

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

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
A CHANGE TO ITS TRANSMISSION) PSC Docket No. 16-0726
SERVICE CHARGE FOR ITS ELECTRIC)
SUPPLY AND TRANSMISSION CUSTOMERS)
(FILED JUNE 17,2016))

ORDER NO. 8928

This 9TH day of August 2016, the Delaware Public Service Commission (the "Commission") finds, determines, and Orders the following:

WHEREAS, on June 17, 2016 Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Commission an application to decrease its Transmission Service Charge for both its Standard Offer Service ("SOS") Fixed Price Service and SOS Hourly Priced Service from \$2.973246 per kW-month to \$2.832627 per kW-month and to revise Tariff Leaf Nos. 111 and 114 to reflect these decreases.

WHEREAS, according to Delmarva, these adjustments are derived from the procedure for establishing retail transmission rates set forth in Paragraph F of the Settlement Agreement that the Commission approved in PSC Docket No. 04-391, Order No. 6746 (Oct. 11, 2005). That settlement established a pass-through mechanism that permits Delmarva to establish a Transmission Service Charge for retail customers that mirror the transmission rates that PJM Interconnection, L.L.C. charges Delmarva under Federal Energy Regulatory Commission ("FERC") requirements; and

WHEREAS, the Transmission Service Charge is the result of the 2016 annual update to the Network Integration Transmission Service

Rate for the Delmarva Transmission Service Zone ("Network Rate") filed in FERC Docket No. ER09-1158 based on 2015 FERC Form 1 data.

WHEREAS, review of the FERC-approved formula rate is subject to the FERC Formula Rate Implementation Protocols ("Protocols"); and

WHEREAS, in an order issued February 23, 2016 in FERC Docket No. EL13-48, *Et Al*, the FERC approved a settlement agreement to a complaint that included Protocols providing that the Company has the burden to demonstrate the prudence of the inputs to the formula rate that result in the justness and reasonableness of the charges resulting from application of the formula rate; and

WHEREAS, Staff will be issuing discovery in FERC Docket No. ER09-1158 primarily intended to confirm whether Delmarva's 2016 update to the Network Rate was in compliance with the Protocols; and

WHEREAS, Staff states that preliminary review of the inputs to the 2016 Network Rate indicate issues that should be pursued with discovery requests and, pursuant to the Protocols, any adjustments that might be necessary would be reflected in the next annual update to the Network Rate; and

WHEREAS, given the procedures of the Protocols requiring any adjustments to the Network Rate to be reflected in the following annual update filed in FERC Docket No. ER09-1158, Staff recommends that the Commission approve the proposed 2016 Annual Update to the Transmission Service Charge as filed by the Company in the instant docket, and

WHEREAS, Staff would like to review additional information relating to data found in the AMI systems.

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

1. That, pursuant to 26 Del. C. §306(a)(1), the proposed rates for Transmission Service Charges for SOS Fixed Price Service and Hourly Priced Service offerings reflected on revised Tariff Leaf Nos. 111 and 114 which Delmarva Power & Light Company filed on June 17, 2016, are approved, effective with usage on and after August 16, 2016 as requested by the Company.

2. The Company should file final revised tariff sheet Leaf Nos. 111 and 114 within 15 days of this Order.

3. The Commission asks that the parties meet to discuss the additional information which Staff would like to review.

4. 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:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary