



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904
June 5, 2015

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

TO: The Chair and Members of the Commission

FROM: Connie S. McDowell *CSM*
Senior Regulatory Policy Administrator

SUBJECT: In the Matter of the Application of Delmarva Power & Light Company to Modify Certain Tariffs to Reflect A Change to the Monthly Hourly Priced Service Charge Made by PJM Interconnection, LLC Effective June 1, 2015
(Filed May 26, 2015) PSC Docket No. 15-1002

On May 26, 2015, Delmarva Power & Light Company ("Delmarva") filed an application seeking approval to modify certain tariff leaves as a result of PJM Interconnection, LLC changing its Locational Marginal Pricing to Load Weighted Average Residual Metered Load Aggregate Locational Marginal Pricing.

In 2012, PJM Interconnection, LLC ("PJM") filed an application, ER13-347-001, seeking approval from the Federal Energy Regulatory Commission ("FERC") to change its methodology for hourly pricing. PJM's Monthly Hourly Priced Service was monthly average Locational Marginal Pricing and was determined by averaging on a monthly hourly basis of all pricing points or nodes in a zone that the customer would be taking electric service from. PJM sought approval to change the methodology to an average monthly hourly basis of all pricing points or nodes in a zone minus the pricing points or nodes in the zone that were specifically contracted by a specific customer. FERC approved PJM's application on April 1, 2013 and set an effective date of June 1, 2015 so that customers affected by the change would have time to modify, amend or terminate and negotiate new contracts.

This revision has no impact on Delmarva's SOS residential customers, but it could affect any customer that has no direct contract at a pricing point or node including the municipals, the cooperatives and electric suppliers.

Since FERC has already approved this change of methodology for Hourly Pricing Rate and Delmarva is updating its tariff to reflect

this change, Staff is recommending that the Commission approve Delmarva's tariff leaves PSC Del No. 8, Eighth Revised Leaf No. 91, First Leaf No. 95b, First Leaf No. 1071 and Second Revised Leaf No. 113 effective June 1, 2015.