



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

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July 17, 2012

MEMORANDUM

TO: Members of the Commission

FROM: Guang Wei, Public Utilities Analyst *GW*

SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED JUNE 26, 2012) – PSC DOCKET NO. 12-173-07

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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 June 26, 2012, Delmarva submitted its fourth Compliance Filing, including the typical charges and calculations. In addition, the first month billing revenues totaling \$ 105,954.74 have been added to the worksheet and trued up with the forecasted revenues. During Staff’s review of the filing, errors regarding the Off Peak Price and the RCF Factor were found, and Delmarva filed corrected tariffs on July 3, 2012. The revised rates for each customer classification are provided below:

<b>August 2012 QFCP-RC Charge</b>		
<b>Service Classification</b>	<b>\$ per kWh</b>	<b>Change from Previous Month</b>
Residential	\$ 0.000604	-\$0.000010
Residential – Space Heating	\$ 0.000604	-\$0.000010
Residential Time-of-Use "R-TOU"	\$ 0.000604	-\$0.000010
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000604	-\$0.000010
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000604	-\$0.000010
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000604	-\$0.000010
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000604	-\$0.000010
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000604	-\$0.000010
Medium General Service - Secondary "MGS-S"	\$ 0.000604	-\$0.000010
Large General Service - Secondary "LGS-S"	\$ 0.000604	-\$0.000010
General Service - Primary "GS-P"	\$ 0.000591	-\$0.000010
General Service - Transmission "GS-T"	\$ 0.000580	-\$0.000010
Outdoor Lighting PL	\$ 0.000604	-\$0.000010
Outdoor Lighting SL	\$ 0.000604	-\$0.000010

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).

Staff performed a review of the calculations and the QFCP-RC Charges provided in the revised Compliance Filing dated July 3, 2012, and does not find other manifest errors. Staff therefore recommends that the August QFCP-RC Charges be permitted to take effect for bills issued by Delmarva to its customers between July 31 and August 29, 2012.

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

# Attachment A

## QFCP-RC Charge-All Months

<u>Service Classification</u>	May-12 *	Jun-12	Jul-12	Aug-12
	<u>\$ per kWh</u>	<u>\$ per kWh</u>	<u>\$ per kWh</u>	<u>\$ per kWh</u>
Residential	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Residential- Space Heating	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Residential Time-of-Use "R-TOU"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Medium General Service - Secondary "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Large General Service - Secondary "LGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
General Service - Primary "GS-P"	\$ 0.000139	\$ 0.000656	\$ 0.000601	\$ 0.000591
General Service - Transmission "GS-T"	\$ 0.000137	\$ 0.000644	\$ 0.000590	\$ 0.000580
Outdoor Lighting PL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604
Outdoor Lighting SL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604

\* May QFCP-RC charges were based on 6 days of operation.

