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delmarva power®

An Exelon Company

Todd L. Goodman
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May 17, 2016

Via Delafile:

Donna Nickerson
Secretary, Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: Application of Delmarva Power & Light Company
for an Increase in Natural Gas Base Rates

Dear Secretary Nickerson:

Attached for filing with the Commission is Delmarva Power & Light Company's Application for a Change in Base Rates. Included in the Application Book (Book 1) are: the Application, a briefing sheet, appropriate tariff leaves, data required by the Minimum Filing Requirements, and workpapers in support of Delmarva Power's Application. Three additional books containing testimony and schedules of Delmarva Power's witnesses are also included.

The filing fee has been paid through Delafile.

Should you have any questions, please do not hesitate to contact either Heather Hall (302-454-4828) or me (302-353-7979).

Sincerely,

Todd L. Goodman

attachments via Delafile

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF	)	
DELMARVA POWER & LIGHT COMPANY FOR AN	)	
INCREASE IN NATURAL GAS BASE RATES	)	**Docket No. 16-_____**
(Filed May 17, 2016)	)	

DELMARVA POWER & LIGHT COMPANY'S APPLICATION FOR AN INCREASE IN NATURAL GAS BASE RATES AND MISCELLANEOUS TARIFF CHANGES

Delmarva Power & Light Company (Delmarva or Company) hereby files this application (Application) with the Public Service Commission of the State of Delaware (the Commission) seeking a change in natural gas base rates pursuant to 26 Del. C. §§ 201, 301, 304, 306, 315, 1500 and other applicable authorities. In support of this Application, Delmarva submits the following:

Applicant

1. Delmarva is a Delaware corporation with its principal place of business located at 401 Eagle Run Road, Newark, Delaware 19702. Delmarva Power is a wholly owned subsidiary of Pepco Holdings, LLC. (PHI), which is a wholly owned subsidiary of Exelon Corporation, a corporation of the Commonwealth of Pennsylvania. Delmarva Power's main Natural Gas Division operating center is located at 630 Martin Luther King Blvd, Wilmington, DE.

Need For Gas Base Rate Change

2. The most significant factor supporting the need for the requested natural gas base rate increase is the increase in capital investments made by Delmarva to ensure a safe and reliable gas transmission and distribution system for its customers. Since its last base rate case

filed December 7, 2012, Delmarva has made capital investments in its gas facilites in the amount of $120.9 million. These investments break down into two categories, reliability and customer driven new load additions. Of the $120.9 million, $79.8 million was incurred for reliability investments (which includes amounts spent to comply with the federal requirment to rehabilitate and replace cast iron piping) and the remaining $41.1 million pertained to the installation of mains and services for new load. For 2016, capital expenditure projects total $31.7 million.

3. In order to continue to make these neccesary improvements, it is important for Delmarva to have the opportunity to earn a fair return on its capital to be able to attract the additional capital needed to move forward with these capital investments. The current level of rates needs to be increased to reflect the current level of costs that Delmarva is incurring to provide safe and reliable service to its gas customers.

4. Delmarva's last request to increase its natural gas base rates was filed with the Commission over three years ago on December 7, 2012, known as Docket No. 12-546. By Order No. 8465 in Docket No. 12-546, the Commission approved a Settlement Agreement whereby the parties agreed to a revenue requirement increase of $6,800,000. While the parties did not specify the appropriate return on common equity, for reporting and accounting purposes, the parties agreed that a rate of 9.75% would be used.

Summary of Application

5. By this Application, Delmarva seeks: (a) approval of an increase in gas delivery base rates of $21,475,979 or 13.2% of total revenues; (b) approval of a return on equity of 10.6%; and (c) approval of certain miscellaneous tariff changes as described herein. For a typical residential customer using an average of 120 CCF in a winter month, the average monthly total bill impact is estimated to be $13.55 or 10.4%.

6. At current rates, and based on a test period for the twelve months ending December 31, 2015, adjusted for known and measurable changes as proposed by the Company in this filing, Delmarva's Return on Equity (ROE) for its gas business is only 3.60%, far short of the 9.75% ROE level that the parties agreed to be used as approved by the Commission in Docket No. 12-546, and even further below the 10.6% ROE being requested in this Application. Delmarva requests the Commission, pursuant to 26 Del. C. §306, to permit the proposed changes in natural gas base rates to become effective for service rendered on and after July 16, 2016, with proration.

Maintaining Delmarva's Financial Strength

7. Financial strength has always been important to utilities and their customers. Financial strength ultimately benefits customers by enabling the Company to attract capital on reasonable terms. As is discussed by Company Witnesses McGowan and Hevert, maintaining investment grade credit ratings is important to the financial health of Delmarva and critical to its ability to access capital markets for financing essential capital projects on reasonable terms. If Delmarva is unable to earn its authorized rate of return, the Company could be subject to negative credit rating actions. Over the long run, a company that is viewed as a more risky investment will: (1) pay more for capital (therefore, increasing its cost of capital) and (2) have greater challenges accessing needed funds on reasonable terms. In such a situation, Delmarva would face increased debt and equity costs, which would result in higher rates to customers. The rate increase Delmarva seeks in this case is important to enable Delmarva to maintain Delmarva's current investment grade ratings on its securities and to compete for capital.

8. By Order No. 9706 in Docket No. 14-193, the Commission approved a Settlement Agreement between Delmarva Power and Exelon Corporation, Staff, the Public Advocate and

other intervenors in Delmarva Power's application to merge with Exelon Corporation. At paragraph 81 of the Settlement Agreement, Delmarva Power agreed to conduct a depreciation study and submit such study in this base rate case. Accordingly, Delmarva Power's depreciation study is submitted with this Application as a schedule attached to the testimony of the Company's depreciation expert, John Spanos (Gas Schedule (JJS) – 2).

Effective Date

9. As previously addressed herein, the gas rates set forth in Appendix A will become effective for service rendered on and after July 16, 2016, unless their operation is suspended by the Commission.

Interim Rate Relief

10. In the event the Commission exercises its discretion to suspend the proposed increase in gas base rates for a period not greater than seven months, Delmarva intends to place in effect, subject to refund, natural gas base rates designed to produce an annual increase in test period revenue of approximately $2.5 million effective July 16, 2016, pursuant to 26 Del. C. § 306(c). The Company proposes to recover the $2.5 million interim increase as set forth in the tariff leafs included in Appendix B. The Company respectfully requests that the Commission waive the requirements of 26 Del. C. § 306(b) that a bond be filed with sureties. Delmarva's long-standing history within the State and its commitment herein to abide with a Commission refund order is sufficient to protect the rights of interested parties to any refunds that may be ordered with regard to the interim rates to be placed in effect on July 16, 2016.

Revenue Increase by Class

11. The following table shows the effect on various customer classes for both the full requested $21,475,979 increase and the $2,500,000 interim increase as a % of total gas revenue:

Service Classification	Proposed Increase ($000)			
	Full Proposed Increase		Interim Increase	
	$	%	$	%
R + RSH	13,792	13.9	1,599	1.61
GG + GVFT	5,358	11.6	639	1.38
MVG + MVFT	1,079	23.4	118	2.58
LVG + LVFT	1,128	24.8	127	2.80
Gas Lighting	.2	10.9	.02	1.36
LVG-QFCP	119	1.7	15.8	0.22
Total	$21,476	13.2%	$ 2,500	1.54%

Tariff Provisions

12. The following tariff provisions for proposed riders and modifications to the tariff are also included in the Appendix A tariff:

(a) Adding a Definitions Section within the Tariff, consistent with the format of the Company's Electric Tariff and to provide for a better understanding of the terms being used throughout the Tariff;

(b) Adding a provision in Leaf No. 4 to provide for a process for the resolution of disputes between the Company and its customers and between a customer and its natural gas supplier, consistent with the current provisions of the Electric Tariff. This provision also advises the customer that there is a formal complaint process through the Division of the Public Advocate and Public Service Commission;

(c) Adding language in Leaf No. 5 pertaining to Applications for Service to permit applications for service to be made electronically. In addition, changes are proposed to provide that the Company can meter a property at one consolidated point but provide service at more than one point where (i) the customer's load or service requirements necessitate or (ii) if doing so would result in lower costs;

(d) Modifying the provisions of Leaf No. 20 to clarify the requirements for multiple occupancy buildings specifically addressing the requirements for master meters and consolidated meters;

(e) Modifying the provisions of Leaf Nos. 25 and 40 to add a Seasonal Service Restoration Charge when service is voluntarily disconnected and reconnected within a 12 month period;

(f) Modifying the provisions of Leaf Nos. 55, 56, 59, 59a to match the penalties to be paid by customers for unauthorized overruns to the penalties the Company would incur from upstream pipeline companies. Currently, the amount charged by Delmarva Power to a customer in the event of an unauthorized overrun is significantly less than what is charged by the pipeline companies to Delmarva Power when such event occurs. Unauthorized overruns occur as a result of customer behavior and the imposition of the penalty upon the customer by Delmarva Power should be a pass-through of the penalty imposed upon Delmarva Power by the pipeline companies for such overruns; and

(g) Several minor tariff changes proposed for clarification or editorial purposes.

Minimum Filing Requirements

13. The Company's Application includes the Commission's Minimum Filing Requirements (Order No. 5410-PSC Reg. Docket No. 4) ("MFRs"). Part V - Net Operating Income, 5.3.14 - Operating Expenses of the MFRs requires information to be filed relating to certain affiliate transactions - The Company requests a waiver of this provision because the information has already been submitted to the Commission in compliance with Order No. 5469 in Docket No. 99-582. Pursuant to that Order, the year 2013 report has been previously filed

with the Commission. Also pursuant to that Order, the year 2014 report will be filed during the time that this proceeding is under consideration.

Notice

14. Notice of the proposed changes will be given through bill inserts, as well as through notices published in The News Journal and the Delaware State News. A proposed form of public notice is attached to this Application.

Witnesses

15. The proposed increased revenue requirement and proposed rates described in this Application are supported by the direct testimony and schedules of the following witnesses for the Company:

i. Kevin M. McGowan – Overview of the Company's Application including an overview of the Company's capital structure, overall rate of return and current credit ratings, access to capital on reasonable terms and the importance of retaining investment grade credit ratings;

ii. Jay C. Ziminsky – Company's revenue requirement including adjustments thereto, test year selection, proposed ratemaking, and accounting books and records;

iii. Robert M. Collacchi – Overview of the Company's gas business including construction program investments, replacement of certain facilities for safety and reliability purposes and changes to the Company's tariff relating to extensions.;

iv. John Spanos – Company's filed depreciation study;

v. Robert B. Hevert – Company's proposed cost of equity and an assessment of the capital structure to be used for ratemaking purposes;

vi. Michael T. Normand – Company's cost of service studies;

vii. Marlene C. Santacecilia – proposed rate design supporting the Company's proposed increase in gas delivery revenue, pre-cost study adjustments, and proposed tariff changes.

Communications

16. All communications and notices with respect to this proceeding should be sent to:

Heather G. Hall Jay Ziminsky and Pamela Long (by U.S. Mail) Delmarva Power Regulatory Affairs P.O. Box 6066 Mailstop 92DC56 Newark, DE 19714-6066 (by courier) Delmarva Power Regulatory Affairs 500 North Wakefield Drive Newark, DE 19702 e-mail addresses: heather.hall@pepcoholdings.com jay.ziminsky@pepcoholdings.com pamela.long@pepcoholdings.com	Todd L. Goodman and Pamela J. Scott Counsel for Delmarva Power (by U.S. Mail) Delmarva Power P.O. Box 6066 Newark, DE 19714 (by courier) Delmarva Power 500 North Wakefield Drive Newark, DE 19702 e-mail address: todd.goodman@pepcoholdings.com pjscott@pepcoholdings.com Michael Houghton, R. Judson Scaggs, Jr., and Karl G. Randall Counsel for Delmarva Power Morris Nichols Arsht & Tunnel LLP 1201 North Market Street, 16th Floor P.O. Box 1347 Wilmington, DE 19899-1347 (Deliveries 19801) e-mail address: mhoughton@mnat.com rscaggs@mnat.com krandall@mnat.com	

WHEREFORE, Delmarva respectfully requests that the Commission:

A. grant the proposed changes as filed by Delmarva effective July 16, 2016, with proration;

B. should the Commission exercise its discretion to suspend the proposed increase in base rates, issue an order permitting the interim rates as requested herein to go into effect on July 16, 2016, subject to refund;

C. waive notice, filing and bonding with sureties requirements; and,

D. order that a notice of hearing be published.

Respectfully submitted,

By:

Todd L. Goodman
Pamela J. Scott
Delmarva Power & Light Company
500 N. Wakefield Drive
Newark, DE 19702

Counsel for Delmarva Power & Light Company

Michael Houghton,
R. Judson Scaggs, Jr.
Karl G. Randall

Morris Nichols Arsht & Tunnel LLP
1201 North Market Street, 16th Floor
P.O. Box 1347
Wilmington, DE 19899-1347

May 17, 2016

STATE OF DELAWARE)
) SS.
COUNTY OF NEW CASTLE)

On this day, May 16, 2016, personally came before me, the subscriber, a Notary Public in and for the State and County aforesaid Gary R. Stockbridge, Vice President, an officer of Delmarva Power & Light Company, a corporation existing under the laws of the State of Delaware, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of such corporation, that the signature of such Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.

Gary R. Stockbridge
Vice President

SWORN TO AND SUBSCRIBED before me this 16th day of May, 2016.

(D.E. Bar I.D. 3096)
Notary Public

My Commission expires: N/A

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF	)	
DELMARVA POWER & LIGHT COMPANY FOR A	)	
CHANGE IN GAS BASE RATES	)	**Docket No. 16-___**
(Filed May 17, 2016)	)	

PUBLIC NOTICE OF FILING

TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY

On May 17, 2016, Delmarva Power & Light Company filed an Application with the Delaware Public Service Commission ("Commission"). The Application requested a change in gas base rates that has an aggregate effect of increasing annual revenues by $21,475,979 or 13.2% as follows:

	Proposed Increase ($000)			
Service Classification	**Full Proposed Increase**		**Interim Increase**	
	$	%	$	%
R + RSH	13,792	13.9	1,599	1.61
GG + GVFT	5,358	11.6	639	1.38
MVG + MVFT	1,079	23.4	118	2.58
LVG + LVFT	1,128	24.8	127	2.80
Gas Lighting	.2	10.9	.02	1.36
LVG-QFCP	119	1.7	15.8	0.22
Total	$21,476	13.2%	$ 2,500	1.54%

The Commission **[has suspended the proposed rates for seven months and]** will consider the request for proposed gas base rate changes and other modifications to become effective as of July 16, 2016, subject to refund after evidentiary hearings and further proceedings to be presided over by a Commission Hearing Examiner. **[Delmarva has provided notice that as a result of the Commission's suspension of the proposed rates for seven months, it will exercise its statutory right to put into effect an interim increase of $2.5**

million effective July 16, 2016, which will be subject to further review and potential refund.]

For a residential customer with a usage pattern at or near that of the class average usage pattern, the average monthly bill impact is estimated to be $13.55 or 10.4% of their total bill.

The Hearing Examiner will consider the Application, including any settlement that might be reached by the parties to the proceeding, in hearings to be held at the times and locations to be determined by the Hearing Examiner.

Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed change in the GCR rate. Such written comments or objections must be filed ***on or before*** _____, ***2016***. Please send these written comments to the Commission's address listed above and note the "attention to" as "PSC Docket No. 16-_____." Written comments may also be submitted electronically at https://delafile@state.delaware.gov/.

In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing on _____, 201_. If you wish to formally participate as a party in this docket, with the right to submit evidence and to be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in this docket in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 *Del. Admin C.* §1001-2.9) ***on or before*** _____, ***201_***. All such petitions should be e-filed according to the Rules. Petitions for intervention that are not received by the Commission ***on or before*** _____, ***201_***, will not be granted unless good cause is shown. Petitions received thereafter will not be considered except for good cause shown. If intervention status is granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission ***on or before*** _____, ***201_***. Any submissions sent by an intervenor that are not received by the Commission ***on or before*** _____, ***201_*** will not be considered. Such written submissions shall also be served on the persons identified in Order No. ____ in this docket dated _____.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website at https://delafile@state.de.gov. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@state.de.us to arrange a time for your review. You may also review copies of the Company's Application and supporting documents at the office of the Division of the Public Advocate locate at 29 South State Street, Dover, DE 19901. Please call (302) 241-2545 to arrange for a time to review the documents at that location.

If you wish to request copies of the documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at http://smu.portal.delaware.gov/cgi-bin/mail/php?foia-request&subj=DOS. There is also a link to the Freedom of Information Act Request Form on the Commission's website at https://delafile.delaware.gov. The Commission

will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us; include "PSC Docket No. 16-_____" as the subject.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF	**)**	
DELMARVA POWER & LIGHT COMPANY FOR A	**)**	
CHANGE IN NATURAL GAS BASE RATES	**)**	**Docket No. 16-___**
(Filed May 17, 2016)	**)**	

ORDER NO. _____

AND NOW, to-wit, this ____ day of _____, 201__, Delmarva Power & Light Company having, on May 17, 2016, filed the above-captioned Application with the Commission seeking approval of a change in natural gas base rates;

AND, the Commission having determined, pursuant to 26 Del. C. §§ 303, 304 and 306 that the proposed rates should be permitted to become effective for usage on and after July 16, 2016, with proration, and subject to refund pending evidentiary hearings and further review by the Commission; now therefore,

IT IS ORDERED:

1. That pursuant to 26 Del. C. §§ 301, 304 and 306, the application made by Delmarva on May 17, 2016, for modifications to its Natural Gas Rates be suspended and made effective as of July 16, 2016, with proration, subject to refund and evidentiary hearings to be held at a later date.

2. That _____ is designated as Hearing Examiner for this docket pursuant to the terms and provisions of 26 Del. C. § 502 and 29 Del. C. ch. 101 to schedule and conduct such public evidentiary hearings as may be necessary to develop a full and complete

record concerning this matter, and to report to the Commission proposed findings and recommendations based on the evidence presented.

3. That Delmarva shall give public notice of the filing of this application and of the Commission action thereon by publishing notice in the form attached hereto as Addendum to Exhibit "B" in two-column format, outlined in black in the legal classified sections of The News Journal and the Delaware State News on _____ ___, 2016, with proof of such publication to be provided to the Commission no later than the commencement of the evidentiary hearings concerning this matter.

4. That the waivers requested by Delmarva, including that of a surety bonding requirement with respect to a rate increase are granted, subject to: a) the execution and delivery of a bond without sureties in substantially the form of such bond attached to the Application; and b) Delmarva's commitment to provide information upon request that would otherwise be included as part of the Minimum Filing Requirements.

5. That Delmarva is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. § 114(b)(1).

6. 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

Appendix A

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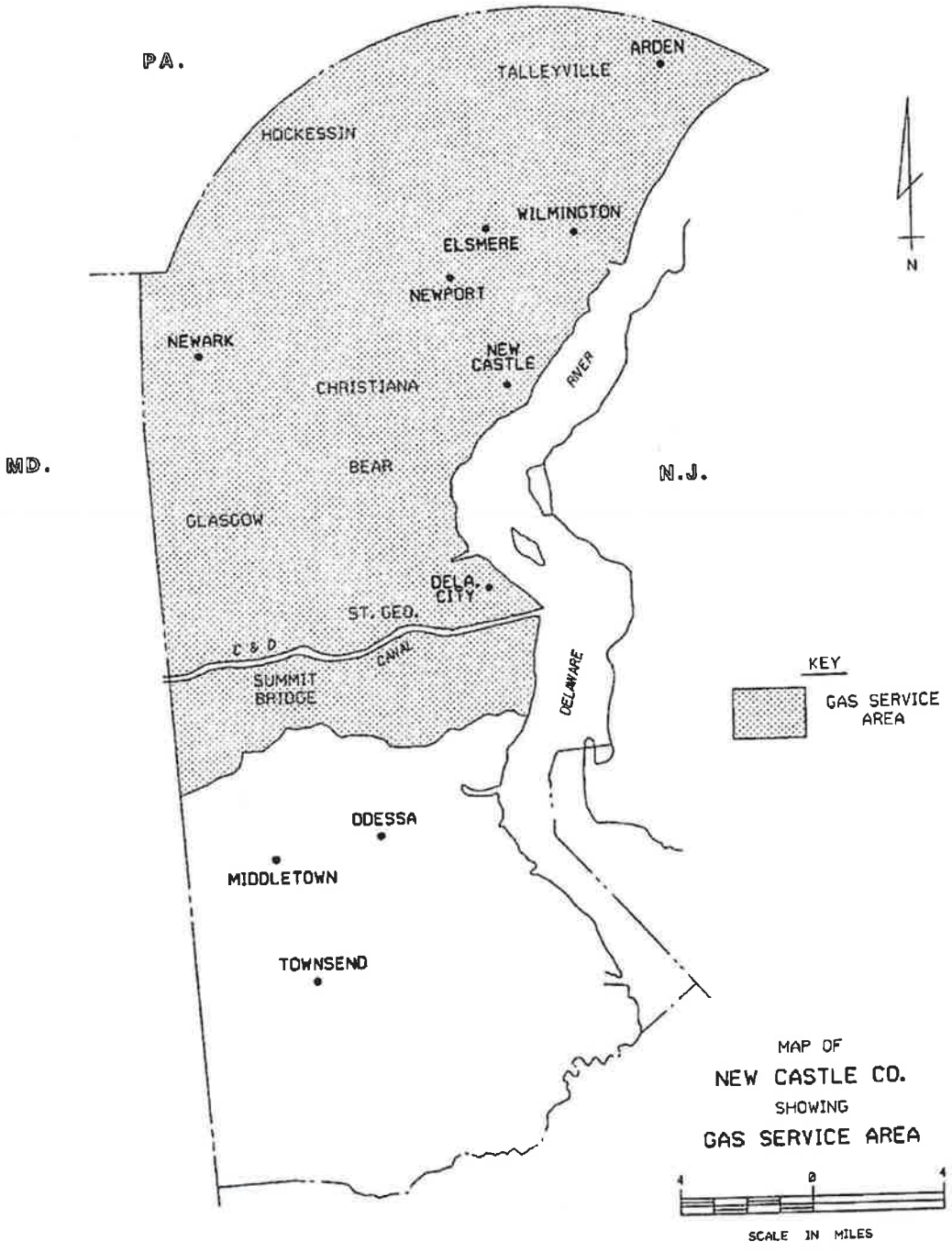
MAP OF SERVICE TERRITORY



PMAP/31

DEFINITION OF TERMS

The words listed below shall have the following meanings when used in this tariff:

Account – An account is one metered or unmetered rate or service classification which normally has one natural gas delivery point of service. Each account shall have only one natural gas supplier providing full natural gas supply requirements for that account. A premise may have more than one account.

Applicant – Any person, corporation or other entity that: (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, or (iv) is not yet actually receiving from the Company any service provided for in this Tariff. An Applicant shall become a Customer for purposes of this Tariff only after the Applicant actually starts receiving the applicable service(s) from the Company under this Tariff.

Agent/**Broker** – A person or entity that acts as an agent or intermediary in the sale or purchase of, but that does not typically take title to, natural gas for sale to retail customers.

Commission – The Delaware Public Service Commission.

Company – Delmarva Power & Light Company or Delmarva Power.

Consolidated Meter – A single delivery point to multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single "Consolidated Meter" delivery point will have gas lines after that point are or were installed, operated , monitored maintained and if needed repaired or replaced by the Company. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

Customer – Any adult person, partnership, association, corporation, or other entity: (i) in whose name an account is listed, (ii) who occupies or is the ratepayer for a premises, building, structure, etc., and (iii) who is primarily responsible for payment of bills. A Customer includes anyone taking Delivery Service or combined Supply & Delivery Service from the Company under one service classification for one account, or premises. Multiple premises under the same name are considered multiple Customers.

Customer Charge – A charge designed to recover the costs the Company incurs in providing such services as metering, reading the meter(s), providing dedicated delivery service and billing the Customer's account.

Electronic Bulletin Board (EBB) –Generic name for the system of electronic posting of pipeline information as mandated by the Federal Energy Regulatory Commission (FERC)

Environmental Surcharge Rider - The purpose of this rider is to recover reasonable costs associated with the cleanup of the Manufactured Gas Plant site in Wilmington.

Gas Cost Rate - The monthly rates contained in Service Classifications RG, GG, GL, MVG, and LVG shall include a gas cost rate each month to reflect total purchased gas costs. Total purchased gas costs will be separated into purchased gas commodity costs and upstream demand-related gas costs. Total gas cost recovery will occur as the result of the application of a purchased gas commodity cost recovery component and a demand-related cost recovery component to Customer billing determinants.

Loss and Unaccounted for Gas –the difference between gas purchased and gas sold

DEFINITION OF TERMS

Master Meter - A single delivery point to multiple occupancy buildings in a contiguous area M (i.e. Apartment Complex) that have gas lines after that point that are or were installed, operated , monitored maintained and if needed repaired or replaced by the Customer and not the Company. Such Master Meter operators are required to comply with Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree under laws as they currently exist or as they may be modified in the future and specifically pipeline safety regulations to be a customer of the Company Delmarva Power. Failure to comply with such safety regulations may be cause for termination of service without notice by the Company if an unsafe condition exists or has the potential to exist

Marketer – A person or entity that purchases and takes title to natural gas for sale to retail natural gas customers.

Maximum Daily Quantity (MDQ) - The MDQ shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m., E.S.T. and E.D.S.T.) of the current billing month.

Miss Utility - a free underground public utility locating service reached by calling 811. RK

Premises – A premises is one contiguous property or site which normally has one delivery point of service and one or more metered or unmetered rate or service classes, each of which is an account, that when totaled equal the entire natural gas used at that one premises or site. A premises may have more than one account with each account having one Natural gas supplier providing full Natural gas supply requirements. Multiple premises or sites under the same name are considered multiple Customers.

Transition Cost Adjustment Charge - shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice, or that switches to or from a monthly Gas Cost Rate. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

Volumes – "CCF" = 100 cubic feet of gas, "MCF" = 1,000 cubic feet of gas

RULES AND REGULATIONS
SECTION I - GENERAL

A. Filing and Posting

This Gas Service Tariff comprises the Rules and Regulations of service and the Service Classifications under which gas service will be supplied to its Customers in New Castle County by Delmarva Power & Light Company (the "Company"). A copy of this Tariff is on file with the Public Service Commission of Delaware ("Commission") and open to inspection at all public Company offices within the gas service territory.

B. Revisions

This Tariff may be revised, amended, supplemented or otherwise changed from time to time, in accordance with rules and procedures of the Commission.

C. Statement by Agents

No representative has authority to modify any rule or provision of this Tariff, or to bind the Company by any promise or statement contrary thereto, unless the same shall be incorporated in a contract.

D. Rules and Regulations

The Rules and Regulations are a part of every contract for service and govern all classes of service unless otherwise specifically stated by a Service Classification.

E. No Prejudice of Rights

The failure by the Company to enforce or the decision not to enforce any of the provisions of this Tariff shall not be deemed a waiver of the right to do so.

F. Gratuities to Employees

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered.

G. Resolution of Disputes

When an Applicant or Customer has an issue to resolve with the Company, they should first contact the Company to resolve the issue. The Company and the Applicant or Customer shall use good faith and reasonable efforts to informally resolve the issue. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving the Company, they may do so through the use of the procedures of the Division of the Public Advocate or the Commission.

When an Applicant or Customer has an issue to resolve with a Natural Gas Supplier, other than the Company, the Applicant or Customer should first contact that Natural Gas Supplier to resolve the issue. If the Applicant or Customer contacts the Company, the Company will make every effort to assist them toward possible solutions. The Company is under no obligation to resolve disputes between an Applicant or Customer and a Natural Gas Supplier. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving a Natural Gas Supplier, they may do so through the use of the procedures of the Division of the Public Advocate or the Commission.

Resolution of disputes between the Company and a Natural Gas Supplier are addressed under a Gas Supplier Agreement.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE

A. Application for Service

An application for the supply of service may be required from each Customer. This application when executed by the Company constitutes the contract between the Company and the Customer, subject to the terms of the applicable Service Classification, and these Rules and Regulations. Charges for service shall begin at the time service is made available to the Customer.

The Company reserves the right to require reasonable evidence of the Applicant's identity and service address satisfactory to the Company and to make a reasonable investigation of such prior to rendering service. The Company reserves the right to require a written or electronic application from any Applicant executed in a form satisfactory to the Company.

B. Right to Reject Application

The Company may reject any application for service if the Applicant does not meet or will not agree to meet all the requirements of the Rules and Regulations of this tariff. The Applicant shall be given reason or reasons for rejection of the application for service, in writing if requested.

C. One Point of Delivery

The Service Classifications of this Tariff, unless otherwise stated, are based upon the supply of service to one entire premises through a single delivery and metering point. The Company shall supply only one metering installation for each class of service. The use of service at two or more separate properties shall not be combined for billing purposes.

The Company reserves the right to deliver service to more than one point where the Customer's load or service requirements necessitate such delivery or if such action would result in lower overall installed and continuing operating cost of this service. This procedure is applicable to industrial or commercial customers having extensive operations in a contiguous area.

The Company reserves the right to meter at one consolidated point but provide service at more than one point where the Customer's load or service requirements necessitate such delivery or if such action would result in lower overall installed and continuing operating cost of this service. This procedure is applicable to industrial or commercial customers having extensive operations in a contiguous area. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

D. Service at New Locations

Service at new locations shall be rendered only when all bills for service to the Customer at any other locations have been paid, or credit arrangements satisfactory to the Company have been made.

E. Service Contracts

Standard contracts shall be for terms as specified in the applicable Service Classification. Where large or special investment is necessary for the supply of service or where service is to be used for temporary or unusual purposes, contracts for terms other than specified in the Service Classification, or with special guarantees of revenue, or both, may be required.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

F. Temporary Service

Temporary service is service, ordinarily not recurrent in nature, required for temporary structures or locations. Temporary service shall be rendered only when and where the Company has the necessary facilities available to render the service applied for, without detriment to the service of other Customers.

The Customer must pay the entire net cost of installation and removal of required facilities installed for the sole purpose of the temporary service. A deposit may be required, in advance, sufficient to cover the installation and removal, materials not returnable, and the estimated cost of gas usage. Where facilities are endangered by construction or proposed usage, the Customer may be required to own and maintain the facilities.

Temporary gas service is available only under Service Classifications "GG" and "MVG" on a short-term basis. The minimum monthly bill for this service will be as specified under the minimum charge provision of the Service Classification.

G. Rights-of-Way/Permits

1. General

An Applicant requesting service shall furnish, without expense to the Company, suitable rights-of-way, easements or permits on forms provided by the Company for the installation of facilities on, under and across the premises of the Applicant for the purpose of providing gas utility service to the Applicant and to premises and other users in the vicinity.

If it is necessary to acquire such rights, easements or permits from others, such as abutting property owners, lessors, railroads, etc., in order for the Company to serve the Applicant, then the Applicant shall be responsible for obtaining such rights, easements or permits as the Company deems necessary.

Where, due to the nature of the property to be served, the Company finds that the exact boundaries are of critical importance, the Applicant shall locate and mark such boundaries to the reasonable satisfaction of the Company.

RULES AND REGULATIONS
SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

G. Rights-of-Way - (Continued)

1. General - (Continued)

The Applicant shall be responsible for clearing all obstructions from the construction area as designated by the Company, said clearing to be completed in reasonable time to meet service requirements.

The construction area as designated by the Company shall be graded to within six (6) inches of final grade before the Company will commence construction.

The Company shall construct, own, operate, and maintain underground distribution lines only along public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained within a reasonable time and without cost or condemnation by the Company.

The Company may also purchase rights-of-way where necessary to avoid conflicts with the Delaware Department of Transportation.

If subsequent to construction start-up, the Company is required to relocate or adjust any of its installed facilities due to change in grade, adjustments of property lines or change in plans, the cost of such relocation shall be borne by Applicant, its successors or assigns.

2. Required Property Information

The Applicant shall furnish the Company as required, at no charge to the Company, property plans, other utility plans, grading plans, roadway profiles, property line stakes, grade stakes and other items showing details of proposed construction. This information is required in reasonable time to allow the Company to design and construct its facilities in a safe and efficient manner to meet service requirements and to comply with applicable laws, codes, and rules and regulations. The customer shall physically mark the horizontal location of any non-utility line (i.e. lawn sprinklers, private water services, dog fences, etc) within 18 inches of the non-utility line on the ground by means of stakes, paint or other suitable means prior to any notice of construction or maintenance activities on the customer's property. The cost of repair or replacement of any non-utility lines not marked will be the customer's responsibility.

H. Hazardous Conditions

The Applicant shall notify the Company of any hazardous conditions which employees may encounter on the Customer's property while installing or maintaining service. Where hazardous conditions exist which may affect the welfare of Company employees, the Company reserves the right to withhold service or require the Applicant to provide a non-hazardous route for necessary service facilities, or applicant shall remove any hazardous substances or hazardous materials which present a threat to human health or the environment or which require special handling in the use, generation, collection, storage, treatment, or disposal or payment of response costs under any Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree, such that the Company can install its gas facilities without incurring any cost or expenses related in any way to such hazardous substances or hazardous materials. The Applicant shall be responsible for all costs required of the Company to meet applicable environmental, or other hazardous condition laws required of employees specifically for installation of the Applicant's service.

RULES AND REGULATIONS

SECTION III - CUSTOMER'S DEPOSIT

A. Customer's Deposit to Guarantee Payment of Final Bills

The Company shall require a cash deposit from an Applicant or an existing Customer for each account until satisfactory credit is established to guarantee payment of final bills for service rendered. Such deposit shall not be more in amount than two-twelfths (2/12) of the estimated annual revenue or as may be reasonably required by the Company in cases involving a service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

Deposits shall be collected in whole dollar amounts. A deposit shall not be required if the amount is less than fifty dollars ($50).

Required Deposits may be deferred at the Customer's request to the first month's bill or may be paid in installments over three (3) consecutive monthly billings.

Simple interest on deposits at an annual rate equal to the average of the percent yields of the 1-year Treasury constant maturities for September, October, and November of the preceding year, shall be applied annually as a credit to the Customer's account and so indicated on the January bill. No interest shall be paid unless the deposit is held longer than ninety (90) days. For deposits paid in installment payments, interest shall begin to accrue from the date of final deposit payment. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated or on the date notice is sent to the Customer's last known address that the deposit is no longer required.

Deposits shall be refunded after one (1) year for Residential deposits and after four (4) years for Non-Residential deposits if satisfactory credit has been established. Satisfactory credit is defined as payment of the last twelve (12) consecutive monthly bills without an unpaid previous balance and no detrimental credit information recorded against the Customer's account within the last twelve (12) months. Detrimental credit information is defined as adverse credit reports from recognized credit reporting services available to the general business community or from accounting records of the Company.

RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS

A. Billing Period

Rates are stated on a monthly basis and bills are rendered monthly following the supply of service based on meter readings scheduled at approximate monthly intervals of from 27 to 33 days. Except as provided in the following sentence, the bill shall only be prorated if one of the following conditions are met: a) a final bill is being rendered for a termination of service; b) an initial bill is being rendered for a new customer; or c) a LVG customer requests a change in its meter reading route or billing cycle to which the Company has agreed. In addition to the foregoing, proration shall be permitted to the extent authorized or required by the Commission in conjunction with a change in rates that becomes effective for usage on and after a particular date or billing cycle.

B. When Bills are Payable

All bills are due and payable upon presentation.

C. Estimated Bills

When the Company is unable, at any regular reading date, to read the Customer's meter, the Company may render an estimated bill in accordance with the Company's policy on file with the Commission.

D. Payment Posting Sequence

When a Customer remits payment for services, the payment shall be applied as follows:

1. Arrears for the Company's combined Electric Supply & Delivery Service or Delivery Service, where applicable.
2. Arrears for the Company's Gas Utility Sales Service or Delivery Service.
3. Arrears by vintage priority for prior Electric Supplier or Gas Supplier charges, where applicable. For an Electric Supplier's arrearage and a Gas Supplier's arrearage with the same vintage, the Electric Supplier's arrearage has priority over the Gas Supplier's arrearage.
4. Current charges for the Company's combined Electric Supply & Delivery Service or Delivery Service, where applicable.
5. Current charges for the Company's Gas Utility Sales Service or Delivery Service.
6. Current charges for Electric Supplier charges, where applicable.
7. Current charges for Gas Supplier charges, where applicable.

E. Returned Checks

Checks given in payment for any bills or charges rendered which are returned unpaid by the Customer's bank, shall result in an additional charge of fifteen dollars ($15) per check, per occurrence, which charge shall be levied against the Customer's account. Proper notice of the returned check and the charge shall be mailed to the Customer by first class mail. Where the returned check is for combined electric and gas service, this charge shall be assessed for only one of these services.

The Company shall automatically waive this charge provided the returned check was the first occurrence in the most recent twelve (12) months.

RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS - (Continued)

F. Late Payment Charge

Bills are due and payable upon presentation. If payment for bills rendered is not received by the Company prior to the next meter reading date, a late payment charge of one and one-half percent (1-1/2%) of the unpaid balance, less applicable taxes, shall be added to the next billing. Payments shall be credited against the most delinquent charges.

The Company shall automatically waive the first late payment charge within the last twelve (12) consecutive billing months for Residential Customers. After an automatic waiver, the Residential Customer shall not be eligible for the next automatic waiver until the twelfth billing month following the billing month of the previous waiver.

G. Installment Payments

Any Customer may request an installment payment as an optional means for payment of charges and to avoid service termination resulting from delinquent charges. An installment payment agreement constitutes a contract between the Customer and the Company, which guarantees payment by the Customer for the amount of the agreement over the specified period. All requests for installment payment agreements are subject to Company approval and must be signed by the Customer and by a Company-authorized employee. A service charge of one-half percent (1/2%) per month shall be applied on the unpaid balance due under this agreement. The balance amount of the agreement is not subject to the provisions of the late payment charge.

Failure of the Customer to meet the conditions of this installment payment agreement including prompt payment of the current bill shall constitute a breach of this agreement and entitle the Company to pursue collection and termination procedures pursuant to the applicable rules and regulations of the Commission.

H. Budget Billing

Budget billing provides a payment plan which allows Customers to levelize their monthly bills. The Budget Billing Plan is available to all Residential Customers and to any Non-Residential, Firm Sales Customers whose maximum monthly use is less than 2,000 MCF. Non-Residential Customers may be initially placed on the Plan only in the billing months of April, May, October or November. Any such qualifying Customer who does not have a delinquent balance outstanding may elect to be placed on budget billing. Under this plan, the Customer shall be billed for eleven months on an estimated budget amount basis with the twelfth month as the settlement month. The billing for the settlement month shall consist of the difference between the actual amount due to date and the budget amount paid to date.

RULES AND REGULATIONS

SECTION V - ADMINISTRATION OF SERVICE CLASSIFICATION

A. Choice of Service Classification

When two or more Service Classifications are available for the same class of service, the Customer shall select the Service Classification to be applied to the Customer's service.

B. Company Assistance

The Company, upon request, shall assist the Customer in the selection of the most advantageous Service Classification, but the duty and responsibility of making the selection shall at all times rest with the Customer.

C. Changing Service Classifications

When a Customer has selected the Service Classification for the Customer's service, its application shall remain in effect for the contract term which the Service Classification specifies.

RULES AND REGULATIONS

SECTION VI - CUSTOMER'S INSTALLATION

A. Description of Installation

The Customer shall, before installing any equipment, notify the Company as to the devices which are to be attached to the Company's lines, giving location of the proposed installation so that the Company may advise the Customer of the character of the service the Company shall furnish and the point at which the service shall be connected and metered.

In those cases where the Company deems it necessary, the Customer shall present in writing complete specifications of equipment, loads, location plans, piping, regulators and other data required, so that the Company may advise the Customer of the character of the service it will furnish, the point at which it will be connected and metered and any other requirements associated with the special conditions of the service.

B. Customer's Equipment

Gas piping, fixtures, and appliances on the Customer's premises must be installed at the expense of the Customer or owner of the property unless a contribution to the cost of piping or fixtures would result in lower overall installed and continuing operating costs of the service to the Company. Such a contribution may not be made towards the cost of appliances.

The Company may delay the construction of an extension and/or service until the Applicant has completed the piping and installation of equipment necessary to receive and use service.

C. Inspection

All new piping and equipment, or changes in piping and equipment, shall conform to the standards of the National Fuel Gas Code and those of local public authorities in force at the time.

The Company shall render service only after receipt by the Company of a notice of approval issued by the duly recognized inspection agency.

RULES AND REGULATIONS

SECTION VII - SERVICE INSTALLATIONS

A. General

Services as used in this section refers to service piping and associated materials between the Company's gas main system and the point of connection with the Requester's gas line. The Company's system facility from which the service is installed may be on public or private right-of-way. Services shall be designed and constructed consistent with good engineering practice.

The Company shall install, own and maintain services, under the terms and conditions herein enumerated, to the point of connection with the Requester's gas line. Such point shall generally be near the corner of the building nearest the point at which the gas service enters the property to be served. Any modifications requested by the Requester must be approved by the Company and any additional costs resulting therefrom shall be borne by the Requester. Services shall not be installed or connected unless specifically requested by the Requester and until satisfactory payments or credit arrangements are made if required by the Company.

B. Service Installations

1. Residential Services

The Company shall install, own, maintain and replace residential services. If the portion of gas service on the Requester's property exceeds 100 feet, the Company's initial investment shall be limited to five (5) times the related estimated annual net base revenue excluding all fuel costs ("Estimated Revenue") from the Requester. All investment that exceeds both the 100 foot limit and the Estimated Revenue test shall be paid by the Requester based on the average installed cost per foot for residential services installed during the preceding calendar year. Such Contribution In Aid of Construction shall include all applicable taxes. Any such payments may be waived if the amount is less than $50.

2. Non-Residential Services

The Company shall install, own and maintain non-residential services. The Company's initial investment in service installations shall be limited to three (3) times the Estimated Revenue from the Requester. Where such Estimated Revenue does not justify the estimated cost of installation, the Applicant shall pay for all additional installed costs not justified by the estimated revenue. Any such payments may be waived if the amount is less than $50.

3. Non-Residential Dual Fuel Services

The Company shall install, own and maintain non-residential services. All Non-Residential Customers who desire service and who have the ability to continuously use an alternate fuel must sign an Application that holds the Customer liable for all estimated costs not covered by actual non-fuel revenues received and retained by the Company.

RULES AND REGULATIONS

SECTION VII - SERVICE INSTALLATIONS - (Continued)

C. Relocation of Services

Company-owned residential service facilities shall be relocated to a point of Company convenience at Company expense in order to correct or prevent a violation of applicable codes where such action requires no increase in the overall length of service piping.

In the Company's opinion, when such relocation or portion of such relocation is deemed to benefit the Company, the resulting cost will be prorated between the Company and the Customer accordingly.

In all other cases where the Customer requests relocation, or takes action which requires relocation of gas service piping and/or meters, remote meter reading equipment and pressure regulators, the entire cost of such relocation shall be paid by the Customer.

In the event the Company shall be required by any public authority to relocate any portion of the Company's gas system, the Customer, at the Customer's expense, shall make the necessary changes in the location of the Customer's facilities to accommodate such changes.

RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS

A. Meters Supplied by the Company

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement of the service supplied under each contract.

B. Meter Location

The Customer shall provide, without charge, a suitable place for the meters, pressure regulators or other equipment of the Company. Such place shall be of convenient access to the Company's personnel. The location of the meter shall be as near as possible to the point where the supply piping enters the Customer's building, and otherwise acceptable to the Company. Meter connections shall not be concealed by plaster, sheathing or any other means. All meter locations are subject to inspection and require periodic access to satisfy meter reading and equipment maintenance requirements.

Where multiple meters are required, each meter position shall be clearly and visibly marked so that each meter position is identified as to the location to which service is being supplied. Meters shall not be installed by the Company until this has been accomplished.

C. Right to Remove Company's Equipment

All meters, remote meter reading equipment, pressure regulators and other equipment supplied by the Company shall remain its property. The Company shall have the right to remove all its property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.

D. Periodic Test Schedule

The Company shall test meters in accordance with a periodic test schedule acceptable to the Commission. Meter tests performed at the request of a Customer shall be made in accordance with Section IX-C.

E. Metering

The quantity of gas billed shall be the volume measured by the Company's meter, calibrated at or compensated to standard temperature (60^{o}F) and barometric pressure (14.73 psia) conditions.

RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS - (Continued)

F. Remote Reading Devices

The Company, at its discretion or upon request from a Customer, may install remote reading devices, subject to availability. Remote reading devices shall be owned, installed and maintained by the Company. When requested by the Customer and approved by the Company, such installation shall be made at cost payable by the Customer. The location of the remote reading device shall be subject to Company approval.

A periodic verification reading must be taken on the meter and the remote reading device. The Company shall notify the Customer when the periodic verification is required. The Company shall determine the frequency of verification required based on the technical characteristics of the installed equipment and its in-service performance. Service shall be subject to disconnection if the Customer fails to make arrangements with the Company for a verification reading within 60 days after written notice is provided.

In cases of dispute, the Company's meter shall be used as the final determinant in measuring consumption and in all cases shall take precedence over any reading or remote reading devices.

RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES

A. Fast Meter

Whenever a meter in service is found to have a positive average error, upon test made by the Company or the Commission by over-registering in excess of two percent (2%), the Company shall credit or refund to the Customer an amount equal to the excess paid for the gas incorrectly metered. The refund shall be for the period that the Customer received service through the meter, but for not more than the periods established below:

1. Known Date of Error - If the date on which the error first developed or occurred can be established, the bills for service shall be recalculated from that time.

2. Unknown Date of Error - If the time at which the error first developed or occurred cannot be established, it shall be assumed that the over-registration existed for a period of three (3) years or a period equal to one-half of the time since the meter was last tested, whichever is less.

B. Slow or Stopped Meter

When a meter is found, upon test made by the Company or the Commission, to have a negative average error by under-registering in excess of two percent (2%) or to be stopped, and the error in registration or failure to operate is not attributable to the negligence of the Company, but is due to some unpredictable cause, such as tampering or unauthorized overload, the Company shall estimate the proper charge for the unregistered service by reference to the Customer's consumption during similar normal periods or by such methods as the Commission may authorize or direct. Except in cases of tampering, theft, inaccessibility to the meter, or unauthorized overload, such an estimate for a slow or stopped meter shall cover a period of not more than three (3) months.

RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES - (Continued)

C. Requests for Meter Tests

Upon request by a Customer, the Company shall test the Customer's meter provided that such tests need not be made more frequently than once in thirty-six (36) months. If tests of meters at the Customer's request are performed more frequently than once in thirty-six (36) months, the Company shall charge the Customer twenty dollars ($20) for testing the meter. No charge shall be made for testing meters which upon test are found to exceed the allowable accuracy limits as defined in this Section. The Customer, or the Customer's representative, may be present when the Customer's meter is tested. A written report of the results of the test shall be mailed to the Customer within ten (10) days after the completion of the test.

D. Adjustments for Incorrect Billings

Incorrect billings resulting from clerical error, incorrect meter installation or reading, incorrect application of the rate schedule, or other similar reasons, shall be corrected immediately upon discovery, and corrected bills rendered to the Customer; however, in no case may additional charges due from the Customer under the application of this paragraph be collected for more than three (3) years prior to the month of discovery. If the Customer has been overcharged, the Company shall refund the amount due or credit the Customer's account, at the Customer's election, to the date the error was made, not to exceed three (3) years prior to discovery. In the absence of an election by the Customer for a refund by check, the Company shall credit the Customer's account. In the event additional charges are due the Company, installment payments shall be offered for not less than the number of months the account was billed in error. An installment payment charge shall not be applied to such installment payments.

RULES AND REGULATIONS

SECTION X - CONTINUITY OF SERVICE BY COMPANY

A. Company Liability

The Company does not guarantee continuous uninterrupted gas service and shall not be liable for any loss, cost, damage, or expense to any person occasioned by any change in, interruption and/or resumption of the Company's gas service due to any cause beyond the reasonable control of the Company.

B. Notice of Trouble

The Customer shall notify the Company promptly of any defect in service or of any trouble or irregularity in the gas supply.

C. Prearranged Interruption of Service

Whenever it is necessary to interrupt service for work on mains or other equipment, such work shall be done, to the extent practical, during daylight hours during the work week. The Customer(s) to be affected shall, if practical, be notified in advance of such interruptions.

RULES AND REGULATIONS
SECTION XI - CUSTOMER'S USE OF SERVICE

A. Resale Forbidden

The Customer shall not directly or indirectly sell, sublet, assign or otherwise dispose of natural gas provided by the Company or any part thereof except as authorized by Chapter 51, Title 25 of the Delaware Code.

B. Multiple Occupancy Buildings

Multiple occupancy buildings shall not be master metered but shall be individually metered for each occupancy unit that is individually leased or owned and whose occupants have control over a portion of the natural gas used, unless the owners can provide evidence that the cost of installing separate meters exceeds the long-term benefits to the gas consumers derived from individual meters. For the purposes of this paragraph, individual meters include only meters installed and owned by the Company. Multiple occupancy buildings for which initial permits were issued before June 2, 1980 are not subject to this provision.

Multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single Master Meter delivery point will have gas lines after that point that are or were installed, operated , monitored maintained and if needed repaired or replaced by the Customer and not the Company. Such Master Meter operators are required to comply with Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree under laws as they currently exist or as they may be modified in the future and specifically pipeline safety regulations to be a Customer of the Company. Failure to comply with such safety regulations may be cause for termination of service without notice by the Company if an unsafe condition exists or has the potential to exist.

Multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single Consolidated Meter delivery point will have gas lines after that point are or were installed, operated , monitored maintained and if needed repaired or replaced by the Company. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

C. Fluctuations

Gas service must not be used by the Customer in such a manner as to cause unusual pressure fluctuations or disturbances in the Company's supply system. Should such fluctuation or disturbance be caused by the Customer, the Company may discontinue service or require the Customer to modify his installation and/or install approved controlling devices. Multiple meters and service classifications may at the Company's discretion be required based on the level of fluctuation to ensure accurate meter reading.

D. Use Other Than Stated In Contract

The Company's service shall not be used for any purpose or in any place other than that stipulated in the Customer's contract for service except by written consent of the Company.

E. Change of Installation

The Customer shall give immediate written notice to the Company of any proposed substantial increase or decrease in, or change of purpose, design characteristics (including but not limited to pressure, flow rate and gas quality) or location of the Customer's installation. The service connection, meters and equipment supplied by the Company for each Customer have definite design characteristics and no modifications or additions to the equipment or load connected thereto shall be permitted except by written consent of the Company. Failure to give notice of such modifications shall render the Customer liable for any damage to the meters or their auxiliary apparatus caused by the additional or changed installation. Regardless of whether the Customer's modifications are consistent or inconsistent with the service provided, the Company shall be under no obligation to modify its equipment.

RULES AND REGULATIONS

SECTION XII - DEFECTS IN CUSTOMER'S INSTALLATION

A. Company's Right to Inspect

The Company shall have the right, but shall not be obliged, to inspect any installation before gas is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage resulting from defects in the installation, piping or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

B. Defective Installations

If at any time the piping and appliances of the Customer are found to be defective or dangerous by the Company's representative or by the local public authorities, service may be refused or discontinued until the Customer has the condition corrected.

C. Customer's Responsibility

The Company assumes no responsibility for any damages done by or resulting from any defect in the piping or appliances of the Customer. In the event of any loss or damage to the property of the Company, or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Customer, his agents, or employees, the cost of the necessary repairs or replacement shall be paid by the Customer to the Company and any liability otherwise resulting shall be assumed by the Customer.

D. Company Liability

The Company shall not be liable for damage resulting from the presence of gas or the Company's equipment on the Customer's premises, or from the use of the service of the Company by the Customer.

RULES AND REGULATIONS

SECTION XIII - ACCESS TO PREMISES

A. Access to Premises

The authorized agents or representatives of the Company, having the proper Company identification, shall have access at all reasonable times to the premises of the Customer for the purpose of reading the Company's meters, connecting and disconnecting service, operating, testing, inspecting, repairing, removing and replacing any or all of the Company's apparatus used in connection with the supply or measurement of gas. If the Company's meters or other equipment are located on the premises of someone other than the Customer, the Customer shall be responsible to arrange for access thereto by Company agents or representatives. The Company may discontinue service should the Customer fail to provide such access to the premises.

RULES AND REGULATIONS

SECTION XIV - TAMPERING WITH COMPANY'S PROPERTY

A. Tampering Expressly Forbidden

No person, except a duly authorized representative of the Company, shall make any connection (piping, electrical or otherwise) or disconnection, either temporary or permanent, at any point on the Company's distribution system up to the outlet of the Company's meter on the Customer's premises, or set, change, remove or interfere with the Company's meter, pressure regulator, tracer wire, cathodic protection system or other equipment.

B. Liability for Tampering

In the event of the Company's meters or other equipment being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for the cost of any repairs, replacements required, and any other changes in Customer's installations as may be required by the Company.

RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE

A. Right to Discontinue Service

The Company reserves the right to discontinue the supply of service for any of the following reasons:

1. Without Prior Notice

a. Unavoidable shortage or interruptions in the Company's source of supply or other cases of emergency.
b. Whenever a hazardous gas or gas related condition is found to exist on the Customer's premises.
c. Interference or tampering with meters or the Company equipment or diversion of service.
d. Whenever environmental or other hazardous conditions would expose the Company's employees to undue risk in the maintenance of the Customer service.
e. For providing a false name or social security number or for failing to disclose, upon request, that past services have been received and not paid for under a different name or social security number, if the Company has reported a theft of services to responsible authorities.

2. With Prior Notice

a. Failure to remedy conditions in violation of applicable codes or having detrimental effect on the service of others.
b. Nonpayment of any bill for gas service.
c. Violation of or non-compliance with these Rules and Regulations or the effective Service Classification or contract. The Company may refuse to supply any service until the Customer has corrected the conditions constituting such violation or non-compliance.
d. Failure to pay a deposit as requested.
e. Misrepresentation of or failure to disclose a material fact in an apparent attempt to defraud the Company or to avoid payment of any outstanding bill for service rendered.
f. Repeated refusal to grant access during reasonable working hours for maintenance, meter reading or removal of equipment, inspection, replacement or relocation of equipment.
g. Failure to pay service installation costs.

3. The notice provided for in Section XV-A-2 shall consist of not less than fourteen (14) days' notice sent by first class prepaid mail deposited in a United States mailbox and addressed to the Customer at the Customer's last known mailing address appearing on the records of the Company.

RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE - (Continued)

A. Right to Discontinue Service - (Continued)

The notice shall state the date on which service will be disconnected and shall inform the Customer of the steps which may be taken to avoid such disconnection of service. A notice of disconnection for non-payment of a bill for gas service shall also state the date by which payment for the previous balance due must be received by the Company in order to avoid disconnection.

B. Restoration Charge

Service disconnected by the Company for any reason set forth in Section XV-A shall be restored only after payment of the appropriate restoration charge stated below in addition to the previous balance due under the Customer's contract, except when it has been necessary to excavate the service pipe or connection to effect discontinuance of service. In such cases, the actual costs of discontinuance and restoration shall be applicable in addition to the previous balance due.

Any Customer whose service has been disconnected may be required to post a deposit in order to have service restored.

Time of Restoration (EST)		Restoration Charge
8 a.m. to 5 p.m	Monday - Friday Excluding Company Holidays	$75.00
5 p.m. to Midnight	Monday - Friday Excluding Company Holidays	$125.00
8 a.m. to Midnight	Saturday, Sunday and Company Holidays	$125.00
Midnight to 8 a.m.	Any Day	$175.00

C. Seasonal Service Restoration Charge: When service is voluntarily disconnected and reconnected at a single location within a 12-month period, restoration charges above will apply.

D. Collection of Payment at the Premises

The Customer may avoid service termination for non-payment of bills by making payment of the previous balance due to a Company representative at the premises.

In addition to payment of the previous balance, there shall be a fee of thirty-eight dollars ($38.00) per trip to the premises for collection of payments.

Installment payments or any other agreements shall be made through one of the Company's District offices.

E. Combination Services

Where service restoration or collection of payments at the premises under above Sections XV-B and C are performed for both electric and gas service to the Customer, the related charges shall be assessed for only one of these two utility services.

RULES AND REGULATIONS

SECTION XVI - DISCONTINUANCE OF SERVICE BY CUSTOMER

A. Notice to Discontinue

The Customer must give the Company at least ten (10) days' notice to discontinue service unless otherwise agreed upon. The Customer must grant access to the meter during reasonable working hours and shall be liable for service taken until the meter has been disconnected or read. Such notice prior to the expiration of a contract term shall not relieve the Customer from any minimum or guaranteed payment under any contract or Service Classification.

B. Completion of Term

If, by reason of any act, neglect or default of a Customer or his agent, the Company's service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract.

C. Final Bill

The final bill for service shall be based on an actual meter reading and is due and payable when rendered.

RULES AND REGULATIONS

SECTION XVII - EXTENSIONS

A. General

Extensions to the Company's gas system shall be provided, owned and maintained under the terms and conditions herein enumerated.

Extensions, as used in this section, refer to gas mains and associated materials that must be constructed along public streets, roads and highways, or on private property from the Company's existing gas system to the service.

Extensions shall be designed according to accepted industry practices to provide adequate service and shall be installed in accordance with the rules and regulations of the Commission. Modifications to the Company's design, requested by the Requester, shall be made when such modifications are acceptable to the Company in its sole judgment.

Where a Requester requests the Company to install facilities which are more costly than those proposed to be furnished by the Company, the Requester shall pay the Company the difference in cost between the requested installation and that deemed necessary by the Company.

B. Residential Extensions - New Developments

1. If the estimated investment in the extension exceeds five (5) times the related estimated annual net base revenue, excluding all fuel costs ("Estimated Revenue") from the Customers to be initially served from the extension, the Applicant shall provide a financial guarantee in accordance with Section XVII-I. This financial guarantee may be waived if the amount is less than $50.

2. For the purpose of definition, those Customers to be initially served shall include houses or multiple occupancy buildings under construction at the time the contract for the extension is signed. As additional facilities are needed to serve additional Customers, the Applicant may be required to make additional financial guarantees or may receive a refund accordingly.

C. Residential Extensions - Existing Homes – 100 feet per Applicant

1. Applicants included in the procedure must provide a Refundable Qualifying Deposit ("RQD") of $200. The RQD will be refunded to the Applicant if gas utilization equipment is installed and connected within five (5) years of the date that gas service is first available to that Applicant. If gas utilization equipment is not installed and connected within five (5) years of the date that gas service is first available, the RQD will not be refunded, but will be applied as a Contribution in Aid Construction ("CIAC").

2. The Company will make extensions to existing mains of one hundred (100) feet per Applicant without charge. In the event of multiple Applicants, where no system improvements are required to serve the Applicants, the extension without charge will be 100 feet multiplied by the number of Applicants.

RULES AND REGULATIONS

SECTION XVII - EXTENSIONS

D. Residential Extensions – Existing Home – more than 100 feet per Applicant or system improvement required

1. Applicant(s) included in this process must provide a RQD of $200. The RQD will be refunded to the Applicant(s) if gas utilization equipment is installed and connected within five (5) years of the date that gas service is first available to that Applicant. If gas utilization equipment is not installed and connected within the five (5) year timeframe, the RQD will not be refunded but will be applied as a CIAC.

2. The Company will make extensions to existing mains using a model based upon a discounted cash flow (DCF) analysis. The DCF Model will evaluate main extensions based upon the estimated cost of the capital expenditures associated with the proposed extension and an estimate of the net revenue to be derived from the original Applicants over the first five (5) years and expected additional new customers who could be served by the main extension. The DCF Model will be on file with the Commission. Applicant(s) shall provide a non-refundable CIAC including all applicable taxes for the excess amount equivalent to the negative net present value of the project prior to the main extension being installed. The CIAC may be waived if the amount is less than the $200 RQD per applicant.

E. Non Residential Extensions – For General Gas Sales Service Classification Customers Only

The Company will make extensions to the existing mains of one hundred (100) feet per Applicant without charge. Beyond the first 100 feet, if the estimated investment in the extension exceeds three (3) times the Estimated Revenue, the Applicant will be required to provide a CIAC including all applicable taxes for the excess amount. This CIAC may be waived if the amount is less than $200.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service, excluding the first 100 feet of main or service.

F. Non Residential Extensions – All Non-Residential Service Classifications Other Than General Gas Sales

If the estimated investment in the extension exceeds three (3) times the Estimated Revenue, the Applicant will be required to provide a CIAC including all applicable taxes for the excess amount. This CIAC may be waived if the amount is less than $50.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service.

G. Non Residential Dual Fuel Extensions

All Non-Residential Customers who desire service and who have the ability to continuously use an alternate fuel must sign an Application that holds the Customer liable for all estimated costs not covered by actual non-fuel revenues received and retained by the Company.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service.

RULES AND REGULATIONS

SECTION XVII – EXTENSIONS

H. Infrastructure Improvements

The Company may make investments in infrastructure for reasons of timing, convenience, reliability, safety or other reasons as may be appropriate, independent of extension or service requests from Customers. Investments in infrastructure will be undertaken consistent with engineering planning studies and financial analysis. Infrastructure is defined as gas transmission and distribution systems necessary to increase pipeline flow capacity and/or pressures, system reliability or service availability.

The intent of the preceding paragraph is not to avoid the extension rules contained in this Section, or the service installation rules contained in Section VII.

I. Financial Guarantees

Financial Guarantees may be made by payment, deposit, Letter of Credit or other financial instruments at the Company's discretion.

Should the Applicant provide a deposit it will be returned to the Applicant (without interest) in an amount equal to five (5) times the estimated revenue, excluding all fuel cost, from new Customers as each new Customer completes its permanent service connection directly from the extension for which the deposit was required. In no case shall the total refund be greater than the Applicant's deposit. Any portion of the deposit not refunded after five (5) years from the date the Company is first ready to render service from the extension shall be retained by the Company and credited as a CIAC.

Should the Applicant provide a Letter of Credit or other Financial Instrument, the estimated revenue attributable to the extension shall be examined prior to the Letter's or other Instrument's expiration. The Company may either draw on the Letter of Credit or Instrument or require that it be renewed, where a continued financial guarantee is still required. Such draw shall then be considered a deposit under the above section. The Company shall also have the right to require a Financial Guarantee where it determines that the recovery of the investment is questionable.

RULES AND REGULATIONS

SECTION XVIII - CURTAILMENT POLICY

A. Curtailment Priority

In the event the Company determines that it will be unable to satisfy the demands of all existing Customers because, in its sole judgment, it deems its gas supply and/or gas pressure to be insufficient, the Company shall curtail service to its Customers. Curtailments will be made to ensure adequate supply for priority Customers and to maintain the integrity of the Company's gas distribution system. The extent of curtailment, including complete curtailment, shall be determined by the Company. If operationally feasible, the curtailment shall be instituted in the following order:

1. Flexibly Priced Gas Volumes
2. Interruptible Transportation Gas Volumes
3. Firm sales or standby volumes in the following order:
   a. Industrial Customers with gas usage over 1,000 MCF per day including LVG-QFCP-RC.
   b. Industrial Customers with gas usage over 100 MCF per day.
   c. Industrial or Commercial Customers with gas usage over 50 MCF per day.
   d. All other Commercial Customers other than those listed below.
4. Apartments, hotels, motels, dormitories and residences.
5. Hospitals, nursing homes, institutions for the aged and infirm and institutions essential to the public welfare.

B. Curtailment Procedure

Curtailments within curtailment priorities 1, 2, and 3 will be implemented first on the basis of operational benefit to the system, and second on the basis of the level of Customers sales margins, storage or transportation charges. In this curtailment priority, the Company has the discretion to determine the order and extent of curtailment. Those Customers paying the lowest rates (i.e., contributing the smallest margins or net revenues) will be curtailed first and those paying the highest rates will be curtailed last. Curtailments within curtailment priorities 4 and 5 will be implemented on a pro-rata basis where operationally feasible. For Customers within a curtailment priority that are paying the same charge, curtailment will be on a non–discriminatory, pro-rata basis. In the event of complete curtailment, the Company will endeavor to provide the gas required for protection of physical plant.

RULES AND REGULATIONS

SECTION XVIII - CURTAILMENT POLICY - (Continued)

C. Curtailment of Customer-Owned Gas

Customers with confirmed Customer-owned supplies, delivered to the Company's city-gate, will not be curtailed unless the Company experiences: (1) a transmission or distribution system constraint at or downstream from the city-gate, or (2) a gas supply emergency that would result in a curtailment of high priority Customers (e.g. curtailment priority 4 or 5 Customers). Interruptible Transportation Service is subordinate to both Quasi-Firm and Firm Transportation Service. Quasi-Firm Transportation Service is subordinate to Firm Transportation Service. In the event that Customer-owned gas is diverted for higher priority Customers, the Company will reimburse the Customer for volumes used, paying a value-based price, tied to the Customer's alternative fuel. For Customers lacking an alternate fuel, reimbursement will be made at a price equivalent to No. 2 fuel oil.

D. Curtailment Enforcement

A Customer failing to comply with a curtailment notice may result in the services to that Customer being discontinued permanently. In addition, Customers will be subject to all applicable unauthorized overrun provisions that apply to the service classification(s). The Company reserves all rights to physically limit gas service should a Customer fail to comply with the Company's curtailment order.

E. Liability

The Company shall not be liable for any damages, loss of product, or other business losses suffered by Customers as a result of curtailed gas service, other than the compensation provided in Paragraph C above. The Company shall not be liable for curtailment as a result of any action by any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service, and regardless of any defect in such law, regulation, or order.

F. Conflicts with other Service Classifications and/or Service Agreements

Each of the gas rate classifications or Customer service agreements shall be deemed amended to the extent that they are or may be inconsistent or in conflict with the Company's Curtailment Priority. Transportation Customers are also subject to any provisions regarding operating limitations, special provisions or other transportation provisions contained in the Transportation Service Terms and Conditions or the applicable transportation service classification. Nothing contained in this policy shall prohibit the Company from managing and scheduling interruptions of service as the Company may deem necessary or appropriate.

G. Special Provision

Nothing herein shall prevent the Company from entering into an agreement with a Customer that provides for a non-pro rata curtailment priority lower than the Customer would otherwise receive.

RULES AND REGULATIONS

SECTION XIX - GENERAL COST ADJUSTMENT

A. General Cost Adjustment

This General Cost Adjustment is applicable to all Service Classifications of the Tariff under the conditions enumerated below.

1. Bills rendered under all Service Classifications of the Tariff shall be increased to offset any new or increased special taxes, licenses, franchise fees, rentals or assessments imposed by any governmental authority against the Company's property used in the production, transmission, distribution or sale of gas or its operations or production or sale of gas or the receipts or earnings therefrom.

2. Such special taxes as outlined above shall, on the basis of Customer's consumption, or billing, be apportioned pro-rata among Customers within the limits of any political entity which imposes any such special taxes, licenses, franchise fees, rentals or assessments, to offset such special levies and to relieve Customers outside of such political entity of the burden of payment for such special levies.

3. Any such cost adjustment shall continue in effect only for the duration of the specified levies, and shall not be instituted prior to approval by the Commission.

4. When Customers are required under the Rules and Regulations, Service Classifications, and Riders of this Tariff to provide a contribution in aid of construction, the amount of the contribution shall include an allowance for any taxes to which said contribution may be subjected.

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE

A. Gas Cost Rate Clause

The monthly rates contained in Service Classifications RG, GG, GL, MVG, and LVG shall include a gas cost rate each month to reflect total purchased gas costs. Total purchased gas costs will be separated into purchased gas commodity costs and upstream demand-related gas costs. Total gas cost recovery will occur as the result of the application of a purchased gas commodity cost recovery component and a demand-related cost recovery component to Customer billing determinants.

Total gas cost shall consist of:

(1) The amounts charged to FERC Accounts 803, 804, and 804.1, which includes commodity purchases, transportation, demand, storage and capacity charges; plus

(2) The amounts charged to FERC Account 808.1, which includes the cost of gas withdrawn from storage; less

(3) The amounts credited to FERC Accounts 804.1 and 808.2, which includes the cost of gas delivered to storage; plus

(4) The amounts charged to FERC Account 728, which includes liquid petroleum gas and unmixed propane gas; plus

(5) All additional charges paid to the Company's suppliers for prior periods; plus

(6) The costs paid to third parties as part of a gas price hedging program approved by the Commission, including payments to obtain an option, whether or not exercised, payments to obtain a price band or cap, swap transaction costs, and other similar costs, less revenues or payments received for the sale of an option, swap transaction revenues, or similar revenues or payments received; less

(7) Revenues received for the Company's Firm Storage, and Standby Services; less

(8) All refunds received from the Company's suppliers for prior periods.

Gas Costs specifically exclude expenses associated with operation and maintenance of Company Owned Liquefied Natural Gas facilities.

The Determination Period concerning the Gas Cost Rate shall be the twelve (12) month period ended October 31 of each year. The Application Period shall be the twelve (12) month period beginning with the November billing month following the close of the Determination Period and continuing through the following October billing month.

