

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

IN THE MATTER OF THE PROVISION)
OF STANDARD OFFER SUPPLY TO)
RETAIL CONSUMERS IN THE SERVICE)
TERRITORY OF DELMARVA POWER &) PSC DOCKET NO. 15-0889
LIGHT COMPANY (FILED APRIL 1,)
2015); SUPPLEMENTED SEPTEMBER 2 &)
4, 2015; AMENDED DECEMBER 15,)
2015)

ORDER NO. 8854

AND NOW, this 22nd day of March 2016, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on April 1, 2015, Delmarva Power & Light Company ("Delmarva") filed revised electric tariffs reflecting revised Standard Offer Service ("SOS") rates, a revised Procurement Cost Adjustment (the "PCA"), and a revised Reasonable Allowance for Retail Margin ("RARM") with an effective date of June 1, 2015, with proration (the "2015 SOS-PCA-RARM Filing");¹ and

WHEREAS, on May 5, 2015, the Commission adopted Order No. 8731, which approved the proposed tariff rates included in the 2015 SOS-PCA-RARM Filing on a temporary basis, subject to refund; and

WHEREAS, pursuant to Amended Order No. 8731 (December 15, 2015), Delmarva published public notice on January 5 and 6, 2016, in *The News Journal* and the *Delaware State News*, respectively, of the SOS-PCA-RARM

¹ The 2015 SOS-PCA-RARM Filing includes information required pursuant to several Commission Orders, including Order No. 6746 (October 30, 2009), Order No. 7162 (April 27, 2007), Order No. 8258 (April 13, 2012), Order No. 8144 (May 15, 2012), Order No. 8093 (December 20, 2011) and Order NO. 8450 (September 10, 2013).

Filing and the Commission-ordered deadline of January 26, 2016 to file comments or objections or to file petitions to intervene; and

WHEREAS, there were no petitions to intervene or objections or comments with respect to the 2015 SOS-PCA-RARM Filing; and

WHEREAS, on April 1, 2015, Delmarva filed work papers supporting the proposed electric tariff changes and bill impact information which reflected a proposed monthly decrease of \$2.48² (or an decrease of 1.7%) for a residential customer using 1,000 kWh per month on an annual average basis; and

WHEREAS, on April 1, 2015, Delmarva filed work papers supporting the results of the RARM factor on an actual basis for the RARM reporting year ending December 31, 2014, which reflected that the total RARM rate for fixed price customers decreased by 12.50% from the RARM rate currently in effect. Therefore, a new RARM rate would go in effect June 1, 2015;³ and

WHEREAS, according to the settlement agreement ("Settlement Agreement), in Docket No. 11-528, August 28, 2012, Delmarva, for a three-year period, would collect not more than \$3.4 million, from customers for certain taxes that were paid to taxing authorities but not collected from customers; and

WHEREAS, Staff met with Delmarva in one workshop to review the 2015 SOS-PCA-RARM Filing and all related work papers; and

²This does not include the RPS Charge or the Qualified Fuel Cell Provider Renewable Charge("QFCP-RC") or any changes in distribution rates.

³See PSC Docket No. 09-9 (the "RARM Settlement")³ which provides that where the change in the total RARM rate exceeds +/-5.25%, Delmarva is required to submit a formal filing for the Commission's review.

WHEREAS, in late 2014 and early 2015, Delmarva conducted its tenth annual SOS procurement for supply contracts commencing on June 1, 2015, using a Commission approved, revised reverse auction process;⁴ and

WHEREAS, Delmarva published notice on March 2, 2016 in *The News Journal* and the *Delaware State News* of the Evidentiary Hearing to be held on March 22, 2016; and

WHEREAS, the Commission held the noticed evidentiary hearing on March 22, 2106, at which Staff and Delmarva presented witnesses who testified that the 2015 SOS-PCA-RARM Filing, all related work papers, and proposed rates and tariff changes comply with previous Commission orders, comport with the bidding results reflected in Liberty Consulting Group, Inc.'s Technical Consultant's Final Report to the Delaware Public Service Commission titled "Delmarva Power & Light's 2014-2015 Request for Proposals for Full Requirements Wholesale Electric Supply for Standard Offer Service" dated March 3, 2015, and reflect the total supply costs for which Delmarva requested recovery; and

WHEREAS, Staff recommends final approval of Delmarva's proposed tariff revisions as set forth in the 2015 SOS-PCA-RARM Filing for the period June 1, 2015, through May 31, 2016;

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

⁴See Order No. 6746 (September 1, 2005) for background on the original auction process. See Order No. 7461 (October 7, 2008) for background on the revised, reverse auction process.

1. The proposed rates and tariff changes included in the 2015 SOS-PCA-RARM Filing with an effective date of June 1, 2015, for the period ending May 31, 2016, are approved on a final basis.

2. The Commission reserves jurisdiction and authority to enter such further Orders in this matter as may be necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary