



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

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September 18, 2012

MEMORANDUM

TO: Members of the Commission

FROM: Ruth Ann Jones, Public Utilities Analyst *RAJ*

SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA  
POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL  
PROVIDER PROJECT TARIFFS (FILED AUGUST 27, 2012) – PSC DOCKET NO.  
12-173-09

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On July 7, 2011, the Governor of the State of Delaware signed into law Amendments (the “Amendments”) to the Renewable Energy Portfolio Standards Act (the “REPSA”) that added Delaware-manufactured fuel cells to the REPSA and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Delaware Public Service Commission-regulated electric company’s renewable energy credit requirements under REPSA.

The Amendments created a regulatory framework whereby the Commission-regulated electric company, Delmarva Power & Light Company (“Delmarva”), and the Qualified Fuel Cell Provider (“QFCP”)<sup>1</sup> will jointly submit tariffs that enable and obligate Delmarva, as the agent for collection and disbursement, to collect from its customers a non-bypassable charge (“QFCP-RC Charge”) for costs incurred for incremental site preparation, filing, administrative and other costs incurred by the QFCP. The QFCP-RC Charge is reduced by compensation to the Qualified Fuel Cell Provider Project (“QFCPP”) for any revenues received from PJM or its successors at law from the output of the QFCPP.

On August 19, 2011, in PSC Docket No. 11-362, Delmarva filed an application for approval of a new electric tariff for Service Classification QFCP-RC (“Electric Tariff”) and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments. On October 18, 2011, the Commission issued Order No. 8062 which approved this tariff filing. On December 1, 2011, the Commission signed Order No. 8079, which, among other things, adopted Order No. 8062. Pursuant to the Electric Tariff, Delmarva is serving in its mandatory role as a collection agent for the QFCP. In compliance with the Electric Tariff, Delmarva will provide monthly filings to account for the varying QFCP-RC Charge.

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<sup>1</sup> All references to capitalized terms are set forth in 26 *Del. C.* §352.

On April 2, 2012, Delmarva submitted its first monthly filing ("Compliance Filing") as required by its Commission-approved Electric Tariff filed in PSC Docket No. 11-362. By Order No. 8136, the Commission permitted the May 2012 QFCP-RC Charges to take effect and required Delmarva to provide to Staff, with each future Compliance Filing under the REPSA, all documents that Staff requested from Delmarva as part of its review of the prior Compliance Filing.

On August 27, 2012, Delmarva submitted its sixth Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the July billing revenues, July PJM energy revenues, and July operational costs were included in the QFCP-RC Charge. During the review of the filing, Staff discovered a calculation error in the amount of Sixteen Thousand One Hundred Sixty-Five Dollars (\$16,165.00). The Company should include the Sixteen Thousand One Hundred Sixty-Five Dollars (\$16,165.00) in the next filing, for the December forecast, as a true-up on an exception basis. Delmarva agrees that this true-up will be noted or listed as a separate line-item, so that Staff can clearly trace the correction. The rates for each customer classification are provided below:

<b>October 2012 QFCP-RC Charge</b>		
<b>Service Classification</b>	<b>\$ per kWh</b>	<b>Change from Previous Month</b>
Residential	\$ 0.000671	\$ (0.000152)
Residential – Space Heating	\$ 0.000671	\$ (0.000152)
Residential Time-of-Use "R-TOU"	\$ 0.000671	\$ (0.000152)
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000671	\$ (0.000152)
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000671	\$ (0.000152)
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000671	\$ (0.000152)
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000671	\$ (0.000152)
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000671	\$ (0.000152)
Medium General Service - Secondary "MGS-S"	\$ 0.000671	\$ (0.000152)
Large General Service - Secondary "LGS-S"	\$ 0.000671	\$ (0.000152)
General Service - Primary "GS-P"	\$ 0.000657	\$ (0.000149)
General Service - Transmission "GS-T"	\$ 0.000645	\$ (0.000146)
Outdoor Lighting PL	\$ 0.000671	\$ (0.000152)
Outdoor Lighting SL	\$ 0.000671	\$ (0.000152)

26 Del. C. §364 (d) (4) provides as follows: "Notwithstanding § 306 of this title or any other provision of the Delaware Code to the contrary, any changes in rates or charges necessary to collect funds for disbursements or costs addressed in subsections (a)-(c) of this section through adjustable non-bypassable charges shall become effective 30 days after filing, absent a determination of manifest error by the Public Service Commission. The Commission may allow changes in rates or charges related to such adjustable non-bypassable charges to become effective less than 30 days after filing under such conditions as it may prescribe."

Delmarva has developed communications on renewable energy and alternative energy, including bill inserts and talking points for Delmarva call center employees. Detailed information on the Qualified Fuel Cell Provider Project can be found in Delmarva's Electric Tariff (QFCP-RC Leaf No. 74 -74r). It should be noted that on August 23, 2012, Delmarva submitted a filing that corrects the section formatting of Delmarva's Electric Tariff QFCP-RC Leaf No. 74e through 74r.<sup>2</sup> This filing does not affect rates; it

<sup>2</sup> See Correction Filing--In the Matter of the Application of Delmarva Power & Light Company for Approval of PSC Docket No. 11-362 Qualified Fuel Cell Provider Project Tariffs dated August 23, 2012.

merely corrects the section lettering format and respective references. Staff performed a review of the calculations and the QFCP-RC Charge provided in the Compliance Filing dated August 27, 2012, and does not find any manifest errors. Staff therefore recommends that the October QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between October 1, 2012, and October 29, 2012.

**See Attachment A: QFCP-RC Charge - All Months**