In August of each year, the Company shall file with the Commission a statement of its annual estimated gas costs for the next Application Period calculated in accordance with this Clause, and the Commission shall set a new Commodity Cost Rate and a Demand Cost Rate for that year as provided in this Section

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

B. Commodity Component

1. Monthly Commodity Cost Rate ("Monthly CCR")

The Monthly CCR shall apply to Customers served under Service Classification LVG and is an option for Customers served under Service Classification MVG. On or before August 1 of each year all MVG Customers must elect whether to be charged the annual or monthly commodity cost rate for each 12 month planning period beginning with November billing. No MVG Customer will be permitted to change its election once the application period has begun.

The Monthly CCR shall be determined each month as an estimate of the weighted average commodity cost of gas ("WACCOG"), adjusted for unaccounted-for gas. The estimate shall be based on expected volume requirements and supplier prices. The Monthly CCR shall be applied to all gas quantities used by Customers served under the Monthly CCR provision. There will be no true-up of the monthly WACCOG commodity pricing under this Monthly CCR mechanism unless the annual (July 1-June 30) net difference between the actual monthly WACCOG incurred and the monthly WACCOG price charged (both of which are multiplied by the applicable monthly volumes delivered to Monthly CCR Customers) exceeds the lesser of $250,000 or 5% of the aggregated gas commodity costs assigned to Monthly GCR Customers. This determination will be filed annually in the GCR.

If this threshold is exceeded, a volumetric factor (either positive or negative) will be calculated by dividing the annual net differences attributed to Monthly GCR Customers by the projected sales for Monthly GCR Customers over the next GCR period. This factor would be applied to all Monthly CCR Customers for the upcoming GCR period in addition to the commodity price that would otherwise apply (the monthly WACCOG) until the amount to be trued up has been reached. At that point, the true-up factor will be eliminated. If the $250,000 or 5% threshold described above is exceeded, the difference trued-up with respect to Monthly GCR Customers shall be excluded from the Annual Commodity Cost Rate calculation as described below.

2. Annual Commodity Cost Rate ("Annual CCR")

All Customers in Service Classifications RG, GG and GL, and all MVG customers not electing the Monthly CCR will be subject to the "Annual Commodity Cost Rate", to be billed on a volumetric basis. The development of the Annual CCR is based on the cost components defined below, divided by sales to the appropriate Customer classes.

The Annual commodity gas cost shall consist of all costs not recovered by the Demand Gas Cost component, including but not limited to:

(1) The total commodity portion of the gas costs listed in Paragraph A; less

(2) The commodity cost of gas, adjusted for Lost and Unaccounted for Gas, for LVG and MVG Customers served under the Monthly CCR and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less

(3) Streamed gas supplies; less

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

(4) The commodity cost of gas, adjusted for Lost and Unaccounted for Gas, for the Company's electric generation and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less

(5) The commodity cost of gas, valued at the system WACCOG and adjusted for unaccounted-for gas, provided to the non-firm Customers served under the Flexibly Priced Gas Sales Service; less

(6) A credit for Company use gas, valued at the system WACCOG adjusted for unaccounted-for gas; plus

(7) An adjustment for under-collections or over-collections of commodity gas costs as provided for in this Section; plus

(8) Interest on under-collections or over-collections of commodity gas costs as provided for in this Section.

The Annual CCR shall be calculated by dividing the above commodity cost by the projected sales to all Customers served under the Annual CCR.

C. Demand Cost Rate ("DCR")

The demand gas cost recovery component will be recovered from all firm gas sales customers and is derived as follows:

Total Demand Component = FC - ADR - FPS - ISS - CROS - IT - ONF + PP - SA

Where: FC = Total fixed gas supply costs
ADR = 100% of contributions from electric generation toward fixed costs
FPS = 80% of the margins from "Flexibly Priced Service" gas sales
ISS = 80% of the margins from interruptible storage services *
CROS = 100% of the first $3.0 Million in margins attributable to combined capacity release transactions and off system sales, with margins in excess of $3.0 Million credited 80% to the GCR
IT = 80% of the margins from interruptible transportation services *
ONF = 80% of the margins of other non-firm services not otherwise classified and provided under contracts executed on or after April 1, 1996 *
PP = Prior period over or under-recovery of the demand component, including Interest
SA = 100% of an amount equal to $0.15 per MCF multiplied by the annual average throughput for a customer who is a firm sales service customer of the Company and who switches to delivery service and begins receiving gas supply from a Company affiliate

* Excludes non-gas revenues from Customers that were firm Customers as of March 31, 1996, until the effective date of the next base rate case.

Other Definitions:

Design Day Load is as projected by the Company, subject to modification by the Commission. Total Contract MDQ will be used for the MVG and LVG classes.

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

The Demand Cost Rate (DCR) consists of a single volumetric based factor, which is calculated by dividing the Total Demand Component by the projected annual firm sales to all Customer classes. The DCR is added to the Annual CCR to arrive at a single, volumetric rate which is applied to all gas quantities used by Customers in the RG, GG, GL and Non-Electing MVG service classifications. The DCR and the monthly CCR are applied to all gas quantities used by Customers in the LVG and Electing MVG service classifications.

D. Interim Gas Cost Rate Changes

The GCR as so determined shall be in effect and apply to billings during each month of the Application Period unless the GCR is changed as hereinafter provided:

If it appears at any time during the Application Period that the use of the GCR then in effect for the remainder of that period will result in a net under-collection of the Company's gas cost by more than 6% of the latest estimate of the Application Period's gas cost calculated using the actual gas costs incurred to date and the Company's latest estimate of the gas costs and firm sales for the remainder of the Application Period, or a net over-collection of such gas costs by more than 4-1/2% of such estimate, the Company shall apply to the Commission for a change in the GCR and the Commission shall fix a new GCR for the balance of the Application Period which will correct for over- or-under-recoveries by amortizing them over a twelve-month period instead of zeroing them out by the end of the current Application Period.

In the case of a projected over-collection of firm gas costs by more than 4-1/2% of the latest estimate of firm gas costs, the Company may apply to the Commission for approval of alternative treatments of such over-collections, including bill credits, in conjunction with or as an alternative to reducing the GCR and amortizing the projected over-collection over a future period.

An adjustment for over or under-collection of purchased gas costs under the CCR and the DCR, and the calculation of interest thereon, will be included in the GCR factors. This adjustment shall be determined as follows:

(1) By calculating for the Determination Period the commodity cost component as recorded on the Company's books and as estimated by the Company for the remainder of the period, and subtracting therefrom an amount equal to the gas commodity revenues received from all customers gas sales;

(2) By calculating for the Determination Period the total demand cost component as recorded on the Company's books of purchased gas costs allocable to the DCR and as estimated by the Company for the remainder of the period and subtracting therefrom an amount equal to the gas demand revenues received from all customers.

(3) Interest will be calculated on the total average deferred gas cost balance. Over-recoveries up to 4 1/2% of the applicable GCR costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission. Over-recoveries in excess of 4 1/2% of the applicable costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission plus 200 basis points. Under-recoveries shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Residential Gas Sales Service ("RG")		
Customer Charge	$17.26	per month
Delivery Charge	$0.58096	per CCF
Space Heating Delivery Charge 1/		
Over 50 CCF	$0.46617	per CCF
Environmental Surcharge Rider	$0.00128	per CCF
Gas Cost Rate (GCR)	$0.39467	per CCF
General Gas Sales Service ("GG")		
Customer Charge	$52.08	per month
Delivery Charge		
First 750 CCF	$0.43242	per CCF
Over 750 CCF	$0.43242	per CCF
Environmental Surcharge Rider	$0.00128	per CCF
Gas Cost Rate (GCR)	$0.39467	per CCF
Gas Lighting Sales Service ("GL")		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	$8.80	per gas light
Gas Cost Rate (GCR)	$ 5.92	per gas light
Medium Volume Gas Sales Service ("MVG")		
Customer Charge	$947.30	per month
Demand Charge	$ 20.985	per MCF of Billing MDQ
Delivery Charge 2/	$0.56852	per MCF
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR)	$3.9467	per MCF
Large Volume Gas Sales Service ("LVG")		
Customer Charge	$1,375.24	per month
Demand Charge	$12.427	per MCF of Billing MDQ
Delivery Charge 2/	$0.16084	per MCF
Environmental Surcharge Rider	$0.01282	per MCF
Gas Demand Cost Rate(DCR)	$1.7022	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 CCF for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production ("LVG-QFCP-RC")		
Customer Charge	$1,450.24	per month
Demand Charge	$8.45474	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York North price plus any premiums incurred by the Company to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
General Volume Firm Transportation Service ("GVFT")		
Customer Charge	$181.47	per month
Delivery Charge		
First 750 CCF	$0. 43242	per CCF Redelivered
Over 750 CCF	$0. 43242	per CCF Redelivered
Balancing Fee Non-Base Rate	$0. 3310	per CCF of Imbalance Volumes
Environmental Surcharge Rider	$0.00128	per CCF
Medium Volume Firm Transportation Service ("MVFT")		
Customer Charge	$1,022.30	per month
Demand Charge	$20.985	per MCF of Billing MDQ
Delivery Charge	$0.56852	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Large Volume Firm Transportation Service ("LVFT")		
Customer Charge	$1,450.24	per month
Demand Charge	$12.427	per MCF of Billing MDQ
Delivery Charge	$0.16084	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Standby Service ("SBS")		
Demand Charge Non-Base Rate	$1.7022	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for Lost and Unaccounted for Gas)
Utility Facility Relocation Charge		For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
NON-CORE RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	MIN RATE	MAX RATE	NON-BASE RATE	BASIS
Flexibly Priced Gas Service ("FPS")					
Commodity Charge 1/		Varies	N/A		per MCF
No Notice Swing Charge	$ 0.15000				per MCF Redelivered
Medium Volume Interruptible Transportation Service ("MVIT")					
Customer Charge	$1,022.30				per month
Delivery Charge (2)					
Option 1	$ 1.30000				per MCF Redelivered
Option 2		$0.01	$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Large Volume Interruptible Transportation Service ("LVIT")					
Customer Charge	$1,450.24				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	$ 1.30000				per MCF Redelivered
Over 5,000 MCF	$ 0.36000				per MCF Redelivered
Option 2		$0.01	$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Quasi-Firm Transportation Service ("QFT")					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes

Public Utilities Tax — 4.25% applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax — 2.00% — Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus Lost and Unaccounted for Gas, unless gas is acquired specifically for, plus $0.01 per MCF.

2/ Minimum and maximum rates do not include the applicable $0.00000/MCF charge on QFT, MVIT and LVIT.

SERVICE CLASSIFICATION "RG"

RESIDENTIAL GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer for household and other related uses in a single private dwelling or dwelling unit or estate and pertinent detached buildings.

B. Rates and Charges:

The rates and charges under this classification are shown on Tariff Leaf No. 37.

C. Space Heating Service

Gas used by Customers with permanently installed gas-fired space heating equipment which is the primary heating source for the space in which it is installed shall qualify for the space heating commodity charge for all gas used in excess of 50 CCF for the billing months of October through May, inclusive.

D. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

E. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge.

F. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

G. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GG"

GENERAL GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer for non-residential gas use with a Monthly Use of less than 20,000 CCF and a Maximum Daily Quantity of less than 5,000 CCF. Any Customer whose monthly use equals or exceeds 20,000 CCF and/or whose Maximum Daily Quantity equals or exceeds 5,000 CCF in any three consecutive billing months may be transferred to Service Classification "MVG" or "LVG", as applicable. Availability of this rate to Customers taking service under a non-core or Transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities.

B. Transition Cost Adjustment Charge

A transition cost adjustment charge shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a transition cost adjustment charge or refund shall be paid by or returned to the Customer. Such transition cost adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition cost adjustment refunds shall be paid in a lump sum; transition cost adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

C. Rates and Charges:

The rates and charges under this classification are shown on Tariff Leaf No. 37.

D. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

E. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge.

SERVICE CLASSIFICATION "GG"

GENERAL GAS SALES SERVICE

F. Maximum Daily Quantity (MDQ)

The MDQ shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m., EST (EDT) of the current billing month.

If the Customer's present metering equipment does not include recording device metering, the Customer's MDQ may be determined, at the Company's option, by measurement, by assessment after test, or by estimation. When a Customer's MDQ is estimated, it shall be the MDQ resulting from dividing the total MCF of gas used during the billing month by the number of days in that billing month and then multiplying that result by 1.5.

G. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of Service under this Service Classification.

I. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GL"

GAS LIGHTING SALES SERVICE

A. Availability

This firm sales service is applicable to unmetered residential outdoor gas lights that were installed and receiving service prior to November 9, 1978.

This rate is not available for service to new gas lights or to reconnected lights.

B. Rates and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

C. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations. The Gas Cost Rate shall be the GCR multiplied by 15 ccf, which represents the estimated monthly usage of one gas light.

D. Minimum Monthly Bill

The minimum monthly bill shall be the number of gas lights multiplied by the sum of the base rate and the GCR.

E. Lighting Devices

The Customer shall install, own and maintain the lighting devices.

F. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all service, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

G. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

H. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVG". Any Customer served under this Service Classification shall remain on this classification for at least 12 billing months, unless the Customer chooses to switch to a transportation service. After such 12 billing months as an "MVG" Customer, at the Company's option, the Customer may be transferred to the appropriate core sales Service Classification. Availability of this rate to Customers taking service under a non-core or transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities. This rate is not available for gas used in electric generation facilities exceeding 1 megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Contract Term

Service for an MVG Customer as of April 1, 1996 shall be provided under an executed contract with a minimum initial term of three (3) years. Beginning January 1, 1997, the minimum initial contract term will be two (2) years and as of January 1, 1998, the minimum initial contract term is one (1) year. The contract shall be automatically extended for one year on each anniversary date of the executed contract unless the Company or the Customer gives one year's advance written notice of termination. This notice provision may be reduced or eliminated if the Customer agrees to pay the Company a Transition Cost Adjustment Charge as described below.

If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

C. Transition Cost Adjustment Charge

A Transition Cost Adjustment charge shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice, or that switches to a monthly Commodity Gas Cost Rate. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service, or to a monthly Commodity Gas Cost Rate at a time when the gas deferred fuel balance is other than zero, a Transition Cost Adjustment charge or refund shall be paid by or returned to the Customer. Such Transition Cost Adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition Cost Adjustment refunds shall be paid in a lump sum; Transition Cost Adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

D. Rate and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

E. Gas Cost Rate Clause

All gas billed under the Commodity Charge of this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

F. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge plus the Billing MDQ multiplied by the sum of the MVG Base Rate Demand Charge and the Gas Demand Rate.

G. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m. EST (EDT) of the current billing month.

H. Contract Maximum Daily Quantity

The Customer's Contract Maximum Daily Quantity ("Contract MDQ") shall be set initially at the Customer's MDQ in effect as of April 1, 2003. Contract MDQ's shall be subsequently adjusted according to the following criteria, unless specified otherwise in the Customer's contract with the Company: 1. Written requests for an increase in Contract MDQ to serve additions to firm load will be evaluated by the Company against available delivery system firm capacity. 2. If Customer billing demand exceeds the existing Contract MDQ and sufficient firm capacity is available, the Company may increase Contract MDQ to the highest recorded MDQ since the most recent date that the Customer's MDQ was reset, effective with the billing month in which the change is made by the Company. No prior written notice is required. If insufficient capacity is available, the Company will determine if any increase in Contract MDQ is appropriate. 3. The Company will consider written requests to reduce Contract MDQ based upon evidence of a permanent change in the Customer's process or facility loads which, in the sole judgement of the Company, indicate a material reduction in demand likely to continue for three years after considering an extrapolation of the Customer's recorded load and growth history to the Company's design weather conditions.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

Any reduction made in Contract MDQ will be determined by the Company and agreed to in writing. Reductions, if any, will be effective in November of the heating season following satisfaction of the above conditions. Once Contract MDQ is reduced, any subsequent instances in which the Customer exceeds Contract MDQ or any request for an increase in Contract MDQ will not automatically result in an allocation of additional capacity. No firm capacity will be offered unless it is available, and if Contract MDQ is not increased the Customer will be liable for all penalties that may be associated with exceeding Contract MDQ.

The Company will have no obligation to provide an increase to Contract MDQ if, in the Company's sole judgment, the system-wide firm capacity projected to be available to the Company during the following three heating seasons is inadequate to support both such higher Contract MDQ and to supply the requirements of all existing Customers and expected growth in requirements from existing and new residential and other high-priority Customers.

I. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month or the Customer's Contract MDQ.

J. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. Separate metering may be required, at the Customer's expense, where necessary to determine the quantities of gas being delivered under this rate class.

In the interim period until the Customer's present metering equipment is converted to recording device metering, the Customer's MDQ under Section G of this Service Classification may be determined, at the Company's option, by measurement, by assessment after test, or by estimation. When a Customer's MDQ is estimated, it shall be the MDQ resulting from dividing the total MCF of gas used during the billing month by the number of days in that billing month and then multiplying that result by 1.5.

SERVICE CLASSIFICATION "MVG"
MEDIUM VOLUME GAS SALES SERVICE - (Continued)

K. Unauthorized Overrun

Any quantity of gas taken for this service on any day of the month in excess of 110% of the Contract MDQ shall constitute unauthorized overrun volumes for such day. For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO") , a notice that FPS is not available, or discontinuance of service, a charge which is the higher of: Fifty dollars ($50.00) per MCF or three times the market rate for the cost of gas will be applied, in addition to the other charges specified in this Service Classification. Market Rate shall mean the higher of the daily midpoint for

a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the Interstate Pipelines transporting the Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or its successors ceased publishing these indices the Company will identify a reasonable substitute. The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances so warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

L. Authorized Overrun

If during any day, upon advance authorization from the Company, the Customer uses in excess of 110% of the Contract MDQ, such usage shall be billed under this Service Classification.

M. Exit Fee

All Customers must provide at least one (1) year's written notice when discontinuing gas service. If a Customer fails to provide any notice, the Company shall charge an Exit Fee to the Customer which equals the sum of one (1) year's Customer charges plus the sum of the current Base and Gas Demand Charges times the Contract MDQ times twelve (12) months. If a Customer provides some notice, but less than the required amount, the Exit Fee shall be prorated based on the number of months of notice divided by 12.

N. Commodity Gas Cost Rate

All gas billed under this Service Classification shall be subject to the annual Gas Cost Rate and the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations. However, all Customers in this Service Classification have the option to elect a monthly Commodity Gas Cost Rate as described in Section XX – Gas Cost Rate Clause. For Customers who elect the monthly Commodity Gas Cost Rate at a time when the gas deferred fuel balance is other than zero, the Transition Cost Adjustment Charge or refund shall be paid by or returned to the Customer. Such the Transition Cost Adjustment Charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition cost adjustment refunds shall be paid in a lump sum; Transition Cost Adjustment Charge shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

O. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

P. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

Q. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer with a Contract Maximum Daily Quantity of 500 MCF or greater. Any Customer served under this Service Classification shall remain on this classification for at least 12 billing months, unless the Customer chooses to switch to a transportation service. After such 12 billing months as an "LVG" Customer, at the Company's option, the Customer may be transferred to the appropriate core sales Service Classification. Availability of this rate to Customers taking service under a non-core or transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities. This rate is not available for gas used in electric generation facilities exceeding 1 megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Contract Term

Service for an LVG Customer as of April 1, 1996 shall be provided under an executed contract with a minimum initial term of three (3) years. Beginning January 1, 1997, the minimum initial contract term will be two (2) years and as of January 1, 1998, the minimum initial contract term is one (1) year. The contract shall be automatically extended for one year on each anniversary date of the executed contract unless the Company or the Customer gives one year's advance written notice of termination. This notice provision may be reduced or eliminated if the Customer agrees to pay the Company a Transition Cost Adjustment Charge as described below.

If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

C. Transition Cost Adjustment Charge

A Transition Cost Adjustment Charge shall be assessed upon any Customer that switches to any transportation service on less than twelve (12) months advance written notice. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

D. Rate and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE - (Continued)

E. Gas Cost Rate Clause

All gas billed under the Commodity Charge of this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

F. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge plus the Billing MDQ multiplied by the sum of the LVG Base Rate Demand Charge and the Gas Demand Rate.

G. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m. EST (EDT) of the current billing month.

H. Contract Maximum Daily Quantity

The Customer's Contract Maximum Daily Quantity ("Contract MDQ") shall be set initially at the Customer's MDQ in effect as of April 1, 2003. Contract MDQ's shall be subsequently adjusted according to the following criteria, unless specified otherwise in the Customer's contract with the Company: 1. Written requests for an increase in Contract MDQ to serve additions to firm load will be evaluated by the Company against available delivery system firm capacity. 2. If Customer billing demand exceeds the existing Contract MDQ and sufficient firm capacity is available, the Company may increase Contract MDQ to the highest recorded MDQ since the most recent date that the Customer's MDQ was reset, effective with the billing month in which the change is made by the Company. No prior written notice is required. If insufficient capacity is available, the Company will determine if any increase in Contract MDQ is appropriate. 3. The Company will consider written requests to reduce Contract MDQ based upon evidence of a permanent change in the Customer's process or facility loads which, in the sole judgement of the Company, indicate a material reduction in demand likely to continue for three years after considering an extrapolation of the Customer's recorded load and growth history to the Company's design weather conditions.

Any reduction made in Contract MDQ will be determined by the Company and agreed to in writing. Reductions, if any, will be effective in November of the heating season following satisfaction of the above conditions. Once Contract MDQ is reduced, any subsequent instances in which the Customer exceeds Contract MDQ or any request for an increase in Contract MDQ will not automatically result in an allocation of additional capacity. No firm capacity will be offered unless it is available, and if Contract MDQ is not increased the Customer will be liable for all penalties that may be associated with exceeding Contract MDQ.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE - (Continued)

The Company will have no obligation to provide an increase to Contract MDQ if, in the Company's sole judgment, the system-wide firm capacity projected to be available to the Company during the following three heating seasons is inadequate to support both such higher Contract MDQ and to supply the requirements of all existing Customers and expected growth in requirements from existing and new residential and other high-priority Customers.

I. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month and the Customer's Contract MDQ.

J. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company.

SERVICE CLASSIFICATION "LVG"
LARGE VOLUME GAS SALES SERVICE - (Continued)

K. Unauthorized Overrun

For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO") , a notice that FPS is not available, or discontinuance of service, a charge which is the higher of: Fifty dollars ($50.00) per MCF or three times the market rate for the cost of gas will be applied, in addition to the other charges specified in this Service Classification. Market Rate shall mean the higher of the daily midpoint for

a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the Interstate Pipelines transporting the Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or its successors ceased publishing these indices the Company will identify a reasonable substitute. The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances so warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

L. Authorized Overrun

If during any day, upon advance authorization from the Company, the Customer uses in excess of 110% of the Contract MDQ, such usage shall be billed under this Service Classification.

M. Exit Fee

All Customers must provide at least one (1) year's written notice when discontinuing gas service. If a Customer fails to provide any notice, the Company shall charge an Exit Fee to the Customer which equals the sum of one (1) year's Customer charges plus the sum of the current Base and Gas Demand Charges times the Contract MDQ times twelve (12) months. If a Customer provides some notice, but less than the required amount, the Exit Fee shall be prorated based on the number of months of notice divided by 12.

