

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

IN THE MATTER OF THE APPLICATION OF )  
THE DELAWARE ELECTRIC COOPERATIVE, )  
INC., TO REVISE UNDER 75 DEL. LAWS )  
CH. 142 § 5 (2005), ITS ELECTRIC )  
DISTRIBUTION RATES AND ELECTRIC ) PSC DOCKET NO. 05-407  
STANDARD OFFER SUPPLY PRICES TO )  
REFLECT THE INCREASE IN THE ASSESS- )  
MENT RATE IMPOSED BY 26 DEL. C. § 115 )  
AND § 1012(c)(2) )  
(FILED NOVEMBER 18, 2005) )

**ORDER NO. 6786**

This 6<sup>th</sup> day of December, 2005, the Commission determines and Orders the following:

1. As the Commission has explained (in somewhat greater detail) in PSC Order No. 6700 (Aug. 23, 2005), in July 2005, the General Assembly and Governor increased the assessment factor used in calculating the annual assessment that is paid by public utilities and retail electric suppliers. The factor has now moved from 2 mills (.002) to 3 mills (.003).<sup>1</sup>

2. In PSC Order No. 6706 (Aug. 23, 2005), the Commission approved an application filed by the Delaware Electric Cooperative, Inc. ("DEC") to implement a separate line item charge to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch. 142. The authorized line charge approved was .0031 of a particular subscriber's total charges

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<sup>1</sup>See 75 Del. Laws ch. 142 § 1 (July 12, 2005), changing the assessment factor in 26 Del. C. § 115(d) from 2 mills to 3 mills. The assessment factor is multiplied against the utility's or supplier's prior calendar year gross revenues to determine the monetary assessment due to be paid.

for electric distribution, transmission, and standard offer service. This charge was effective for the time period of September 1, 2005 through December 31, 2005. The Order also directed DEC, prior to January 1, 2006, to file a new application to reset the line charge factor or to adjust its other rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter.

3. On November 18, 2005, DEC filed a letter application seeking approval to adjust its Distribution Delivery Service rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter.

4. The Staff recommends approval of these new Distribution Delivery Service rates to commence on January 1, 2006 and continue until further Order of the Commission.

5. The statutory directive in the July 2005 enactment is for the Commission to act promptly in reviewing the DEC's proposal. Based on Staff's recommendation, the Commission now approves the DEC's proposed Distribution Delivery Charges to be effective January 1, 2006.

Now, therefore, **IT IS ORDERED:**

1. That, pursuant to 75 Del. Laws ch. 142 § 5 (2005), the application filed by the Delaware Electric Cooperative, Inc., on November 18, 2005 seeking permission to implement new Distribution Delivery Charges to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch.

142, is hereby approved. The Delaware Electric Cooperative, Inc., is hereby authorized to increase these charges effective January 1, 2006.

2. That the Delaware Electric Cooperative, Inc., shall make a compliance filing to incorporate into its Tariff these new Distribution Delivery Charges set forth in its application filed November 18, 2005 and to delete Section 17.1 Regulatory Assessment, which expires on December 31, 2005.

3. 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:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary