1) to initiate a reserve delivery capacity service for non-residential customers that are interested in reserving capacity on a second feeder as a means to enhance service reliability in circumstances where their primary feeder is out of service; (2) to initiate a standby service for customers with on-site generation; (3) to eliminate the Economic Development Rate service; (4) to modify provisions relating to liability for outage related claims; and (5) to clarify the Company's and Customers' responsibilities for costs

associated with service installations, extensions, special installations, and private lines, including the costs associated with the tax consequence of a Contribution in-Aid-of Construction. The Company is also proposing to revise its outdoor lighting services' tariffs to eliminate references to equipment no longer customarily stocked.

The Commission has suspended the electric base rate increase and will consider the request for electric base rate changes and other modifications to become effective as of May 1, 2006, subject to refund, after full and complete evidentiary hearings and further proceedings to be presided over by a Commission appointed Hearing Examiner.

Any person or group who wishes to formally participate as a party to this Docket (PSC Docket No. 05-304) with the right to submit evidence and to be represented by counsel, must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for and be granted leave to intervene in the proceedings in this docket by the Hearing Examiner. To be timely, all such petitions must be filed with the Delaware Public Service Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 on or before Monday, October 17, 2005. Petitions received thereafter will not be considered except for good cause shown.

The Hearing Examiner will consider the Application, including any settlement that might be reached by the parties to the proceeding, in

hearings to be held at the times and locations to be determined by the Hearing Examiner.

Copies of Delmarva's Application, testimony, and exhibits will be available for public inspection at the Commission's office at the address set out above during normal business hours, or, by appointment, in the office of the Division of the Public Advocate located on the Fourth Floor of the Carvel State Office Building, 820 North French Street, Wilmington. Please call for an appointment at (302) 577-5077.

Any individual with disabilities who wishes to participate in these proceedings, or to review these filings, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephonically, by use of the Telecommunications Relay Service, or otherwise. The Commission's toll-free telephone number in Delaware is (800) 282-8574. Persons with questions concerning this application may also contact the Commission by either Text Telephone ("TT") or by regular telephone at (302) 739-4333. Inquiries can also be sent by Internet e-mail addressed to janis.dillard@state.de.us.