N. Commodity Gas Cost Rate

All Customers in this Service Classification are subject to the monthly Commodity Cost Rate as described in Section XX - Gas Cost Rate Clause.

O. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

P. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

Q. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "LVG-QFCP-RC"

LARGE VOLUME GAS SALES SERVICE-
QUALIFIED FUEL CELL PROVIDER-RENEWABLE CAPABLE POWER PRODUCTION

A. Purpose

This negotiated contract service allows the Company to respond to State of Delaware mandates concerning compliance with The Renewable Energy Portfolio Standards Act.

B. Availability

This contract tariff provision allows for the sale of natural gas on a firm basis to those third party entities involved in electric generation providing service to the Company's electric Customers pursuant to service classification QFCP-RC.

C. Applicability

These general terms and conditions are applicable to all gas Customers being served under the Company's LVG-QFCP-RC Gas Sales Service Classification.

D. Term

Service for a Fuel Cell Gas Sales Service Customer shall be provided under an executed Service Agreement concerning natural gas service under the LVG-QFCP-RC classification with a specified term and renewal provisions.

E. Base Rates and Charges

Customers that are served under the LVG-QFCP-RC service classification will be subject to charges as provided on Tariff Leaf No. 37a for Large Volume Gas Fuel Cell sales.

F. Commodity Cost Rates

All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) Transco Zone 6 Non NY price plus any premiums incurred by the Company to provide this service.

G. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company.

"PM" RIDER

PEAK MANAGEMENT RIDER

A. Availability

This Rider shall be available to any Customer taking service under Service Classifications MVG or LVG that has a Contract MDQ of 100 MCF or more and who agrees to reduce its daily load to a level at least 100 MCF below its Contract MDQ upon the request of the Company as set forth herein. This reduction would be for a maximum of ten (10) days. The Company reserves the right to limit the total manageable demand available under this Rider on the Company's gas system. Availability of this Rider is subject to the economic and technical feasibility of the installation of required Company equipment. The Company shall determine how much, if any, peak management control it will contract for in any period.

B. Peak Management Contract and Term

The Customer shall execute a contract for service provided under this Rider, with an initial term of two years. On each annual anniversary date of the executed contract, the contract term shall be extended automatically for a year, unless 18 months written notice of termination is given by either party.

C. Guaranteed Load Reduction

Customer shall contract for a Guaranteed Load Reduction by specifying a minimum daily load reduction of at least 100 MCF. This is the amount by which the Customer agrees to reduce daily quantities below that Customer's Contract Maximum Daily Quantity ("Contract MDQ"). The Customer shall stand ready to reduce daily takes by at least this amount for up to ten (10) days during the months of December through February. This reduction shall occur whenever the Company declares a Peak Management Period as described below.

D. Peak Management Bill Credit

During the months of December through February, the Customer's monthly bill shall include a "Peak Management Credit" based upon the level of the Customer's Peak Management Guaranteed Load Reduction. The Peak Management credit will be the applicable GCR demand charge times the amount of the Guaranteed Load Reduction and shall be credited in each of these three months, whether or not the Customer is called upon to reduce load.

Credits to be paid to the Customer under this Rider shall be applied, before applicable taxes, as part of the Customer's regular monthly bill.

"PM" RIDER

PEAK MANAGEMENT RIDER - (Continued)

E. Peak Management Compliance

The Company shall provide a minimum of four hours notice prior to initiating a Peak Management Period, unless determined otherwise in the Customer's contract. The maximum recorded demand of the Customer must be reduced to a level at or below the Customer's Contract MDQ less the Guaranteed Load Reduction by the beginning of the Peak Management Period. The Customer's demand must be maintained at or below this level until the end of the Peak Management Period. The Company is solely responsible for determining the need for initiating a Peak Management Period.

F. Penalty for Non-Compliance

If the Customer fails to effect the Guaranteed Load Reduction when requested by the Company, the Customer shall be subject to a penalty as follows: there will be no credit applied to Customer's regular monthly bill and each MCF in excess of the Contract MDQ less the Guaranteed Load Reduction during each Peak Management Period(s) shall be billed at an unauthorized overrun rate as specified in the otherwise applicable Service Classification. In addition, the Company may immediately discontinue offering this Peak Management Rider to any Customer that fails to comply with the Company's request to reduce load more than one time during the period of the contract.

G. Company Equipment

The Customer will allow the Company to install, own and maintain the equipment required for the purpose of administering this Rider. Such equipment shall be installed by the Company at no direct cost to the Customer.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS

A. Applicability

These general terms and conditions are applicable to all gas transportation Customers being served under any of the Company's transportation Service Classifications as well as all Customers being served under the Company's storage services.

B. Transportation to the Company's Gas Distribution System

The Customer is responsible for making all arrangements necessary for delivering gas to the Company's interconnection with the delivering pipeline supplier. To be eligible for transportation service, Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas distribution system. Further, delivery must be made at an acceptable point of connection and in compliance with the delivering pipeline's measurement, pressure and quality provisions. If requested, gas transportation Customers may, as a condition of service, be required to provide adequate documentation as to holding clear and marketable title to gas or compliance with a delivering pipeline's conditions of service.

C. Contract Requirements

The Customer shall execute a Service Agreement with the Company which shall specify, among other things, the Maximum Daily quantities of gas to be transported. The minimum contract term for all transportation services shall be for one (1) year, except for Quasi-Firm Transportation Service, which shall have a minimum contract term negotiated between the Company and the Customer.

D. Provisions For Customers Using Agents

For a Customer utilizing an Agent (e.g. gas marketer, broker or producer) as the supplier of gas to the Company's gas distribution system, the Customer must notify the Company in writing of the Agent(s) to be used for any month and what responsibilities have been delegated to the Agent on behalf of the Customer. Once notified, the Company will rely upon information provided by Customer's Agent as to deliveries, nominations, scheduling and any other duties so assigned. Further, any notices provided by the Company to Customer's Agent shall be deemed to have been provided to the Customer and the Company shall be held harmless from any actions taken by the Agent in regard to the information that was provided. All Agents must comply with the terms and conditions of the Company's tariffs and operating procedures.

Only one agent may be used for any single Transportation account in any given billing month, unless the agent ceases services to the Customer during the billing month and the Company agrees to a substitution for the remainder of the billing month. The Company shall have no obligation to assist a Customer in obtaining the services of an Agent at any time.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

D. Provisions For Customers Using Agents (Continued)

An Agent for two or more Customers is permitted by the Company to aggregate, or "Pool", the natural gas supplies for those Customers who are members of the Agent's Pool. The Company's Transportation Terms and Conditions (e.g., transportation scheduling, balancing, unauthorized overrun, monthly cash-outs) shall be applicable to the entire Pool and not to individual Customers who are members of the Pool. The intent of this provision is to allow aggregation only of gas supplies and related functions such as transportation scheduling, balancing, and cashouts, but not at the meter for the purpose of qualifying for a different Service Classification or other such purpose not directly related to gas supplies. The Agent shall provide the Company with a written list of the members of its Pool at least five (5) calendar days prior to the beginning of the month. Prior to causing the delivery of such aggregated natural gas to the Company for redelivery to the transportation Customers, the Agent shall provide in writing a pre-determined allocation between the Customers in order to assign the volumes of gas to be redelivered and any charges for gas supply, cash-outs, or other charges that may be incurred. The Agent shall have actual authority to make such designated allocations, which shall be binding on the transportation Customers. Agents must provide the final allocations to the Company by the second business day after the end of the preceding month. This provision is not intended to permit individual Customers who are members of a pool to exceed their individual Contract MDQ without obtaining individual authorization from the Company, or to avoid otherwise applicable overrun charges related to daily takes in excess of Contract MDQ.

The Company will not bill third parties that are acting as an Agent for the Customer.

E. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas redelivered to the Customer during any gas day (10:00 a.m. to 10:00 a.m. EST (EDT) of the current billing month.

F. Contract Maximum Daily Quantity

The Customer's initial Contract Maximum Daily Quantity ("Contract MDQ") must be specified in the transportation Service Agreement. The Company shall be under no obligation to redeliver any transportation quantities greater than the Contract MDQ, or to receive quantities in excess of the Contract MDQ plus adjustment for thermal content and Lost and Unaccounted for Gas.

G. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month and the Customer's Contract MDQ.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. EST and EDT.

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by two point five percent (2.5%) for Lost and Unaccounted for Gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

K. Transportation Scheduling (Continued)

Customers or their Agents shall provide the Company, via Electronic Bulletin Board (EBB), with Monthly Nominations by 4 p.m. EST (EDT) on the calendar day prior to the beginning of each month. If the Monthly Nomination cannot be confirmed with the delivering pipeline(s), the nomination will be rejected and a new nomination required. The Company shall notify Customers or their Agents that the Monthly Nomination is rejected no later than 9:00 a.m. EST (EDT) immediately preceding the first gas day of the month.

Customers or their Agents shall provide the Company, via EBB, with Daily Nominations no later than 4 p.m. the calendar day before gas is scheduled to flow. If the Daily Nomination does not agree with the confirmation from the delivering pipeline(s), the amount of unconfirmed volumes will be considered invalid. The Company shall notify Customers or their Agents by 9:00 a.m. EST (EDT) immediately preceding the gas day the gas is scheduled to flow if the Daily Nomination cannot be confirmed by the delivering pipeline(s) and the unconfirmed volume of gas considered invalid. Customers or their Agents shall make a good faith estimate of expected use that would differ from the Daily Nomination.

The Company shall permit Intraday Nominations if confirmed by the delivering pipeline(s) and such Nominations can be handled without impacting gas system supplies.

If available, the Company shall automatically schedule a portion or all of a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) in order to eliminate or minimize an imbalance created on any gas day. The redelivery of any Customer's cumulative daily imbalances during any month is wholly interruptible. The Company shall notify Customers or their Agents, via the EBB if it cannot redeliver any cumulative daily imbalances during any month no later than 9:00 a.m. EST (EDT) immediately preceding the gas day in which the gas is scheduled to flow. In addition, the Company, in its sole discretion, has the right to limit the amount of excess gas that it can redeliver to a Customer on any day curtailment is not in effect.

L. Balancing of Transportation Volumes

Any imbalances between Customer's deliveries of gas for transportation and Customer's daily takes shall be kept to a minimum. On any gas day, when Customer's daily deliveries do not equal Customer takes, an imbalance results. If Customer's deliveries are less than Customer's takes, an excess takes or redeliveries imbalance is created. If Customer's deliveries are greater than Customer's takes, an excess deliveries imbalance is created. These imbalances are cumulative. If the Customer's cumulative monthly imbalance is in an excess takes position at the end of the month, this excess takes imbalance is subject to the Monthly Cash Out Provision hereunder.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of Lost and Unaccounted for Gas, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* Market Rate postings listed in Paragraph N, plus the applicable transportation rate and all taxes and surcharges, unless the Company notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to ninety percent (90%) of the lower of the relevant *Gas Daily* Market Rate posting listed in Paragraph N, unless the Company notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee, on a per MCF basis shall be applicable to all Transportation Services for all daily Customer usage in excess of, or short of, confirmed nominations of gas adjusted for thermal content and reduced by two point five percent (2.5%) for Lost and Unaccounted for Gas.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

(1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of Lost and Unaccounted for Gas, shall be considered unauthorized overrun volumes.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

N. Unauthorized Overrun (continued)

(2) In the event that the Company issues an OFO under these Transportation Service Terms and Conditions, any quantity of gas taken that exceeds the quantity tendered for delivery (net of Lost and Unaccounted for Gas) by an amount greater than that permitted under the OFO shall be considered unauthorized overrun volumes.

(3) On a gas day when the Company has notified the Customer (by 9 AM immediately prior to the gas day) that FPS Gas is unavailable, any quantity of gas taken shall be considered unauthorized overrun volumes.
For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO") , a notice that FPS is not available, or discontinuance of service, a charge which is the higher of: Fifty dollars ($50.00) per MCF or three times the market rate for the cost of gas will be applied, in addition to the other charges specified in this Service Classification. Market Rate shall mean the higher of the daily midpoint for
a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the Interstate Pipelines transporting the Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or its successors ceased publishing these indices the Company will identify a reasonable substitute.

The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

O. Authorized Overrun

If, during any day, upon authorization from the Company, the Customer delivers and takes in excess of the Contract MDQ, such usage shall be billed under the applicable transportation Service Classification.

The Company may authorize excess takes during or after the gas day on a nondiscriminatory basis should circumstances warrant.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

P. Operational Flow Orders

"Operational Flow Orders", or "OFOs", are defined as notices issued by the Company to transportation Customers and their Agents, via email, facsimile or telephone, or other electronic means as deemed acceptable by the Company, that limit the quantity of gas taken by the Customer. An OFO shall generally limit the quantity of gas taken to no more than one hundred and five percent (105%) of the volumes of gas tendered for delivery (net of Lost and Unaccounted for Gas) by the Customer. When reasonably necessary, the Company may also issue a more restrictive OFO. The Company may also issue a change to an OFO that would apply to all transportation Customers whose gas is delivered on a particular upstream pipeline to match the balancing tolerances permitted by such pipeline on that day. The Company may also issue Operational Flow Orders to require adjustments to one or more Customers daily scheduling of deliveries or redeliveries over a reasonable period to maintain a concurrent balance, remedy a current imbalance, or to reduce an accumulated imbalance.

OFOs shall be issued in the Company's sole judgment to a) protect the integrity of the Company's gas system; b) assure deliveries of gas supplies to all of the Company's firm sales Customers; c) adhere to the various interstate pipeline companies' balancing or delivery requirements; or d) remedy operational or other problems, where necessary. Failure to comply with an OFO will result in an unauthorized overrun as described above, or in the case of over-deliveries, a cash out at a price equal to one hundred percent (100%) of the Reference Spot Price (defined in paragraph Q below) less ten cents ($.10) per Mcf.

Q. Monthly Cash Out Provision

Except for the first five percent (5%) of an excess deliveries position, the Customer's Imbalance Volume (the difference between total deliveries to the Company and total redeliveries to the Customer) will be "cashed out" at the end of the month. The Company will pay the "Buy" price for excess deliveries and the Customer will pay the "Sell" price for excess takes based on a Reference Spot Price (RSP). The RSP shall be the simple average of the available weekly spot prices published in Natural Gas Week * plus the cost of transportation, which will be the one-hundred percent (100%) load factor charge (including fuel) under Transcontinental Gas Pipe Line Corporation's (Transco) Rate Schedule "FT" during the months of November through April. The cost of transportation during the months of May through October will be the Transco Rate Schedule "FT" Commodity charges, including fuel. The Reference Spot Price shall be adjusted based on the Imbalance Volume for the month as follows:

Imbalance Volume	"BUY" Excess Deliveries	Imbalance Volume	"SELL" Excess Redeliveries or Takes
0% up to 5%:	No Cash Out		
5% up to 10%:	100% of RSP	0% up to 10%:	100% of RSP
10% up to 15%:	80% of RSP	10% up to 15%:	120% of RSP
15% up to 20%:	70% of RSP	15% up to 20%:	130% of RSP
20% and over:	50% of RSP	20% and over:	150% of RSP

(Determined as a percentage of total monthly deliveries by an upstream pipeline for the account of the Customer.)

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

Q. Monthly Cash Out Provision (Continued)

Customers may trade monthly imbalance volumes for netting out monthly over and underdelivery volumes. The Company must be notified of any such trades within two (2) business days of the end of the billing month.

All cash out charges or credits, as determined above, will be applied to the Customer's monthly transportation invoice and will be adjusted to an MCF equivalent using a standard conversion factor of 1.035 mmbtu per MCF, unless such factor is not representative of the monthly energy content of gas received by the Company.

* Natural Gas Week is published by the Oil Daily, Inc. Suite 500, 1401 New York Avenue, N.W., Washington, D.C. 20005. For purposes of establishing the Reference Spot Price and the Monthly Available Reference Spot Price the Company shall utilize the Table labeled "Spot Prices On Interstate Pipeline Systems" published each week for gas delivered-to-pipeline at Transco Stations No. 50, 62, 65 (South La/Zone 3). In the event that Natural Gas Week no longer publishes the RSP, or the reference price is no longer representative of spot prices on the Transco pipeline, an acceptable substitute publication will be used.

R. Liability

The Company shall not be liable for curtailment of service or loss of gas as a result of action taken by any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the Customer while being transported and delivered by the Company. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after delivery to the Company.

The Company shall not be liable for any loss to the Customer arising from or out of service by the Company or any actions taken by the Customer's gas supplier or Agent, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employee's or Agents. The Company reserves the right to commingle gas of the Customer with other gas system supplies.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

S. Special Provisions

The Customer bears sole responsibility for all costs incurred to deliver Customer owned gas to the Company's gas distribution system.

The Company's ability to receive Customer owned gas at the specific point(s) of receipt is subject to the operating limitations of the Company and/or the limitations of the upstream party at such point(s).

The Customer shall be responsible for all reasonable costs incurred by the Company in connection with the initiation and rendering of transportation services, including costs required to make suitable facilities available.

The Company will not accept gas for delivery that will adversely impact the integrity of the Company's pipeline system, limit its rights to current or future supply or capacity entitlements, or impose any financial or administrative burdens that would not have existed without acceptance of Customer's transportation volumes.

Customers may be directed by the Company to deliver a portion of or all of their daily nomination to a specific delivery point to facilitate operation of the Company's system and / or ensure system reliability. The Company will be under no obligation to accept or redeliver gas delivered to points other than those specified by the Company in these instances.

T. Public Utilities Tax

The Delaware State Public Utilities Tax shall apply to all transportation services rendered hereunder, unless the Customer is exempt from such tax.

U. Transition Cost Adjustment Charge

Notwithstanding any provision to the contrary in the tariff provisions applicable to a firm service classification, a firm sales customer taking service under the "LVG", "MVG" or "GG" service classifications may transfer service to a transportation service by providing 12 months prior notice of transfer or by paying a Transition Cost Adjustment charge of $0.11 per Mcf. The applicable Mcf figure will be the larger of a Customer's firm natural gas commodity volumes used in the 12 months prior to the transfer or the average annual use of firm natural gas over the prior three years ending in the most recent July prior to the transfer. If 12 months notice is given prior to the transfer, no Transition Cost Adjustment charge will be owed. The Transition Cost Adjustment charge will be prorated for notices of transfer of less than 12 months.

If a Customer had previously provided a three year notice, as permitted by Commission Order No. 6327, such notice remains operative unless superseded by a new notice as provided above. Unless superseded, no Transition Cost Adjustment charge will be applicable after the end of the three-year period. If the remaining period of the three-year notice is less than 12 months, the Customer may transfer to a transportation service by paying a prorated Transition Cost Adjustment charge based on the number of months remaining in the three-year period divided by 12.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

U. Transition Cost Adjustment Charge (Continued)

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a Transition Cost Adjustment charge or refund shall be paid by or returned to the Customer. Such Transition Cost Adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition refunds shall be paid in a lump sum; Transition Cost Adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

V. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under these Transportation Service Terms and Conditions.

W. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GVFT"

GENERAL VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of less than 2,000 MCF, who has a Billing Maximum Daily Quantity (Billing MDQ) of less than 500 MCF and who has an annual consumption of greater than 5,000 Mcf annually. Any Customer whose monthly use equals or exceeds 2,000 MCF and/or whose Maximum Daily Quantity equals or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "MVFT" or "LVFT", as applicable. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the GVFT Customer Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "MVFT"

MEDIUM VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity ("MDQ") of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVFT". The Customer must own and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the MVFT Customer Charge, the Billing MDQ during a month times the MVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "LVFT"

LARGE VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Maximum Daily Quantity ("MDQ") of 500 MCF or greater. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the LVFT Customer Charge, the Billing MDQ during a month times the LVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "SBS"

STAND-BY GAS SUPPLY SERVICE

A. Availability

Stand-by service is an unbundled city gate gas supply service available to any transportation Customer and is mandatory for any "Human Needs" Transportation Customer who does not have proven alternate fuel capability for 100% of its transportation Contract Maximum Daily Quantity ("MDQ"). A transportation Customer other than a "Human Needs" Customer may select any Stand-by MDQ up to its transportation Contract MDQ. The Stand-by MDQ shall represent the maximum quantity of gas the Company shall be obligated to provide to the Customer during any day over the term of the contract.

Stand-by service shall be used in conjunction with the customer's own gas supplies.

The Company may, at its option, with advance written notice being provided no later than 9:00 a.m. EST (EDT) on the calendar day prior to the gas day on which service would otherwise have been provided, limit the amount of stand-by service available if the Customer cannot demonstrate that it has procured a reasonable amount of its own gas supplies for redelivery to the Customer's facility on the Company's gas system.

B. Character of Service

Stand-by service is intended for use by a Customer to a) provide an emergency backup supply in times where the Customer's own gas supply cannot be delivered in quantities sufficient to meet the Customer's requirements, b) minimize daily imbalances, and c) avoid month-end cashouts of excess takes.

During periods of time when a Transportation Customer does not receive its own gas supply in quantities sufficient for its firm requirements, the Company will use its system resources and supplemental supplies to provide gas to the Customer, up to the Stand-by MDQ.

Stand-by Gas provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under Paragraph A herein or under the General Terms and Conditions of the Company's Tariff.

Stand-by volumes shall be the last gas through the meter on any day, after the scheduled redelivery of the Customer's own confirmed transportation and/or storage gas.

C. Contract Term

Service hereunder shall be provided under an executed contract with an initial contract term of at least one (1) year. On each annual anniversary date of the executed contract, the contract term will be automatically extended for another year. The contract may be terminated by either party with at least 6 months advance written notice. Unless agreed to in writing by the other party, notice of termination cannot be subsequently revoked or withdrawn. If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

SERVICE CLASSIFICATION "SBS"

STAND-BY GAS SUPPLY SERVICE - (Continued)

D. Rates and Charges

The minimum monthly bill shall be the Demand Charge times the Stand-by MDQ. The rates and charges which apply under this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay any taxes and surcharges that may apply.

E. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") for Stand-by Service shall be the higher of the Customer's Stand-by MDQ or the actual daily MDQ experienced during the month.

F. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" transportation Customers shall equal their transportation MDQ. For all other transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

G. Public Utilities Tax

In addition to the charges hereunder, the Delaware State Public Utilities Tax shall apply to all services rendered, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

I. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "QFT"

QUASI-FIRM TRANSPORTATION SERVICE

A. Availability

Quasi-Firm Transportation Service is available hereunder to any Customer who has a Minimum Monthly Use of more than 2,000 Mcf and who owns and delivers gas to the Company at an acceptable point of connection, for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation service provided under the Service Classification shall be as stated in the QFT contract, which contract shall specify that the service is firm for no more than 265 days per year and shall also specify the permissible number of days of interruption.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the applicable QFT Customer Charge, the Billing MDQ times the QFT Demand Charge as specified in the contract, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 39. In addition, Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-outs, balancing fees, taxes and surcharges. The maximum QFT Demand Charge for each Customer shall be the applicable MVFT or LVFT demand charge.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "MVIT"

MEDIUM VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

A. Availability

This service is available hereunder to any Customer who has a monthly use of 2,000 Mcf or greater and who owns and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for delivery to Customer's facility on the Company's gas system.

B. Character of Service

Transportation service provided under this Service Classification shall be on a best efforts basis. Customers with No. 6 fuel oil as their alternate fuel are subject to interruption on four (4) hours notice. All other Customers are subject to interruption on two (2) hours notice. For good cause shown, a Customer without No. 6 fuel oil as alternate fuel may be interrupted on four (4) hours notice, if the Customer and the Company enter into a written agreement in advance with such a provision.

C. Rates and Charges

The Customer and the Company shall enter into an interruptible transportation agreement with a minimum term of one (1) year. Among other items, this agreement shall specify a Delivery Charge Option. There are three Delivery Charge pricing options:

1. A fixed rate as shown in Tariff Leaf No. 39.

2. A flexible rate that varies within a minimum and maximum as shown in Tariff Leaf No. 39.

3. A fixed rate between the minimum and maximum, with further terms and conditions (such as minimum throughput requirements) to be negotiated.

Options 1 and 2 are available to the Customer at the Customer's sole discretion. Option 3 is available only by mutual agreement between the Company and the Customer.

Thirty days prior to the expiration or rollover of the contract, the Customer may change its option. If Option 1 is chosen, the Customer may subsequently elect to switch to Option 2 on three (3) months notice. If necessary, there shall be an automatic contract term extension so that the remaining term is at least twelve (12) months from the date the switch to Option 2 is made. If no selection is made, the Customer is deemed to have selected Option 1. At the Company's sole discretion, the Customer may be allowed to switch from Option 1 to Option 2 on less than three (3) months notice. A Customer that selects Option 2 shall remain on Option 2 for a minimum of 12 months. A Customer that selects Option 3 shall remain on Option 3 for a minimum of 12 months, unless a different period is agreed to by the Company.

In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, balancing fees, imbalance cash-out charges, taxes and any surcharges that may apply.

SERVICE CLASSIFICATION "MVIT"

MEDIUM VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE - (Continued)

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "LVIT"

LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

A. Availability

This service is available hereunder to any Customer with a demonstrable Contract MDQ of 500 MCF or greater and who owns and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for delivery to Customer's facility on the Company's gas system.

B. Character of Service

Transportation service provided under this Service Classification shall be on a best efforts basis. Customers with No. 6 fuel oil as their alternate fuel are subject to interruption on four (4) hours notice. All other Customers are subject to interruption on two (2) hours notice. For good cause shown, a customer without No. 6 fuel oil as alternate fuel may be interrupted on four (4) hours notice, if the Customer and the Company enter into a written agreement in advance with such a provision.

C. Rates and Charges

The Customer and the Company shall enter into an interruptible transportation agreement with a minimum term of one (1) year. Among other items, this agreement shall specify a Delivery Charge Option. There are three Delivery Charge pricing options:

1. A fixed rate as shown in Tariff Leaf No. 39.

2. A flexible rate that varies within a minimum and maximum as shown in Tariff Leaf No. 39.

3. A fixed rate between the minimum and maximum, with further terms and conditions (such as minimum throughput requirements) to be negotiated.

Options 1 and 2 are available to the Customer at the Customer's sole discretion. Option 3 is available only by mutual agreement between the Company and the Customer.

Thirty days prior to the expiration or rollover of the contract, the Customer may change its option. If Option 1 is chosen, the Customer may subsequently elect to switch to Option 2 on three (3) months notice. If necessary, there shall be an automatic contract term extension so that the remaining term is at least twelve (12) months from the date the switch to Option 2 is made. If no selection is made, the Customer is deemed to have selected Option 1. At the Company's sole discretion, the Customer may be allowed to switch from Option 1 to Option 2 on less than three (3) months notice. A Customer that selects Option 2 shall remain on Option 2 for a minimum of 12 months. A customer that selects Option 3 shall remain on Option 3 for a minimum of 12 months, unless a different period is agreed to by the Company.

In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fee, taxes and any surcharges that may apply.

SERVICE CLASSIFICATION "LVIT"

LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE - (Continued)

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition Cost Adjustment, and Rules and Regulations.

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SERVICE CLASSIFICATION "FPS"

FLEXIBLY PRICED GAS SUPPLY SERVICE

A. Availability

This city gate gas supply service is available hereunder to any transportation Customer for use 1) as an interruptible service of gas supply, 2) to replace third-party procured gas supply that was scheduled but not delivered to the Company's citygate station, or 3) to provide the Customer with a source of supply for incremental energy needs.

The Company shall notify Customers or their Agents no later than 9 a.m. EST (EDT) immediately preceding the gas day of the volumes, if any, are available for use.

This rate is not available for gas used in electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Unbundled Sales Service provided under this Service Classification shall be on a best efforts basis and shall be subject to interruption upon at least a four (4) hours advance notice.

C. Contract Term

The Customer shall execute a service agreement with the Company which shall specify, among other things, the Maximum Daily Quantity ("MDQ") of gas required. The minimum contract term shall be one (1) day and maximum contract term shall be negotiated.

D. Rates and Charges

The Customer shall pay the commodity rate per MCF as specified in the contract. This commodity rate shall be a negotiated, market-based charge. If system supply is used, the Customer shall pay at a minimum a price per MCF equal to the monthly WACCOG, plus Lost and Unaccounted for Gas, plus one (1) cent per MCF.

SERVICE CLASSIFICATION "FPS"

FLEXIBLY PRICED GAS SUPPLY SERVICE - (Continued)

E. Liability

The Company shall not be liable for curtailment of service or loss of gas as a result of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

The Company shall not be liable for any loss to the Customer arising from or out of service by the Company, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other gas supplies.

F. Public Utilities Tax

In addition to the charges hereunder, the Delaware State Public Utilities Tax shall apply to all services rendered, unless the Customer is exempt from such tax.

G. Rules and Regulations

The applicable Rules and Regulations set forth in the Company's Tariff, of which this Service Classification is a part, shall govern the provision of services under this Service Classification. The General Terms and Conditions of the Company's Tariff are incorporated into this Service Classification and shall be interpreted in accordance therewith.

H. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR"

A. Purpose

The Company is offering this negotiated contract tariff provision to enable the Company to respond to Customer needs and the increasingly competitive forces in the energy services market. This contract tariff provision shall be used by the Company as a vehicle for responding to competitive pricing situations resulting from but not limited to fuel switching, facility relocation or expansion, partial or complete plant production shifting, and potential physical bypass. The Company shall use the provisions of this tariff only after a determination by the Customer that other existing tariff options will not meet the Customer's needs.

B. Eligibility

This contract tariff is available to any qualifying Customer as specified herein. Customer qualification shall be based upon meeting each of the following criteria as determined solely by the Company:

(a) The Customer has an economic competitive alternative to full or partial service from the Company's standard tariff rates, as determined by the Company;

(b) The Customer is likely to select said alternative if the Company does not provide a negotiated contract rate offer, verified by an affidavit to that effect signed by a qualified representative of the Customer;

(c) The price to the Customer will provide net revenues above the incremental costs to provide service under this negotiated contract rate; and

(d) The Customer is not eligible to take Residential Gas Service and has an average monthly consumption of at least 2,000 MCF.

The Company shall determine eligibility on a case-by-case basis based upon information supplied by the Customer. The Company's decision on the application shall consider the economics of the competitive alternative, as well as the practical aspects of securing that alternative (e.g., ability to secure environmental permitting, feasibility studies, switching ability, ability to secure required capital).

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR" - (Continued)

C. Service Options

If, after reviewing the Customer's application for service, the Company concludes that the Customer meets all the eligibility requirements listed above, the Company shall enter into negotiations with the Customer for the purpose of offering such services as are believed to meet the Customer's requirements. Competitive offers may be made in a manner which provides the Customer with increased choices for service. A menu of service options differentiated by contract term, quantity, pricing options, and service attributes may be made available to the qualifying Customer. The agreed upon services shall be specifically described within the Customer Service Agreement ("CSA").

D. Contract

Eligible Customers requesting this Service Classification will be presented with a CSA, which specifies the terms and conditions of the contractual agreement between the Company and Customer. The CSA shall establish the otherwise applicable Service Classification for the Customer. The Customer must sign the CSA prior to commencement of this service and any investment by the Company. Service under the contractual agreement will commence on the date specified in the CSA.

E. Confidentiality

The CSA shall be considered a confidential document between the Company and Customer. By signing the CSA, the Customer and the Company agree not to share the CSA or information contained within the CSA with anyone except the parties to the contract, the Commission and the Office of the Public Advocate, unless given written consent from the other party. Violations by the Customer of the confidentiality agreement shall permit the Company to immediately terminate the contract with the Customer and subsequent reclassification to the appropriate Service Classification (as determined by the Company). The Customer shall also be responsible for the penalty provision (described below) and additional damages or prejudices to any other existing or potential contracts resulting from the breach of confidentiality.

F. Public Notice

The Company shall make publicly available the conditions that define a similarly situated Customer. Similarly situated means having characteristics including, but not limited to, similar supply economics and similar economic impacts on the Company. The Company shall make the same terms, prices and conditions available to any other Customer, new or existing, which the Company determines, at its sole discretion, to be similarly situated.

G. Pricing Options

Pricing shall be determined on a case-by-case basis according to the nature of the competitive situation. The final arrangements between the Company and Customer shall be included in the CSA.

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR" - (Continued)

H. Service Attributes

The Company may offer value-added services in conjunction with the contract. All service attributes agreed to between the Company and Customer shall be included in the CSA.

I. Contract Termination Clause

The contract between the Company and Customer shall include penalty provisions for early contract cancellation. If at any time prior to the end of the contract term the Customer elects to terminate the contractual agreement with the Company without exercising a recontracting option for continuing service, the Customer shall be obligated to the terms for cancellation as specified within the CSA.

J. Increase In Rates And Charges

Unless specifically stated within the CSA, commodity charges under this Service Classification shall be subject to the Gas Cost Rate Clause as described in the Tariff.

Customers subscribing to this Service Classification shall be assessed all surcharges of the otherwise applicable Service Classification (the standard classification to which the Customer would be subscribed to absent this contract tariff). All applicable surcharges which apply under this Service Classification shall be administered in accordance with the corresponding rules of this schedule.

The rates and charges under this Service Classification, including the Gas Cost Rate Clause and all applicable surcharges, shall be increased by the applicable Delaware State Public Utilities Tax and the Local City of Wilmington Franchise Tax, unless the Customer is exempt from such tax.

K. Contract Terms Filed With The Commission

The Company shall file the Contract terms with the Commission at least 30 days prior to the effective date of the Contract.

RIDER "ESR"

ENVIRONMENTAL SURCHARGE RIDER

A. Purpose

The purpose of this rider is to recover reasonable costs associated with the clean up of the Manufactured Gas Plant site in Wilmington. Applicable environmental costs are those incurred as a result of, but are not limited to investigating, testing, monitoring, remediation, land acquisition, legal costs related directly to the site remediation, and disposal sites. These costs must be actually incurred, incremental "out-of-pocket" remediation related expenses and must exclude such as internal labor and overhead expenses. The remediation costs must be offset by any remediation costs reimbursements received by the Company from insurance carriers and or other Potentially Responsible Parties. The costs recovered by this Rider shall not include expenses incurred in connection with litigation by third parties claiming personal injury or by third parties claiming damage to their property as a result of the operation or decommissioning of the site or as a result of the migration of material from the site.

B. Applicability

This rider is applicable to all firm delivery service Customers, including Service Classifications "RG", "GG", "MVG", "LVG", "GVFT", "MVFT", "LVFT".

C. Operation of the Rider

The Company will file with the Commission a copy of the environmental surcharge rider computation at least 30 days prior to the proposed effective date of November 1.

The calculation filed will be supported by all bills and receipts relating to the amount of any environmental costs incurred in the preceding Environmental Cost Year for which the Company seeks to begin recovery. In the same filing, the Company shall include similar material and information to support any expenses and/or recoveries resulting from Third Party claims.

D. Rate

The rate for this Rider is listed under the applicable classifications shown on Tariff Leaf No. 37 and Tariff Leaf No. 38.

E. Determination of the Rate

The Rider rate shall be comprised of an Amortization Factor and a Reconciliation Factor as follows:

(1) Amortization Factor: Recovery of net environmental costs incurred during an Environmental Cost Year (ECY) will be accomplished through a five year amortization, offset by the tax benefit associated with those environmental costs as defined below. A net annual amortization amount will be calculated for each of the five years of amortization scheduled for the Environmental Cost Year. The amortization factor for any year will be comprised of the total net annual amount scheduled for that year.

RIDER "ESR" (continued)

ENVIRONMENTAL SURCHARGE RIDER

E. Determination of the Rate continued

(2) Reconciliation Factor: The reconciliation factor shall be equal to the over/under collection of the environmental cost rider. Over/under collection is the accumulated experienced net over or under recovery of the environmental costs during the twelve-month period ending with the month of July immediately preceding the beginning of the next recovery year.

(3) Rider Rate: The rider rate shall be equal to the sum of the amortization and reconciliation factors divided by projected firm sales over the next recovery period of November 1 through October 31.

F. Definitions

Environmental Cost Year (ECY) - is the time period over which environmental costs are incurred and any payments from other parties are netted against those costs. For purposes of this rider, the ECY is from June 1 through May 31. The ECY will include actual data recorded for the year. Recovery of environmental costs for an ECY will begin with the Recovery year that starts immediately following the end of the ECY.

Recovery Year – is each November 1 through October 31 and is the time period which the annually calculated environmental rider will be billed to firm Customers.

Tax benefit (TB) – associated with environmental expenditures shall be calculated as follows:

$Tb_n = AEC_n * [(5-x)/5] * 0.1118 * 0.40655$

Where:

AEC_n = Actual Environmental Costs incurred in ECY "n"

X = The number of years that the Actual Environmental Costs (AEC) incurred in Year "n" have been subject to amortization (x= 1, 2, 3, and 4)

0.1118 = Before Tax Cost Rate

0.40655 = Effective Combined Federal and State Income Tax Rate.

The Before Tax Cost Rate of 0.1118 and the Effective Combined Federal and State Income Tax Rate of 0.40655 are the rates at the time of implementation of this rider and are subject to change. Any change in the Before Tax Cost Rate will be implemented starting with the next Rider Rate is calculated for the next Recovery year. Any change in the Effective Combined Federal and State Income Tax Rate will be implemented starting with the recovery calculation for the next ECY that ends after the rate changes.

RIDER "UFRC"
UTILITY FACILITY RELOCATION CHARGE RIDER

A. Purpose

The Utility Facility Relocation Charge (UFRC) is intended to allow Company to recover the cost of relocation of existing facilities required or necessitated by Department of Transportation or other government agency projects.

B. Applicablity

This Rider is applicable to any Customer served under Service Classifications "RG", "GG", "GL", "MVG", "LVG", "LVG-QFCP", "PM", "GVFT", "MVFT", "LVFT", "SBS", "QFT", "MVIT", "LVIT", "FPS" and "NCR."

The rate is applicable to the portion of the Customer's charges related to the delivery or distribution of gas.

C. Definitions

1. "Eligible Utility Facility Relocations" mean new, used and useful plant or facilities of a gas utility that:

   i. Do not include that portion of any plant or facilities used to increase capacity of or connect to the system to serve new or additional load;
   ii. Are in service; and
   iii. Were not included in the utility's rate base in its most recent general rate case; and which
   iv. Relocate, as required or necessitated by Department of Transportation or other government agency projects without reimbursement, existing Company facilities, including but not limited to, mains, lines and services, whether underground or aerial. For purposes of this section, "existing facilities" and "relocate" include the physical relocation of existing facilities and also include removal, abandonment or retirement of existing facilities and the construction of new facilities in a relocated location.

2. "Pretax return" means the revenues necessary to:

   a. Produce net operating income equal to the Company's weighted cost of capital as established in the most recent general rate proceeding multiplied by the net original cost of eligible utility facility relocations. At any time the Commission by its own motion, or by motion of the Company, Commission staff or the Public Advocate, may determine to revisit and, after hearing without the necessity of a general rate filing reset the UFRC rate to reflect the Company's current cost of capital. The UFRC rate shall be adjusted back to the date of the motion to reflect any change in the cost of capital determined by the Commission through this process;

   b. Provide for the tax deductibility of the debt interest component of the cost of capital; and

   c. Pay state and federal income taxes applicable to such income.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER - continued

C. Definitions (continued)

3. "UFRC costs" means depreciation expenses and pretax return associated with eligible utility facility relocations.

4. "UFRC rate" refers to utility facility relocation charge.

5. "UFRC revenues" means revenues produced through a UFRC exclusive of revenues from all other rates and charges.

D. Filing

1. The UFRC rate shall be adjusted semiannually for eligible relocation expenses placed in service during the 6-month period ending 2 months prior to the effective date of changes in the UFRC rate .

2. The effective date of changes in the UFRC rate shall be January 1 and July 1 every year.

3. The Company shall file any request for a change in the UFRC rate and supporting data with the Commission at least 30 days prior to its effective date.

4. The UFRC rate applied between base rate filings shall be capped at 7.5% of the portion of the Customer's charge related to the delivery or distribution of gas, but the UFRC rate increase applied shall not exceed 5% within any 12-month period.

5. The UFRC rate will be subject to annual reconciliation based on a period consisting of the 12 months ending December 31st of each year. The revenue received under the UFRC for the reconciliation period shall be compared to the Company's eligible costs for that period with the difference between revenue received and eligible costs for the period recouped or refunded, as appropriate, over a 1-year period commencing July 1 of each year. If the UFRC revenues exceeded the UFRC eligible costs, such over-collections shall be refunded with interest.

6. The UFRC rate shall be reset to zero as of the effective date of new base rates that provide for the prospective recovery of the annual costs theretofore recovered under the UFRC rate.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER – continued

E. Filing (Continued)

1. The UFRC rate shall also be reset to zero if, in any quarter, data filed with the Commission by the Company show that the gas utility will earn a rate of return that exceeds the rate of return established in its last general rate filing or by Commission order as described in paragraph 2.a of this Rider, if such was determined subsequent to the final order in the Company's last general rate filing. Further, the UFRC rate shall be reinstated when such data show that the established rate of return is not exceeded and will not be exceeded if the UFRC rate is reinstated and reset.

The UFRC is set forth as follows: 1.95%

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PROPOSED

REDLINE TARIFFS

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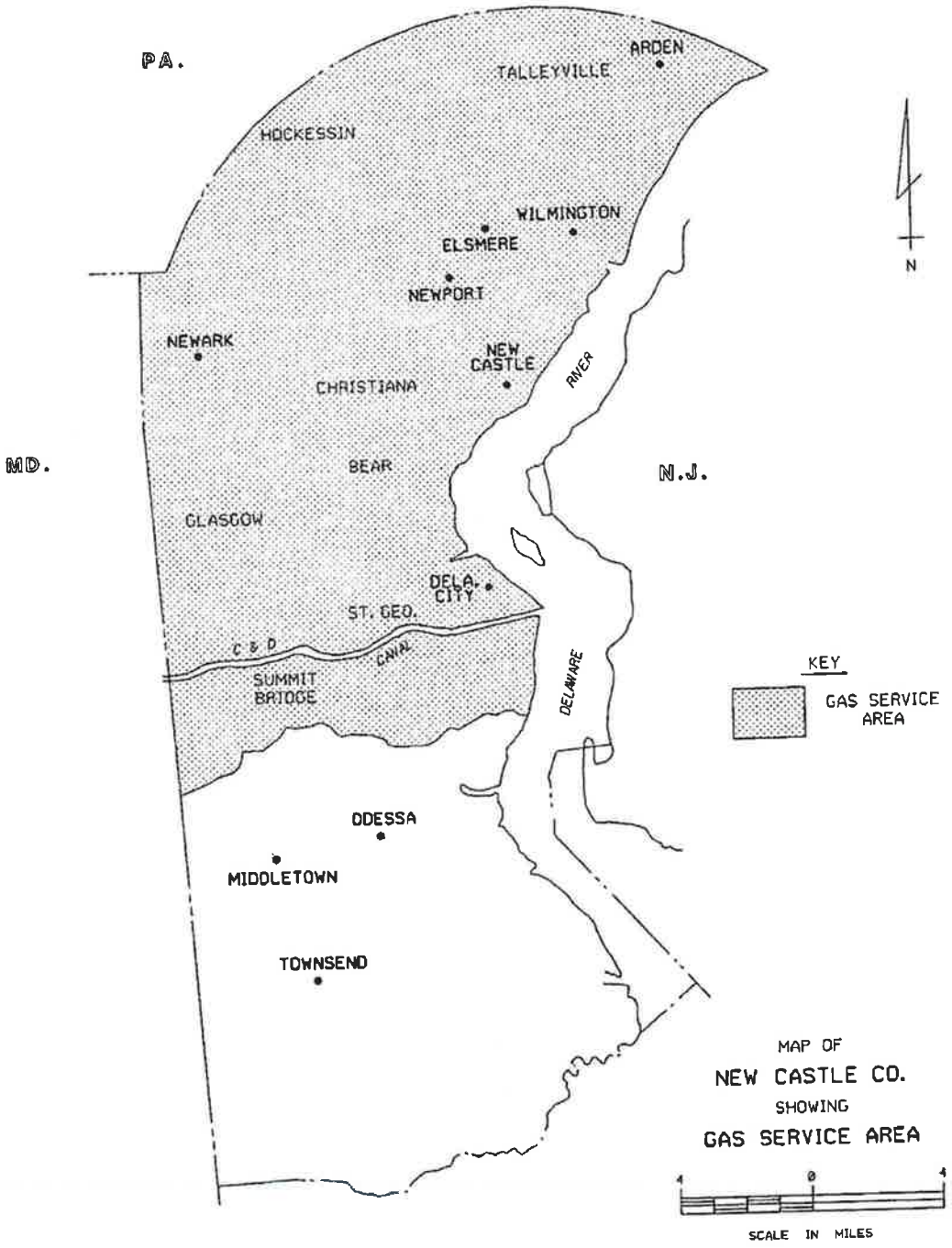
MAP OF SERVICE TERRITORY



PMAP/31

DEFINITION OF TERMS

The words listed below shall have the following meanings when used in this tariff:

Account – An account is one metered or unmetered rate or service classification which normally has one natural gas delivery point of service. Each account shall have only one natural gas supplier providing full natural gas supply requirements for that account. A premise may have more than one account.

Applicant – Any person, corporation or other entity that: (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, or (iv) is not yet actually receiving from the Company any service provided for in this Tariff. An Applicant shall become a Customer for purposes of this Tariff only after the Applicant actually starts receiving the applicable service(s) from the Company under this Tariff.

Agent/**Broker** – A person or entity that acts as an agent or intermediary in the sale or purchase of, but that does not typically take title to, natural gas for sale to retail customers.

Commission – The Delaware Public Service Commission.

Company – Delmarva Power & Light Company or Delmarva Power.

Consolidated Meter – A single delivery point to multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single "Consolidated Meter" delivery point will have gas lines after that point are or were installed, operated , monitored maintained and if needed repaired or replaced by the Company. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

Customer – Any adult person, partnership, association, corporation, or other entity: (i) in whose name an account is listed, (ii) who occupies or is the ratepayer for a premises, building, structure, etc., and (iii) who is primarily responsible for payment of bills. A Customer includes anyone taking Delivery Service or combined Supply & Delivery Service from the Company under one service classification for one account, or premises. Multiple premises under the same name are considered multiple Customers.

Customer Charge – A charge designed to recover the costs the Company incurs in providing such services as metering, reading the meter(s), providing dedicated delivery service and billing the Customer's account.

Electronic Bulletin Board (EBB) –Generic name for the system of electronic posting of pipeline information as mandated by the Federal Energy Regulatory Commission (FERC)

Environmental Surcharge Rider - The purpose of this rider is to recover reasonable costs associated with the cleanup of the Manufactured Gas Plant site in Wilmington.

Gas Cost Rate - The monthly rates contained in Service Classifications RG, GG, GL, MVG, and LVG shall include a gas cost rate each month to reflect total purchased gas costs. Total purchased gas costs will be separated into purchased gas commodity costs and upstream demand-related gas costs. Total gas cost recovery will occur as the result of the application of a purchased gas commodity cost recovery component and a demand-related cost recovery component to Customer billing determinants.

Loss and Unaccounted for Gas –the difference between gas purchased and gas sold

DEFINITION OF TERMS

Master Meter - A single delivery point to multiple occupancy buildings in a contiguous area M (i.e. Apartment Complex) that have gas lines after that point that are or were installed, operated , monitored maintained and if needed repaired or replaced by the Customer and not the Company. Such Master Meter operators are required to comply with Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree under laws as they currently exist or as they may be modified in the future and specifically pipeline safety regulations to be a customer of the Company Delmarva Power. Failure to comply with such safety regulations may be cause for termination of service without notice by the Company if an unsafe condition exists or has the potential to exist

Marketer – A person or entity that purchases and takes title to natural gas for sale to retail natural gas customers.

Maximum Daily Quantity (MDQ) - The MDQ shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m., E.S.T. and E.D.S.T.) of the current billing month.

Miss Utility - a free underground public utility locating service reached by calling 811. RK

Premises – A premises is one contiguous property or site which normally has one delivery point of service and one or more metered or unmetered rate or service classes, each of which is an account, that when totaled equal the entire natural gas used at that one premises or site. A premises may have more than one account with each account having one Natural gas supplier providing full Natural gas supply requirements. Multiple premises or sites under the same name are considered multiple Customers.

Transition Cost Adjustment Charge - shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice, or that switches to or from a monthly Gas Cost Rate. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

Volumes – "CCF" = 100 cubic feet of gas, "MCF" = 1,000 cubic feet of gas

RULES AND REGULATIONS
SECTION I - GENERAL

A. Filing and Posting

This Gas Service Tariff comprises the Rules and Regulations of service and the Service Classifications under which gas service will be supplied to its Customers in New Castle County by Delmarva Power & Light Company (the "Company"). A copy of this Tariff is on file with the Public Service Commission of Delaware ("Commission") and open to inspection at all public Company offices within the gas service territory.

B. Revisions

This Tariff may be revised, amended, supplemented or otherwise changed from time to time, in accordance with rules and procedures of the Commission.

C. Statement by Agents

No representative has authority to modify any rule or provision of this Tariff, or to bind the Company by any promise or statement contrary thereto, unless the same shall be incorporated in a contract.

D. Rules and Regulations

The Rules and Regulations are a part of every contract for service and govern all classes of service unless otherwise specifically stated by a Service Classification.

E. No Prejudice of Rights

The failure by the Company to enforce or the decision not to enforce any of the provisions of this Tariff shall not be deemed a waiver of the right to do so.

F. Gratuities to Employees

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered.

G. Resolution of Disputes

When an Applicant or Customer has an issue to resolve with the Company, they should first contact the Company to resolve the issue. The Company and the Applicant or Customer shall use good faith and reasonable efforts to informally resolve the issue. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving the Company, they may do so through the use of the procedures of the Division of the Public Advocate or the Commission.

When an Applicant or Customer has an issue to resolve with a Natural Gas Supplier, other than the Company, the Applicant or Customer should first contact that Natural Gas Supplier to resolve the issue. If the Applicant or Customer contacts the Company, the Company will make every effort to assist them toward possible solutions. The Company is under no obligation to resolve disputes between an Applicant or Customer and a Natural Gas Supplier. If the Applicant or Customer wishes to file a formal complaint to resolve a dispute involving a Natural Gas Supplier, they may do so through the use of the procedures of the Division of the Public Advocate or the Commission.

Resolution of disputes between the Company and a Natural Gas Supplier are addressed under a Gas Supplier Agreement.

RULES AND REGULATIONS
SECTION II - APPLICATION AND CONTRACT FOR SERVICE

A. Application for Service

An application for the supply of service may be required from each Customer. This application when executed by the Company constitutes the contract between the Company and the Customer, subject to the terms of the applicable Service Classification, and these Rules and Regulations. Charges for service shall begin at the time service is made available to the Customer.

The Company reserves the right to require reasonable evidence of the Applicant's identity and service address satisfactory to the Company and to make a reasonable investigation of such prior to rendering service. The Company reserves the right to require a written or electronic application from any Applicant executed in a form satisfactory to the Company.

B. Right to Reject Application

The Company may reject any application for service if the Applicant does not meet or will not agree to meet all the requirements of the Rules and Regulations of this tariff. The Applicant shall be given reason or reasons for rejection of the application for service, in writing if requested.

C. One Point of Delivery

The Service Classifications of this Tariff, unless otherwise stated, are based upon the supply of service to one entire premises through a single delivery and metering point. The Company shall supply only one metering installation for each class of service. The use of service at two or more separate properties shall not be combined for billing purposes.

The Company reserves the right to deliver service to more than one point where the Customer's load or service requirements necessitate such delivery or if such action would result in lower overall installed and continuing operating cost of this service. This procedure is applicable to ~~other public utilities and large~~ industrial or commercial customers having extensive operations in a contiguous area.

The Company reserves the right to meter at one consolidated point but provide service at more than one point where the Customer's load or service requirements necessitate such delivery or if such action would result in lower overall installed and continuing operating cost of this service. This procedure is applicable to industrial or commercial customers having extensive operations in a contiguous area. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

D. Service at New Locations

Service at new locations shall be rendered only when all bills for service to the Customer at any other locations have been paid, or credit arrangements satisfactory to the Company have been made.

E. Service Contracts

Standard contracts shall be for terms as specified in the applicable Service Classification. Where large or special investment is necessary for the supply of service or where service is to be used for temporary or unusual purposes, contracts for terms other than specified in the Service Classification, or with special guarantees of revenue, or both, may be required.

RULES AND REGULATIONS

SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

F. Temporary Service

Temporary service is service, ordinarily not recurrent in nature, required for temporary structures or locations. Temporary service shall be rendered only when and where the Company has the necessary facilities available to render the service applied for, without detriment to the service of other Customers.

The Customer must pay the entire net cost of installation and removal of required facilities installed for the sole purpose of the temporary service. A deposit may be required, in advance, sufficient to cover the installation and removal, materials not returnable, and the estimated cost of gas usage. Where facilities are endangered by construction or proposed usage, the Customer may be required to own and maintain the facilities.

Temporary gas service is available only under Service Classifications "GG" and "MVG" on a short-term basis. The minimum monthly bill for this service will be as specified under the minimum charge provision of the Service Classification.

G. Rights-of-Way/Permits

1. General

An Applicant requesting service shall furnish, without expense to the Company, suitable rights-of-way, easements or permits on forms provided by the Company for the installation of facilities on, under and across the premises of the Applicant for the purpose of providing gas utility service to the Applicant and to premises and other users in the vicinity.

If it is necessary to acquire such rights, easements or permits from others, such as abutting property owners, lessors, railroads, etc., in order for the Company to serve the Applicant, then the Applicant shall be responsible for obtaining such rights, easements or permits as the Company deems necessary.

Where, due to the nature of the property to be served, the Company finds that the exact boundaries are of critical importance, the Applicant shall locate and mark such boundaries to the reasonable satisfaction of the Company.

RULES AND REGULATIONS
SECTION II - APPLICATION AND CONTRACT FOR SERVICE - (Continued)

G. Rights-of-Way - (Continued)

1. General - (Continued)

The Applicant shall be responsible for clearing all obstructions from the construction area as designated by the Company, said clearing to be completed in reasonable time to meet service requirements.

The construction area as designated by the Company shall be graded to within six (6) inches of final grade before the Company will commence construction.

The Company shall construct, own, operate, and maintain underground distribution lines only along public streets, roads and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained within a reasonable time and without cost or condemnation by the Company.

The Company may also purchase rights-of-way where necessary to avoid conflicts with the Delaware Department of Transportation.

If subsequent to construction start-up, the Company is required to relocate or adjust any of its installed facilities due to change in grade, adjustments of property lines or change in plans, the cost of such relocation shall be borne by Applicant, its successors or assigns.

2. Required Property Information

The Applicant shall furnish the Company as required, at no charge to the Company, property plans, other utility plans, grading plans, roadway profiles, property line stakes, grade stakes and other items showing details of proposed construction. This information is required in reasonable time to allow the Company to design and construct its facilities in a safe and efficient manner to meet service requirements and to comply with applicable laws, codes, and rules and regulations. The customer shall physically mark the horizontal location of any non-utility line (i.e. lawn sprinklers, private water services, dog fences, etc) within 18 inches of the non-utility line on the ground by means of stakes, paint or other suitable means prior to any notice of construction or maintenance activities on the customer's property. The cost of repair or replacement of any non-utility lines not marked will be the customer's responsibility.

H. Hazardous Conditions

The Applicant shall notify the Company of any hazardous conditions which employees may encounter on the Customer's property while installing or maintaining service. Where hazardous conditions exist which may affect the welfare of Company employees, the Company reserves the right to withhold service or require the Applicant to provide a non-hazardous route for necessary service facilities~~.~~, or applicant shall remove any hazardous substances or hazardous materials which present a threat to human health or the environment or which require special handling in the use, generation, collection, storage, treatment, or disposal or payment of response costs under any Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree, such that the Company can install its gas facilities without incurring any cost or expenses related in any way to such hazardous substances or hazardous materials. The Applicant shall be responsible for all costs required of the Company to meet applicable environmental, or other hazardous condition laws required of employees specifically for installation of the Applicant's service.

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Proposed

RULES AND REGULATIONS

SECTION III - CUSTOMER'S DEPOSIT

A. Customer's Deposit to Guarantee Payment of Final Bills

The Company shall require a cash deposit from an Applicant or an existing Customer for each account until satisfactory credit is established to guarantee payment of final bills for service rendered. Such deposit shall not be more in amount than two-twelfths (2/12) of the estimated annual revenue or as may be reasonably required by the Company in cases involving a service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

Deposits shall be collected in whole dollar amounts. A deposit shall not be required if the amount is less than fifty dollars ($50).

Required Deposits may be deferred at the Customer's request to the first month's bill or may be paid in installments over three (3) consecutive monthly billings.

Simple interest on deposits at an annual rate equal to the average of the percent yields of the 1-year Treasury constant maturities for September, October, and November of the preceding year, shall be applied annually as a credit to the Customer's account and so indicated on the January bill. No interest shall be paid unless the deposit is held longer than ninety (90) days. For deposits paid in installment payments, interest shall begin to accrue from the date of final deposit payment. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated or on the date notice is sent to the Customer's last known address that the deposit is no longer required.

Deposits shall be refunded after one (1) year for Residential deposits and after four (4) years for Non-Residential deposits if satisfactory credit has been established. Satisfactory credit is defined as payment of the last twelve (12) consecutive monthly bills without an unpaid previous balance and no detrimental credit information recorded against the Customer's account within the last twelve (12) months. Detrimental credit information is defined as adverse credit reports from recognized credit reporting services available to the general business community or from accounting records of the Company.

RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS

A. Billing Period

Rates are stated on a monthly basis and bills are rendered monthly following the supply of service based on meter readings scheduled at approximate monthly intervals of from 27 to 33 days. Except as provided in the following sentence, the bill shall only be prorated if one of the following conditions are met: a) a final bill is being rendered for a termination of service; b) an initial bill is being rendered for a new customer; or c) a LVG customer requests a change in its meter reading route or billing cycle to which the Company has agreed. In addition to the foregoing, proration shall be permitted to the extent authorized or required by the Commission in conjunction with a change in rates that becomes effective for usage on and after a particular date or billing cycle.

B. When Bills are Payable

All bills are due and payable upon presentation.

C. Estimated Bills

When the ~~Company's meter reader~~Company is unable, at any regular reading date, to read the Customer's meter, the Company may render an estimated bill in accordance with the Company's policy on file with the Commission.

D. Payment Posting Sequence

When a ~~customer~~Customer remits payment for services, the payment shall be applied as follows:

1. Arrears for the Company's combined Electric Supply & Delivery Service or Delivery Service, where applicable.
2. Arrears for the Company's Gas Utility Sales Service or Delivery Service.
3. Arrears by vintage priority for prior Electric Supplier or Gas Supplier charges, where applicable. For an Electric Supplier's arrearage and a Gas Supplier's arrearage with the same vintage, the Electric Supplier's arrearage has priority over the Gas Supplier's arrearage.
4. Current charges for the Company's combined Electric Supply & Delivery Service or Delivery Service, where applicable.
5. Current charges for the Company's Gas Utility Sales Service or Delivery Service.
6. Current charges for Electric Supplier charges, where applicable.
7. Current charges for Gas Supplier charges, where applicable.

E. Returned Checks

Checks given in payment for any bills or charges rendered which are returned unpaid by the Customer's bank, shall result in an additional charge of fifteen dollars ($15) per check, per occurrence, which charge shall be levied against the Customer's account. Proper notice of the returned check and the charge shall be mailed to the Customer by first class mail. Where the returned check is for combined electric and gas service, this charge shall be assessed for only one of these services.

The Company shall automatically waive this charge provided the returned check was the first occurrence in the most recent twelve (12) months.

RULES AND REGULATIONS

SECTION IV - PAYMENT TERMS - (Continued)

F. Late Payment Charge

Bills are due and payable upon presentation. If payment for bills rendered is not received by the Company prior to the next meter reading date, a late payment charge of one and one-half percent (1-1/2%) of the unpaid balance, less applicable taxes, shall be added to the next billing. Payments shall be credited against the most delinquent charges.

The Company shall automatically waive the first late payment charge within the last twelve (12) consecutive billing months for Residential Customers. After an automatic waiver, the Residential Customer shall not be eligible for the next automatic waiver until the twelfth billing month following the billing month of the previous waiver.

G. Installment Payments

Any Customer may request an installment payment as an optional means for payment of charges and to avoid service termination resulting from delinquent charges. An installment payment agreement constitutes a contract between the Customer and the Company, which guarantees payment by the Customer for the amount of the agreement over the specified period. All requests for installment payment agreements are subject to Company approval and must be signed by the Customer and by a Company-authorized employee. A service charge of one-half percent (1/2%) per month shall be applied on the unpaid balance due under this agreement. The balance amount of the agreement is not subject to the provisions of the late payment charge.

Failure of the Customer to meet the conditions of this installment payment agreement including prompt payment of the current bill shall constitute a breach of this agreement and entitle the Company to pursue collection and termination procedures pursuant to the applicable rules and regulations of the Commission.

H. Budget Billing

Budget billing provides a payment plan which allows Customers to levelize their monthly bills. The Budget Billing Plan is available to all Residential Customers and to any Non-Residential, Firm Sales Customers whose maximum monthly use is less than 2,000 MCF. Non-Residential Customers may be initially placed on the Plan only in the billing months of April, May, October or November. Any such qualifying Customer who does not have a delinquent balance outstanding may elect to be placed on budget billing. Under this plan, the Customer shall be billed for eleven months on an estimated budget amount basis with the twelfth month as the settlement month. The billing for the settlement month shall consist of the difference between the actual amount due to date and the budget amount paid to date.

RULES AND REGULATIONS

SECTION V - ADMINISTRATION OF SERVICE CLASSIFICATION

A. Choice of Service Classification

When two or more Service Classifications are available for the same class of service, the Customer shall select the Service Classification to be applied to the Customer's service.

B. Company Assistance

The Company, upon request, shall assist the Customer in the selection of the most advantageous Service Classification, but the duty and responsibility of making the selection shall at all times rest with the Customer.

C. Changing Service Classifications

When a Customer has selected the Service Classification for the Customer's service, its application shall remain in effect for the contract term which the Service Classification specifies.

RULES AND REGULATIONS

SECTION VI - CUSTOMER'S INSTALLATION

A. Description of Installation

The Customer shall, before installing any equipment, notify the Company as to the devices which are to be attached to the Company's lines, giving location of the proposed installation so that the Company may advise the Customer of the character of the service the Company shall furnish and the point at which the service shall be connected and metered.

In those cases where the Company deems it necessary, the Customer shall present in writing complete specifications of equipment, loads, location plans, piping, regulators and other data required, so that the Company may advise the Customer of the character of the service it will furnish, the point at which it will be connected and metered and any other requirements associated with the special conditions of the service.

B. Customer's Equipment

Gas piping, fixtures, and appliances on the Customer's premises must be installed at the expense of the Customer or owner of the property unless a contribution to the cost of piping or fixtures would result in lower overall installed and continuing operating costs of the service to the Company. Such a contribution may not be made towards the cost of appliances.

The Company may delay the construction of an extension and/or service until the Applicant has completed the piping and installation of equipment necessary to receive and use service.

C. Inspection

All new piping and equipment, or changes in piping and equipment, shall conform to the standards of the National Fuel Gas Code and those of local public authorities in force at the time.

The Company shall render service only after receipt by the Company of a notice of approval issued by the duly recognized inspection agency.

RULES AND REGULATIONS

SECTION VII - SERVICE INSTALLATIONS

A. General

Services as used in this section refers to service piping and associated materials between the Company's gas main system and the point of connection with the Requester's gas line. The Company's system facility from which the service is installed may be on public or private right-of-way. Services shall be designed and constructed consistent with good engineering practice.

The Company shall install, own and maintain services, under the terms and conditions herein enumerated, to the point of connection with the Requester's gas line. Such point shall generally be near the corner of the building nearest the point at which the gas service enters the property to be served. Any modifications requested by the Requester must be approved by the Company and any additional costs resulting therefrom shall be borne by the Requester. Services shall not be installed or connected unless specifically requested by the Requester and until satisfactory payments or credit arrangements are made if required by the Company.

B. Service Installations

1. Residential Services

The Company shall install, own, maintain and replace residential services. If the portion of gas service on the Requester's property exceeds 100 feet, the Company's initial investment shall be limited to five (5) times the related estimated annual net base revenue excluding all fuel costs ("Estimated Revenue") from the Requester. All investment that exceeds both the 100 foot limit and the Estimated Revenue test shall be paid by the Requester based on the average installed cost per foot for residential services installed during the preceding calendar year. Such Contribution In Aid of Construction shall include all applicable taxes. Any such payments may be waived if the amount is less than $50.

2. Non-Residential Services

The Company shall install, own and maintain non-residential services. The Company's initial investment in service installations shall be limited to three (3) times the Estimated Revenue from the Requester. Where such Estimated Revenue does not justify the estimated cost of installation, the Applicant shall pay for all additional installed costs not justified by the estimated revenue. Any such payments may be waived if the amount is less than $50.

3. Non-Residential Dual Fuel Services

The Company shall install, own and maintain non-residential services. All Non-Residential Customers who desire service and who have the ability to continuously use an alternate fuel must sign an Application that holds the Customer liable for all estimated costs not covered by actual non-fuel revenues received and retained by the Company.

RULES AND REGULATIONS

SECTION VII - SERVICE INSTALLATIONS - (Continued)

C. Relocation of Services

Company-owned residential service facilities shall be relocated to a point of Company convenience at Company expense in order to correct or prevent a violation of applicable codes where such action requires no increase in the overall length of service piping.

In the Company's opinion, when such relocation or portion of such relocation is deemed to benefit the Company, the resulting cost will be prorated between the Company and the Customer accordingly.

In all other cases where the Customer requests relocation, or takes action which requires relocation of gas service piping and/or meters, remote meter reading equipment and pressure regulators, the entire cost of such relocation shall be paid by the Customer.

In the event the Company shall be required by any public authority to relocate any portion of the Company's gas system, the Customer, at the Customer's expense, shall make the necessary changes in the location of the Customer's facilities to accommodate such changes.

RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS

A. Meters Supplied by the Company

The Company shall normally furnish, install, maintain and own one (1) set of metering equipment for measurement of the service supplied under each contract.

B. Meter Location

The Customer shall provide, without charge, a suitable place for the meters, pressure regulators or other equipment of the Company. Such place shall be of convenient access to the Company's personnel. The location of the meter shall be as near as possible to the point where the supply piping enters the Customer's building, and otherwise acceptable to the Company. Meter connections shall not be concealed by plaster, sheathing or any other means. All meter locations are subject to inspection and require periodic access to satisfy meter reading and equipment maintenance requirements.

Where multiple meters are required, each meter position shall be clearly and visibly marked so that each meter position is identified as to the location to which service is being supplied. Meters shall not be installed by the Company until this has been accomplished.

C. Right to Remove Company's Equipment

All meters, remote meter reading equipment, pressure regulators and other equipment supplied by the Company shall remain its property. The Company shall have the right to remove all its property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.

D. Periodic Test Schedule

The Company shall test meters in accordance with a periodic test schedule acceptable to the Commission. Meter tests performed at the request of a Customer shall be made in accordance with Section IX-C.

E. Metering

The quantity of gas billed shall be the volume measured by the Company's meter, calibrated at or compensated to standard temperature (60^{o}F) and barometric pressure (14.73 psia) conditions.

~~F. Volumes Defined~~

~~As used in this Tariff:~~
~~"CCF" = 100 Cubic Feet of Gas~~
~~"MCF" = 1,000 Cubic Feet of Gas~~

RULES AND REGULATIONS

SECTION VIII - METER INSTALLATIONS - (Continued)

~~G~~F. Remote Reading Devices

The Company, at its discretion or upon request from a Customer, may install remote reading devices, subject to availability. Remote reading devices shall be owned, installed and maintained by the Company. When requested by the Customer and approved by the Company, such installation shall be made at cost payable by the Customer. The location of the remote reading device shall be subject to Company approval.

A periodic verification reading must be taken on the meter and the remote reading device. The Company shall notify the Customer when the periodic verification is required. The Company shall determine the frequency of verification required based on the technical characteristics of the installed equipment and its in-service performance. Service shall be subject to disconnection if the Customer fails to make arrangements with the Company for a verification reading within 60 days after written notice is provided.

In cases of dispute, the Company's meter shall be used as the final determinant in measuring consumption and in all cases shall take precedence over any reading or remote reading devices.

RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES

A. Fast Meter

Whenever a meter in service is found to have a positive average error, upon test made by the Company or the Commission by over-registering in excess of two percent (2%), the Company shall credit or refund to the Customer an amount equal to the excess paid for the gas incorrectly metered. The refund shall be for the period that the Customer received service through the meter, but for not more than the periods established below:

1. Known Date of Error - If the date on which the error first developed or occurred can be established, the bills for service shall be recalculated from that time.

2. Unknown Date of Error - If the time at which the error first developed or occurred cannot be established, it shall be assumed that the over-registration existed for a period of three (3) years or a period equal to one-half of the time since the meter was last tested, whichever is less.

