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October 14, 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 SEPTEMBER 24, 2014) – PSC DOCKET NO. 14-49-9

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.

[1] All references to capitalized terms are set forth in 26 *Del. C.* §352.

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.

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 September 24, 2014, Delmarva submitted its thirty-first Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the August billing revenues, August PJM revenues, and August operational costs were included in the QFCP-RC Charge. The rates for each customer classification are provided below:

November 2014 QFCP-RC Charge		
Service Classification	**$ per kWh**	**Change from Previous Month**
Residential	$ 0.005844	$ 0.005593
Residential – Space Heating	$ 0.005844	$ 0.005593
Residential Time-of-Use "R-TOU"	$ 0.005844	$ 0.005593
Residential Time-of-Use NON-Demand "R-TOU-ND"	$ 0.005844	$ 0.005593
Small General Service - Secondary Non-Demand "SGS-ND"	$ 0.005844	$ 0.005593
Space Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.005844	$ 0.005593
Water Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.005844	$ 0.005593
Outdoor Recreational Lighting Svc - Secondary "ORL"	$ 0.005844	$ 0.005593
Medium General Service - Secondary "MGS-S"	$ 0.005844	$ 0.005593
Large General Service - Secondary "LGS-S"	$ 0.005844	$ 0.005593
General Service - Primary "GS-P"	$ 0.005686	$ 0.005442
General Service - Transmission "GS-T"	$ 0.005595	$ 0.005355
Outdoor Lighting PL	$ 0.005844	$ 0.005593
Outdoor Lighting SL	$ 0.005844	$ 0.005593

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."**

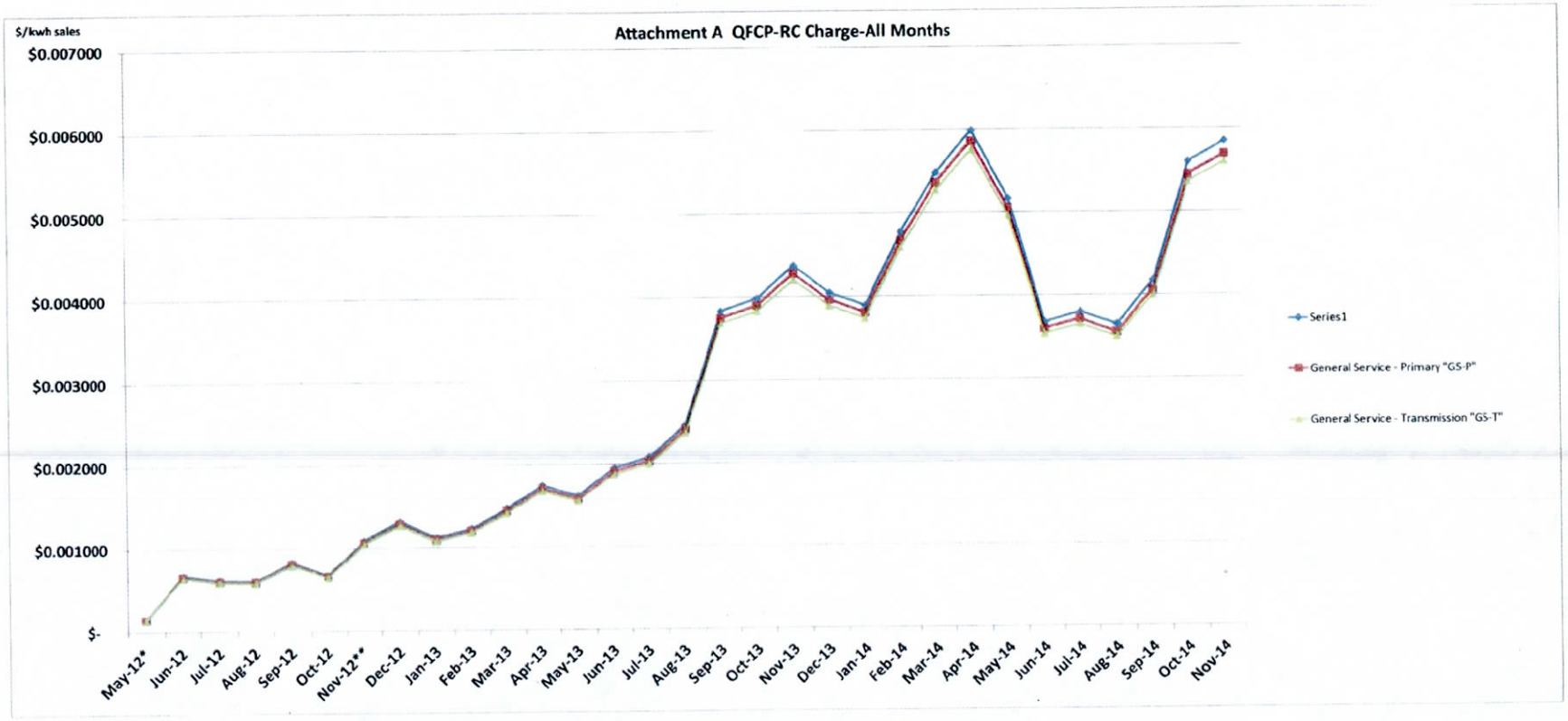
Delmarva has developed communications on renewable energy and alternative energy, including bill inserts and talking points for Delmarva call center employees. Detailed information on the Qualified Fuel Cell Provider Project can be found in Delmarva's Electric Tariff (QFCP-RC Leaf No. 74 -74r).

