



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

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April 15, 2014

MEMORANDUM

TO: Members of the Commission
FROM: Toni Loper, Public Utilities Analyst 
SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED MARCH 28, 2014; AMENDED MARCH 31, 2014; AMENDED APRIL 11, 2014) – PSC DOCKET NO. 14-49-3

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”)¹ 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.

¹ 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 Charge 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 March 28, 2014, amended on March 31, 2014, and amended again on April 11, 2014 Delmarva submitted its twenty-fifth Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the February billing revenues, February PJM revenues, and February operational costs were included in the QFCP-RC Charge. The rates for each customer classification are provided below:

May 2014 QFCP-RC Charge		
Service Classification	\$ per kWh	Change from Previous Month
Residential	\$ 0.005162	-0.0008200
Residential – Space Heating	\$ 0.005162	-0.0008200
Residential Time-of-Use "R-TOU"	\$ 0.005162	-0.0008200
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.005162	-0.0008200
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.005162	-0.0008200
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.005162	-0.0008200
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.005162	-0.0008200
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.005162	-0.0008200
Medium General Service - Secondary "MGS-S"	\$ 0.005162	-0.0008200
Large General Service - Secondary "LGS-S"	\$ 0.005162	-0.0008200
General Service - Primary "GS-P"	\$ 0.005049	-0.0008020
General Service - Transmission "GS-T"	\$ 0.004960	-0.0007870
Outdoor Lighting PL	\$ 0.005162	-0.0008200
Outdoor Lighting SL	\$ 0.005162	-0.0008200

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).

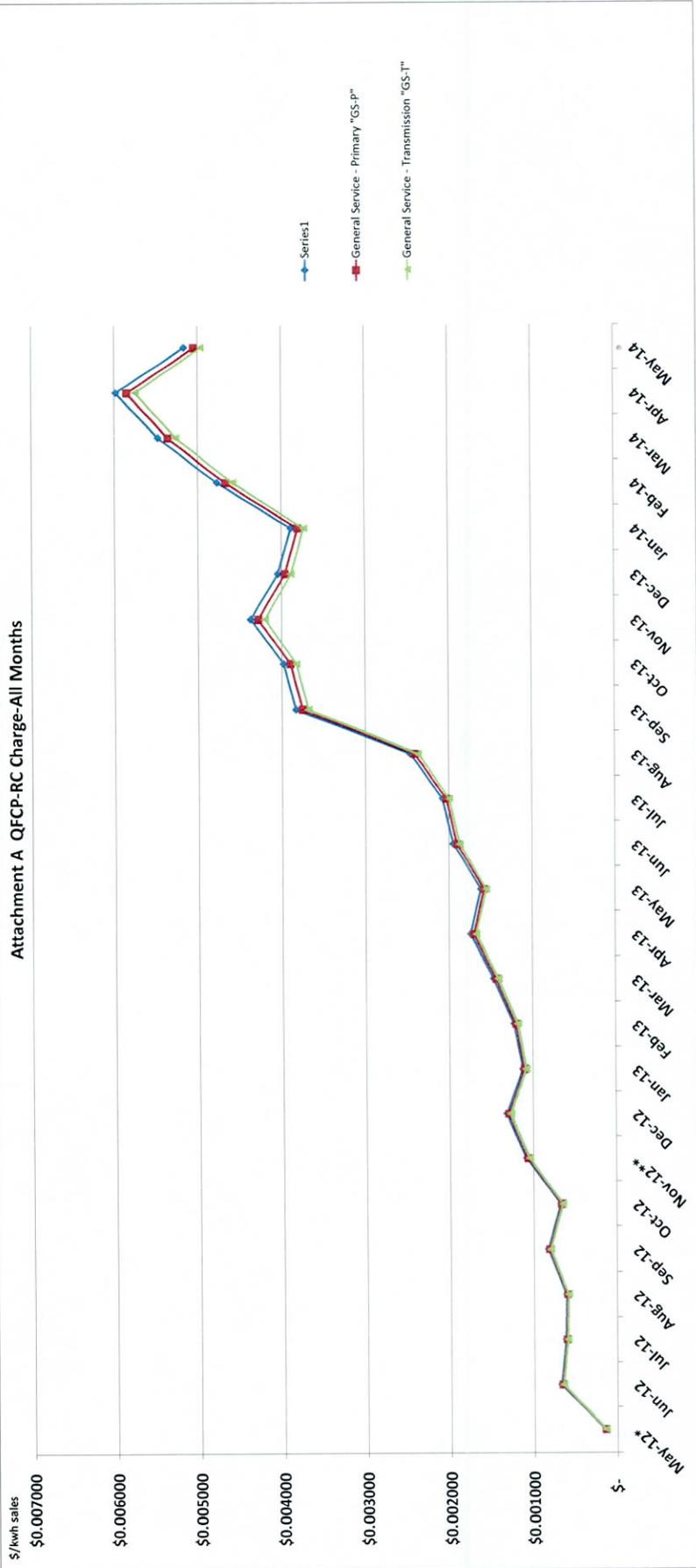
Staff performed a review of the calculations and the QFCP-RC Charge provided in the Compliance Filing dated March 28, 2014, amended March 31, 2014 and amended again on April 11, 2014. Staff’s review noted an error in the filing which Delmarva amended and resubmitted on March 31, 2014 with a corrected QFCP-RC charge. Staff notes that Delmarva is still investigating the validity of

