

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

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR AN ANNUAL UPDATE IN THE GAS) PSC DOCKET NO. 08-267
ENVIRONMENTAL SURCHARGE RIDER RATE)
(FILED AUGUST 29, 2008))

ORDER NO. 7445

AND NOW, to-wit, this 16th day of September, A.D., 2008, Delmarva Power & Light Company ("DP&L"), having, on August 29, 2008, filed the above-captioned application with the Commission seeking approval to decrease the rate for its Environmental Surcharge Rider ("ESR") under the regime approved in PSC Order No. 6401 (Apr. 20, 2004);

AND, by its application, DP&L seeks to change its current ESR rate at a positive surcharge of \$0.00238 per ccf to a positive surcharge rate of \$0.00175 per ccf for all firm delivery service customers;

AND, the Commission having determined, pursuant to 26 Del. C. §§ 304 and 306, and its prior Order No. 6401, that the proposed rate adjustment (decreasing the present rate) should be permitted to become effective for gas usage on and after November 1, 2008, but subject to refund, pending further review and a final decision by the Commission; now, therefore,

IT IS ORDERED:

1. That, pursuant to 26 Del. C. §§ 304 and 306, the decrease in the current Environmental Surcharge Rider rate as set forth in the application filed by Delmarva Power & Light Company on August 29,

2008, is hereby allowed to go into effect on November 1, 2008, pending further review and a final decision by the Commission. Such decreased rate, now allowed to go into effect, shall be subject to refund depending on such final decision.

2. That Mark Lawrence is hereby designated as the Hearing Examiner for this docket pursuant to 26 Del. C. § 502 and 29 Del. C. ch. 101. Hearing Examiner Lawrence shall schedule and conduct, upon due public notice, such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this application. Thereafter, Hearing Examiner Lawrence shall report to the Commission his proposed findings and recommendations based on the evidence presented. In addition, pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner Lawrence is specifically authorized to grant or deny petitions for intervention. In addition, Hearing Examiner Lawrence is specifically delegated the authority to determine, under 26 Del. C. § 102A, the form and manner of any public notice to be given for such further proceedings. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

3. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. § 114(b)(1).

4. That Delmarva Power & Light Company shall provide public notice of the filing of its application and of the Commission action here by publishing notices in the form attached hereto as Exhibit "A"

in the legal classified section of The News Journal newspaper in two-column format, outlined in black, on September 23 and 24, 2008. Proof of such publication is to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearings concerning this matter.

5. 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/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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

OF UPDATE TO GAS ENVIRONMENTAL SURCHARGE
RIDER RATE FOR
DELMARVA POWER & LIGHT COMPANY

TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT
COMPANY, AND OTHER INTERESTED PERSONS

A Hearing Examiner of the Delaware Public Service Commission will conduct a public comment hearing concerning the above-captioned case (as further explained below) at the following time and location:

<u>TIME</u>	<u>DATE</u>	<u>EVENT</u>	<u>LOCATION</u>
7:00 PM	Wednesday, Oct. 29, 2008	Public Comment Hearing	Auditorium, Carvel State Office Bldg., 820 N. French Street Wilmington, Delaware

DP&L's Environmental Surcharge Rider Rate, PSC Docket No. 08-267

Pursuant to the Environmental Remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004), Delmarva Power & Light Company ("DP&L" or the "Company"), has filed an application with the Public Service Commission (the "Commission") proposing a rate decrease to the Environmental Surcharge Rider ("ESR") with the rate to go into

effect with service rendered on or after November 1, 2008, subject to modification and refund after evidentiary hearings and further proceedings to be presided over by a Commission Hearing Examiner.

In the Application, the Company requests permission to change its current ESR rate at a positive surcharge of \$0.00238 per ccf to a positive surcharge rate of \$0.00175 per ccf for all firm delivery service customers. For a typical space heating residential customer using 120 ccf of gas in a winter month, the effects of the proposed gas ESR rate change would be a decrease in the monthly winter bill of approximately \$0.08 (less than 1%).

Any person, group, or entity who wishes to participate formally as a party in this docket (PSC Docket No. 08-267), 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 leave to intervene in the proceedings in this docket. Such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 (Attn: PSC Dckt. No. 08-267) on or before October 24, 2008. Petitions received thereafter will not be considered except for good cause shown. The Commission will conduct an evidentiary hearing concerning this application at a later date. The Commission's final decision will be based on the evidence presented at such hearing. Copies of the application and the testimony and schedules DP&L has filed in this docket are available for public inspection during normal business hours at the Commission's Dover office at the address set out above. Such materials can also be reviewed, by appointment, at the

offices of the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street, Wilmington, Delaware. Please call (302) 577-5077 to arrange for an appointment time.

Any individual with a disability who wishes to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff is also available to provide more information. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 736-7500 (including text telephone communications). Inquiries can also be sent to the Commission by Internet e-mail to "courtney.stewart@state.de.us."