Staff performed a review of the calculations and the QFCP-RC Charge provided in the Compliance Filing dated September 24, 2014, and did not find any manifest errors. Therefore, Staff recommends that the November 2014 QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between October 27, 2014,[2] and November 24, 2014.

Attachment A: QFCP-RC Charge - All Months

[2] The prior billing month of October 2014 included Sept. 26th – Oct. 24th. It did not include Saturday Oct. 25th or Sunday Oct. 26th since bills are not generated on non-business days. Therefore, the billing dates are not consecutive between the prior filing and the current filing. If bills were to be generated on October 25th or 26th, the October 2014 QFCP-RC Charge would be applied to those two dates.

Attachment A



Attachment A

QFCP-RC Charge-All Months

Service Classification	May-12* $ per kWh	Jun-12 $ per kWh	Jul-12 $ per kWh	Aug-12 $ per kWh	Sep-12 $ per kWh	Oct-12 $ per kWh	Nov-12** $ per kWh	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"	$ 0.000143	$ 0.000671	$ 0.000614	$ 0.000604	$ 0.000823	$ 0.000671	$ 0.001082	$ 0.001316
General Service - Primary "GS-P"	$ 0.000139	$ 0.000656	$ 0.000601	$ 0.000591	$ 0.000805	$ 0.000657	$ 0.001058	$ 0.001287
General Service - Transmission "GS-T"	$ 0.000137	$ 0.000644	$ 0.000590	$ 0.000580	$ 0.000791	$ 0.000645	$ 0.001039	$ 0.001264
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 $ per kWh	Feb-13 $ per kWh	Mar-13 $ per kWh	Apr-13 $ per kWh	May-13 $ per kWh	Jun-13 $ per kWh	Jul-13 $ per kWh	Aug-13 $ per kWh	Sep-13 $ per kWh	Oct-13 $ per kWh	Nov-13 $ per kWh	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	$ 0.009145	$ 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	$ 0.001945	$ 0.002462	$ 0.003830	$ 0.003980	$0.004372	$ 0.004045
Large General Service - Secondary "LGS-S"	$ 0.001121	$ 0.001224	$ 0.001466	$ 0.001741	$ 0.001615	$ 0.001945	$ 0.001945	$ 0.002462	$ 0.003830	$ 0.003980	$0.004372	$ 0.004045
General Service - Primary "GS-P"	$ 0.001096	$ 0.001197	$ 0.001434	$ 0.001703	$ 0.001579	$ 0.001902	$ 0.002029	$ 0.002408	$ 0.003746	$ 0.003893	$0.004276	$ 0.003956
General Service - Transmission "GS-T"	$ 0.001077	$ 0.001176	$ 0.001409	$ 0.001673	$ 0.001551	$ 0.001868	$ 0.001993	$ 0.002365	$ 0.003680	$ 0.003824	$0.004200	$ 0.003886
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 $ per kWh	Feb-14 $ per kWh	Mar-14 $ per kWh	Apr-14 $ per kWh	May-14 $ per kWh	Jun-14 $ per kWh	Jul-14 $ per kWh	Aug-14 $ per kWh	Sep-14 $ per kWh	Oct-14 $ per kWh	Nov-14 $ per kWh
Residential	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Residential- Space Heating	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Residential Time-of-Use "R-TOU"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Residential Time-of-Use NON-Demand "R-TOU-ND"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Small General Service - Secondary Non-Demand "SGS-ND"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Space Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Water Heating Secondary Service "SGS-ND" and "MGS-S"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Outdoor Recreational Lighting Svc - Secondary "ORL"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Medium General Service - Secondary "MGS-S"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Large General Service - Secondary "LGS-S"	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
General Service - Primary "GS-P"	$ 0.003802	0.004666	0.005357	$ 0.005851	$ 0.005049	$ 0.003593	$ 0.003712	0.003548	$ 0.004059	$ 0.005442	$ 0.005686
General Service - Transmission "GS-T"	$ 0.003735	0.004584	0.005262	$ 0.005747	$ 0.004960	$ 0.003530	$ 0.003646	0.003492	$ 0.003994	$ 0.005355	$ 0.005595
Outdoor Lighting PL	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844
Outdoor Lighting SL	$ 0.003888	0.004771	0.005477	$ 0.005982	$ 0.005162	$ 0.003674	$ 0.003795	0.003647	$ 0.004172	$ 0.005593	$ 0.005844