DSGP's claims in the February 26, 2014 filing for force majeure interruption events due to low gas pressure. Delmarva has not disbursed any payments to DSGP for these claims nor included these payments in any forecasted filing. Staff could not find any manifest errors at this time. Therefore, Staff recommends that the May 2014 QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between April 29, 2014, and May 28, 2014.

Attachment A: QFCP-RC Charge - All Months

Attachment A

Attachment A QFCP-RC Charge-All Months



Attachment A

QFCP-RC Charge-All Months

Service Classification	May-12*	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12**	Dec-12
	\$ per kWh							
Residential	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Residential - Space Heating	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Residential Time-of-Use "R-TOU"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Medium General Service - Secondary "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Large General Service - Secondary "LGS-S"	\$ 0.000139	\$ 0.000656	\$ 0.000601	\$ 0.000591	\$ 0.000805	\$ 0.000657	\$ 0.001058	\$ 0.001287
General Service - Primary "GS-P"	\$ 0.000137	\$ 0.000644	\$ 0.000590	\$ 0.000580	\$ 0.000791	\$ 0.000645	\$ 0.001039	\$ 0.001264
General Service - Transmission "GS-T"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Outdoor Lighting PL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316
Outdoor Lighting SL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082	\$ 0.001316

* May QFCP-RC charges were based on 6 days of operation.
 ** 5.8 MW at Red Lion came on line in mid-December.

Service Classification	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	\$ per kWh											
Residential	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Residential - Space Heating	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Residential Time-of-Use "R-TOU"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Medium General Service - Secondary "MGS-S"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Large General Service - Secondary "LGS-S"	\$ 0.001096	\$ 0.001197	\$ 0.001434	\$ 0.001703	\$ 0.001551	\$ 0.001888	\$ 0.001993	\$ 0.002365	\$ 0.003824	\$ 0.003980	\$ 0.004372	\$ 0.003886
General Service - Primary "GS-P"	\$ 0.001077	\$ 0.001176	\$ 0.001409	\$ 0.001673	\$ 0.001515	\$ 0.001852	\$ 0.001957	\$ 0.002329	\$ 0.003824	\$ 0.003980	\$ 0.004372	\$ 0.003886
General Service - Transmission "GS-T"	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Outdoor Lighting PL	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045
Outdoor Lighting SL	\$ 0.001121	\$ 0.001224	\$ 0.001466	\$ 0.001741	\$ 0.001615	\$ 0.001945	\$ 0.002074	\$ 0.002462	\$ 0.003830	\$ 0.003980	\$ 0.004372	\$ 0.004045

Service Classification	Jan-14	Feb-14	Mar-14	Apr-14	May-14
	\$ per kWh				
Residential	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Residential - Space Heating	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Residential Time-of-Use "R-TOU"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Medium General Service - Secondary "MGS-S"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Large General Service - Secondary "LGS-S"	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
General Service - Primary "GS-P"	\$ 0.003802	\$ 0.004666	\$ 0.005357	\$ 0.005851	\$ 0.005049
General Service - Transmission "GS-T"	\$ 0.003735	\$ 0.004584	\$ 0.005262	\$ 0.005747	\$ 0.004960
Outdoor Lighting PL	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162
Outdoor Lighting SL	\$ 0.003888	\$ 0.004771	\$ 0.005477	\$ 0.005982	\$ 0.005162