BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR A 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 (FILED OCTOBER 7, 2014)	)	PSC DOCKET NO. 14-0438

ORDER NO. 8657

This 14th day of October, 2014, the Delaware Public Service Commission (the "Commission") determines and Orders the following:

WHEREAS, on October 7, 2014, Delmarva Power & Light Company filed a request for a waiver from certain provisions of Section III - Customer Deposits on Electric Tariff Leaf No. 12 and Gas Tariff Leaf No. 8; and

WHEREAS, the Company is expecting to implement its new billing system in January 2015 and it would be difficult to perform the necessary calculations and other processes required to pay interest on customer deposits and post them on the January 2015 bills as required by the tariffs; and

WHEREAS, the Company has proposed an alternative to the payment of interest for the years, 2014 and 2015 as set forth in Exhibit A attached hereto; and

WHEREAS, Commission Staff has reviewed the Company's alternative and has determined it to be reasonable.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the Commission grants Delmarva Power & Light Company's request for a waiver from the provisions of Section III - Customer Deposits on Electric Tariff Leaf No. 12 and Gas Tariff Leaf No. 8 concerning the payment of customer interest for 2014 and 2015. This waiver is based on the proposed alternative payment of interest on customer deposits as set forth in **Exhibit "A"**, and on the understanding that this proposal will make all customers whole from any resulting delays in the payment of interest on deposits due to the implementation of Delmarva's new billing system.

2. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary of proper.

BY ORDER OF THE COMMISSION:

_____
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/Jamyes B. Lester
_____
Commissioner

/s/ Harold B. Gray
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT "A"

delmarva power

A PHI Company

Pamela J. Scott
Assistant General Counsel

92DC42
500 N. Wakefield Drive
Newark, DE 19702

P.O. Box 6066
Newark, DE 19714-6066

302.429.3143 – Telephone
302.429.3801 – Facsimile
pjscott@pepcoholdings.com

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)