B. Slow or Stopped Meter

When a meter is found, upon test made by the Company or the Commission, to have a negative average error by under-registering in excess of two percent (2%) or to be stopped, and the error in registration or failure to operate is not attributable to the negligence of the Company, but is due to some unpredictable cause, such as tampering or unauthorized overload, the Company shall estimate the proper charge for the unregistered service by reference to the Customer's consumption during similar normal periods or by such methods as the Commission may authorize or direct. Except in cases of tampering, theft, inaccessibility to the meter, or unauthorized overload, such an estimate for a slow or stopped meter shall cover a period of not more than three (3) months.

RULES AND REGULATIONS

SECTION IX - ADJUSTMENT OF CHARGES - (Continued)

C. Requests for Meter Tests

Upon request by a Customer, the Company shall test the Customer's meter provided that such tests need not be made more frequently than once in thirty-six (36) months. If tests of meters at the Customer's request are performed more frequently than once in thirty-six (36) months, the Company shall charge the Customer twenty dollars ($20) for testing the meter. No charge shall be made for testing meters which upon test are found to exceed the allowable accuracy limits as defined in this Section. The Customer, or the Customer's representative, may be present when the Customer's meter is tested. A written report of the results of the test shall be mailed to the Customer within ten (10) days after the completion of the test.

D. Adjustments for Incorrect Billings

Incorrect billings resulting from clerical error, incorrect meter installation or reading, incorrect application of the rate schedule, or other similar reasons, shall be corrected immediately upon discovery, and corrected bills rendered to the Customer; however, in no case may additional charges due from the Customer under the application of this paragraph be collected for more than three (3) years prior to the month of discovery. If the Customer has been overcharged, the Company shall refund the amount due or credit the Customer's account, at the Customer's election, to the date the error was made, not to exceed three (3) years prior to discovery. In the absence of an election by the Customer for a refund by check, the Company shall credit the Customer's account. In the event additional charges are due the Company, installment payments shall be offered for not less than the number of months the account was billed in error. An installment payment charge shall not be applied to such installment payments.

RULES AND REGULATIONS

SECTION X - CONTINUITY OF SERVICE BY COMPANY

A. Company Liability

The Company does not guarantee continuous uninterrupted gas service and shall not be liable for any loss, cost, damage, or expense to any person occasioned by any change in, interruption and/or resumption of the Company's gas service due to any cause beyond the reasonable control of the Company.

B. Notice of Trouble

The Customer shall notify the Company promptly of any defect in service or of any trouble or irregularity in the gas supply.

C. Prearranged Interruption of Service

Whenever it is necessary to interrupt service for work on mains or other equipment, such work shall be done, to the extent practical, ~~at a time that will cause the least inconvenience to the Customer.~~ during daylight hours during the work week. The Customer(s) to be affected shall, if practical, be notified in advance of such interruptions.

RULES AND REGULATIONS

SECTION XI - CUSTOMER'S USE OF SERVICE

A. Resale Forbidden

The Customer shall not directly or indirectly sell, sublet, assign or otherwise dispose of natural gas provided by the Company or any part thereof except as authorized by Chapter 51, Title 25 of the Delaware Code.

B. Multiple Occupancy Buildings

Multiple occupancy buildings ~~for which building permits are issued after June 2, 1980~~ shall not be master metered but shall be individually metered for each occupancy unit that is individually leased or owned and whose occupants have control over a portion of the natural gas used, unless the owners can provide evidence that the cost of installing separate meters exceeds the long-term benefits to the gas consumers derived from individual meters. For the purposes of this paragraph, individual meters include only meters installed and owned by the Company. Multiple occupancy buildings for which initial permits were issued before June 2, 1980 are not subject to this provision.

Multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single Master Meter delivery point will have gas lines after that point that are or were installed, operated , monitored maintained and if needed repaired or replaced by the Customer and not the Company. Such Master Meter operators are required to comply with Federal, State, or local laws, any statute, ordinance, regulation, or standard, or administrative or court order or decree under laws as they currently exist or as they may be modified in the future and specifically pipeline safety regulations to be a Customer of the Company. Failure to comply with such safety regulations may be cause for termination of service without notice by the Company if an unsafe condition exists or has the potential to exist.

Multiple occupancy buildings in a contiguous area (i.e. Apartment Complex) that have a single Consolidated Meter delivery point will have gas lines after that point are or were installed, operated , monitored maintained and if needed repaired or replaced by the Company. The service classification shall be based on the total usage at the single metering point divided by the number of service points.

C. Fluctuations

Gas service must not be used by the Customer in such a manner as to cause unusual pressure fluctuations or disturbances in the Company's supply system. Should such fluctuation or disturbance be caused by the Customer, the Company may discontinue service or require the Customer to modify his installation and/or install approved controlling devices. Multiple meters and service classifications may at the Company's discretion be required based on the level of fluctuation to ensure accurate meter reading.

D. Use Other Than Stated In Contract

The Company's service shall not be used for any purpose or in any place other than that stipulated in the Customer's contract for service except by written consent of the Company.

E. Change of Installation

The Customer shall give immediate written notice to the Company of any proposed substantial increase or decrease in, or change of purpose, design characteristics (including but not limited to pressure, flow rate and gas quality) or location of the Customer's installation. The service connection, meters and equipment supplied by the Company for each Customer have definite design characteristics and no modifications or additions to the equipment or load connected thereto shall be permitted except by written consent of the Company. Failure to give notice of such modifications shall render the Customer liable for any damage to the meters or their auxiliary apparatus caused by the additional or changed installation. Regardless of whether the ~~customer's~~Customer's modifications are consistent or inconsistent with the service provided, the Company shall be under no obligation to modify its equipment.

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~~Order No. 6327 in Docket No. 03-127~~

RULES AND REGULATIONS

SECTION XII - DEFECTS IN CUSTOMER'S INSTALLATION

A. Company's Right to Inspect

The Company shall have the right, but shall not be obliged, to inspect any installation before gas is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage resulting from defects in the installation, piping or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

B. Defective Installations

If at any time the piping and appliances of the Customer are found to be defective or dangerous by the Company's representative or by the local public authorities, service may be refused or discontinued until the Customer has the condition corrected.

C. Customer's Responsibility

The Company assumes no responsibility for any damages done by or resulting from any defect in the piping or appliances of the Customer. In the event of any loss or damage to the property of the Company, or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Customer, his agents, or employees, the cost of the necessary repairs or replacement shall be paid by the Customer to the Company and any liability otherwise resulting shall be assumed by the Customer.

D. Company Liability

The Company shall not be liable for damage resulting from the presence of gas or the Company's equipment on the Customer's premises, or from the use of the service of the Company by the Customer.

RULES AND REGULATIONS

SECTION XIII - ACCESS TO PREMISES

A. Access to Premises

The authorized agents or representatives of the Company, having the proper Company identification, shall have access at all reasonable times to the premises of the Customer for the purpose of reading the Company's meters, connecting and disconnecting service, operating, testing, inspecting, repairing, removing and replacing any or all of the Company's apparatus used in connection with the supply or measurement of gas. If the Company's meters or other equipment are located on the premises of someone other than the Customer, the Customer shall be responsible to arrange for access thereto by Company agents or representatives. The Company may discontinue service should the Customer fail to provide such access to the premises.

RULES AND REGULATIONS

SECTION XIV - TAMPERING WITH COMPANY'S PROPERTY

A. Tampering Expressly Forbidden

No person, except a duly authorized representative of the Company, shall make any connection (piping, electrical or otherwise) or disconnection, either temporary or permanent, at any point on the Company's distribution system up to the outlet of the Company's meter on the Customer's premises, or set, change, remove or interfere with the Company's meter, pressure regulator, tracer wire, cathodic protection system or other equipment.

B. Liability for Tampering

In the event of the Company's meters or other equipment being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for the cost of any repairs, replacements required, and any other changes in Customer's installations as may be required by the Company.

RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE

A. Right to Discontinue Service

The Company reserves the right to discontinue the supply of service for any of the following reasons:

1. Without Prior Notice

a. Unavoidable shortage or interruptions in the Company's source of supply or other cases of emergency.
b. Whenever a hazardous gas or gas related condition is found to exist on the Customer's premises.
c. Interference or tampering with meters or the Company equipment or diversion of service.
d. Whenever environmental or other hazardous conditions would expose ~~Company~~the Company's employees to undue risk in the maintenance of ~~customer~~the Customer service.
e. For providing a false name or social security number or for failing to disclose, upon request, that past services have been received and not paid for under a different name or social security number, if the Company has reported a theft of services to responsible authorities.

2. With Prior Notice

a. Failure to remedy conditions in violation of applicable codes or having detrimental effect on the service of others.
b. Nonpayment of any bill for gas service.
c. Violation of or non-compliance with these Rules and Regulations or the effective Service Classification or contract. The Company may refuse to supply any service until the Customer has corrected the conditions constituting such violation or non-compliance.
d. Failure to pay a deposit as requested.
e. Misrepresentation of or failure to disclose a material fact in an apparent attempt to defraud the Company or to avoid payment of any outstanding bill for service rendered.
f. Repeated refusal to grant access during reasonable working hours for maintenance, meter reading or removal of equipment, inspection ~~or~~, replacement or relocation of equipment.
g. Failure to pay service installation costs.

3. The notice provided for in Section XV-A-2 shall consist of not less than fourteen (14) days' notice sent by first class prepaid mail deposited in a United States mailbox and addressed to the Customer at the Customer's last known mailing address appearing on the records of the Company.

RULES AND REGULATIONS

SECTION XV - COMPANY'S RIGHT TO DISCONTINUE SERVICE - (Continued)

A. Right to Discontinue Service - (Continued)

The notice shall state the date on which service will be disconnected and shall inform the Customer of the steps which may be taken to avoid such disconnection of service. A notice of disconnection for non-payment of a bill for gas service shall also state the date by which payment for the previous balance due must be received by the Company in order to avoid disconnection.

B. Restoration Charge

Service disconnected by the Company for any reason set forth in Section XV-A shall be restored only after payment of the appropriate restoration charge stated below in addition to the previous balance due under the Customer's contract, except when it has been necessary to excavate the service pipe or connection to effect discontinuance of service. In such cases, the actual costs of discontinuance and restoration shall be applicable in addition to the previous balance due.

Any Customer whose service has been disconnected may be required to post a deposit in order to have service restored.

Time of Restoration (EST)		Restoration Charge
8 a.m. to 5 p.m	Monday - Friday Excluding Company Holidays	$75.00
5 p.m. to Midnight	Monday - Friday Excluding Company Holidays	$125.00
8 a.m. to Midnight	Saturday, Sunday and Company Holidays	$125.00
Midnight to 8 a.m.	Any Day	$175.00

~~C~~C. Seasonal Service Restoration Charge: When service is voluntarily disconnected and reconnected at a single location within a 12-month period, restoration charges above will apply.

D. Collection of Payment at the Premises

The Customer may avoid service termination for non-payment of bills by making payment of the previous balance due to a Company representative at the premises.

In addition to payment of the previous balance, there shall be a fee of thirty-eight dollars ($38.00) per trip to the premises for collection of payments.

Installment payments or any other agreements shall be made through one of the Company's District offices.

~~D~~E. Combination Services

Where service restoration or collection of payments at the premises under above Sections XV-B and C are performed for both electric and gas service to the Customer, the related charges shall be assessed for only one of these two utility services.

RULES AND REGULATIONS

SECTION XVI - DISCONTINUANCE OF SERVICE BY CUSTOMER

A. Notice to Discontinue

The Customer must give the Company at least ten (10) days' notice to discontinue service unless otherwise agreed upon. The Customer must grant access to the meter during reasonable working hours and shall be liable for service taken until the meter has been disconnected or read. Such notice prior to the expiration of a contract term shall not relieve the Customer from any minimum or guaranteed payment under any contract or Service Classification.

B. Completion of Term

If, by reason of any act, neglect or default of a Customer or his agent, the Company's service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract.

C. Final Bill

The final bill for service shall be based on an actual meter reading and is due and payable when rendered.

RULES AND REGULATIONS

SECTION XVII - EXTENSIONS

A. General

Extensions to the Company's gas system shall be provided, owned and maintained under the terms and conditions herein enumerated.

Extensions, as used in this section, refer to gas mains and associated materials that must be constructed along public streets, roads and highways, or on private property from the Company's existing gas system to the service.

Extensions shall be designed according to accepted industry practices to provide adequate service and shall be installed in accordance with the rules and regulations of the Commission. Modifications to the Company's design, requested by the Requester, shall be made when such modifications are acceptable to the Company in its sole judgment.

Where a Requester requests the Company to install facilities which are more costly than those proposed to be furnished by the Company, the Requester shall pay the Company the difference in cost between the requested installation and that deemed necessary by the Company.

B. Residential Extensions - New Developments

1. If the estimated investment in the extension exceeds five (5) times the related estimated annual net base revenue, excluding all fuel costs ("Estimated Revenue") from the Customers to be initially served from the extension, the Applicant shall provide a financial guarantee in accordance with Section XVII-I. This financial guarantee may be waived if the amount is less than $50.

2. For the purpose of definition, those Customers to be initially served shall include houses or multiple occupancy buildings under construction at the time the contract for the extension is signed. As additional facilities are needed to serve additional Customers, the Applicant may be required to make additional financial guarantees or may receive a refund accordingly.

C. Residential Extensions - Existing Homes – 100 feet per Applicant

1. Applicants included in the procedure must provide a Refundable Qualifying Deposit ("RQD") of $200. The RQD will be refunded to the Applicant if gas utilization equipment is installed and connected within five (5) years of the date that gas service is first available to that Applicant. If gas utilization equipment is not installed and connected within five (5) years of the date that gas service is first available, the RQD will not be refunded, but will be applied as a Contribution in Aid Construction ("CIAC").

2. The Company will make extensions to existing mains of one hundred (100) feet per Applicant without charge. In the event of multiple Applicants, where no system improvements are required to serve the Applicants, the extension without charge will be 100 feet multiplied by the number of Applicants.

RULES AND REGULATIONS
SECTION XVII - EXTENSIONS

D. Residential Extensions – Existing Home – more than 100 feet per Applicant or system improvement required

1. Applicant(s) included in this process must provide a RQD of $200. The RQD will be refunded to the Applicant(s) if gas utilization equipment is installed and connected within five (5) years of the date that gas service is first available to that Applicant. If gas utilization equipment is not installed and connected within the five (5) year timeframe, the RQD will not be refunded but will be applied as a CIAC.

2. The Company will make extensions to existing mains using a model based upon a discounted cash flow (DCF) analysis. The DCF Model will evaluate main extensions based upon the estimated cost of the capital expenditures associated with the proposed extension and an estimate of the net revenue to be derived from the original Applicants over the first five (5) years and expected additional new customers who could be served by the main extension. The DCF Model will be on file with the Commission. Applicant(s) shall provide a non-refundable CIAC including all applicable taxes for the excess amount equivalent to the negative net present value of the project prior to the main extension being installed. The CIAC may be waived if the amount is less than the $200 RQD per applicant.

E. Non Residential Extensions – For General Gas Sales Service Classification Customers Only

The Company will make extensions to the existing mains of one hundred (100) feet per Applicant without charge. Beyond the first 100 feet, if the estimated investment in the extension exceeds three (3) times the Estimated Revenue, the Applicant will be required to provide a CIAC including all applicable taxes for the excess amount. This CIAC may be waived if the amount is less than $200.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service, excluding the first 100 feet of main or service.

F. Non Residential Extensions – All Non-Residential Service Classifications Other Than General Gas Sales

If the estimated investment in the extension exceeds three (3) times the Estimated Revenue, the Applicant will be required to provide a CIAC including all applicable taxes for the excess amount. This CIAC may be waived if the amount is less than $50.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service.

G. Non Residential Dual Fuel Extensions

All Non-Residential Customers who desire service and who have the ability to continuously use an alternate fuel must sign an Application that holds the Customer liable for all estimated costs not covered by actual non-fuel revenues received and retained by the Company.

When a line extension and service are both required, the Estimated Revenue shall be compared to the total estimated investment in both the line extension and the service.

RULES AND REGULATIONS

SECTION XVII – EXTENSIONS

H. Infrastructure Improvements

The Company may make investments in infrastructure for reasons of timing, convenience, reliability, safety or other reasons as may be appropriate, independent of extension or service requests from Customers. Investments in infrastructure will be undertaken consistent with engineering planning studies and financial analysis. Infrastructure is defined as gas transmission and distribution systems necessary to increase pipeline flow capacity and/or pressures, system reliability or service availability.

The intent of the preceding paragraph is not to avoid the extension rules contained in this Section, or the service installation rules contained in Section VII.

I. Financial Guarantees

Financial Guarantees may be made by payment, deposit, Letter of Credit or other financial instruments at the Company's discretion.

Should the Applicant provide a deposit it will be returned to the Applicant (without interest) in an amount equal to five (5) times the estimated revenue, excluding all fuel cost, from new Customers as each new Customer completes its permanent service connection directly from the extension for which the deposit was required. In no case shall the total refund be greater than the Applicant's deposit. Any portion of the deposit ~~remaining unrefunded~~not refunded after five (5) years from the date the Company is first ready to render service from the extension shall be retained by the Company and credited as a CIAC.

Should the Applicant provide a Letter of Credit or other Financial Instrument, the estimated revenue attributable to the extension shall be examined prior to the Letter's or other Instrument's expiration. The Company may either draw on the Letter of Credit or Instrument or require that it be renewed, where a continued financial guarantee is still required. Such draw shall then be considered a deposit under the above section. The Company shall also have the right to require a Financial Guarantee where it determines that the recovery of the investment is questionable.

RULES AND REGULATIONS

SECTION XVIII - CURTAILMENT POLICY

A. Curtailment Priority

In the event the Company determines that it will be unable to satisfy the demands of all existing Customers because, in its sole judgment, it deems its gas supply and/or gas pressure to be insufficient, the Company shall curtail service to its Customers. Curtailments will be made to ensure adequate supply for priority Customers and to maintain the integrity of the Company's gas distribution system. The extent of curtailment, including complete curtailment, shall be determined by the Company. If operationally feasible, the curtailment shall be instituted in the following order:

1. Flexibly Priced Gas Volumes
2. Interruptible Transportation Gas Volumes
3. Firm sales or standby volumes in the following order:
   a. Industrial Customers with gas usage over 1,000 ~~Mef~~MCF per day including LVG-QFCP-RC.
   b. Industrial Customers with gas usage over 100 ~~Mef~~MCF per day.
   c. Industrial or Commercial Customers with gas usage over 50 ~~Mef~~MCF per day.
   d. All other Commercial Customers other than those listed below.
4. Apartments, hotels, motels, dormitories and residences.
5. Hospitals, nursing homes, institutions for the aged and infirm and institutions essential to the public welfare.

B. Curtailment Procedure

Curtailments within curtailment priorities 1, 2, and 3 will be implemented first on the basis of operational benefit to the system, and second on the basis of the level of Customers sales margins, storage or transportation charges. In this curtailment priority, the Company has the discretion to determine the order and extent of curtailment. Those Customers paying the lowest rates (i.e., contributing the smallest margins or net revenues) will be curtailed first and those paying the highest rates will be curtailed last. Curtailments within curtailment priorities 4 and 5 will be implemented on a pro-rata basis where operationally feasible. For Customers within a curtailment priority that are paying the same charge, curtailment will be on a non–discriminatory, pro-rata basis. In the event of complete curtailment, the Company will endeavor to provide the gas required for protection of physical plant.

RULES AND REGULATIONS

SECTION XVIII - CURTAILMENT POLICY - (Continued)

C. Curtailment of Customer-Owned Gas

Customers with confirmed Customer-owned supplies, delivered to the Company's city-gate, will not be curtailed unless the Company experiences: (1) a transmission or distribution system constraint at or downstream from the city-gate, or (2) a gas supply emergency that would result in a curtailment of high priority Customers (e.g. curtailment priority 4 or 5 Customers). Interruptible Transportation Service is subordinate to both Quasi-Firm and Firm Transportation Service. Quasi-Firm Transportation Service is subordinate to Firm Transportation Service. In the event that Customer-owned gas is diverted for higher priority Customers, the Company will reimburse the Customer for volumes used, paying a value-based price, tied to the Customer's alternative fuel. For Customers lacking an alternate fuel, reimbursement will be made at a price equivalent to No. 2 fuel oil.

D. Curtailment Enforcement

A Customer failing to comply with a curtailment notice may result in the services to that Customer being discontinued permanently. In addition, Customers will be subject to all applicable unauthorized overrun provisions that apply to the service classification(s). The Company reserves all rights to physically limit gas service should a Customer fail to comply with the Company's curtailment order.

E. Liability

The Company shall not be liable for any damages, loss of product, or other business losses suffered by Customers as a result of curtailed gas service, other than the compensation provided in Paragraph C above. The Company shall not be liable for curtailment as a result of any action by any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service, and regardless of any defect in such law, regulation, or order.

F. Conflicts with other Service Classifications and/or Service Agreements

Each of the gas rate classifications or Customer service agreements shall be deemed amended to the extent that they are or may be inconsistent or in conflict with the Company's Curtailment Priority. Transportation Customers are also subject to any provisions regarding operating limitations, special provisions or other transportation provisions contained in the Transportation Service Terms and Conditions or the applicable transportation service classification. Nothing contained in this policy shall prohibit the Company from managing and scheduling interruptions of service as the Company may deem necessary or appropriate.

G. Special Provision

Nothing herein shall prevent the Company from entering into an agreement with a Customer that provides for a non-pro rata curtailment priority lower than the Customer would otherwise receive.

RULES AND REGULATIONS

SECTION XIX - GENERAL COST ADJUSTMENT

A. General Cost Adjustment

This General Cost Adjustment is applicable to all Service Classifications of the Tariff under the conditions enumerated below.

1. Bills rendered under all Service Classifications of the Tariff shall be increased to offset any new or increased special taxes, licenses, franchise fees, rentals or assessments imposed by any governmental authority against the Company's property used in the production, transmission, distribution or sale of gas or its operations or production or sale of gas or the receipts or earnings therefrom.

2. Such special taxes as outlined above shall, on the basis of Customer's consumption, or billing, be apportioned pro-rata among Customers within the limits of any political entity which imposes any such special taxes, licenses, franchise fees, rentals or assessments, to offset such special levies and to relieve Customers outside of such political entity of the burden of payment for such special levies.

3. Any such cost adjustment shall continue in effect only for the duration of the specified levies, and shall not be instituted prior to approval by the Commission.

4. When Customers are required under the Rules and Regulations, Service Classifications, and Riders of this Tariff to provide a contribution in aid of construction, the amount of the contribution shall include an allowance for any taxes to which said contribution may be subjected.

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE

A. Gas Cost Rate Clause

The monthly rates contained in Service Classifications RG, GG, GL, MVG, and LVG shall include a gas cost rate each month to reflect total purchased gas costs. Total purchased gas costs will be separated into purchased gas commodity costs and upstream demand-related gas costs. Total gas cost recovery will occur as the result of the application of a purchased gas commodity cost recovery component and a demand-related cost recovery component to Customer billing determinants.

Total gas cost shall consist of:

(1) The amounts charged to FERC Accounts 803, 804, and 804.1, which includes commodity purchases, transportation, demand, storage and capacity charges; plus

(2) The amounts charged to FERC Account 808.1, which includes the cost of gas withdrawn from storage; less

(3) The amounts credited to FERC Accounts 804.1 and 808.2, which includes the cost of gas delivered to storage; plus

(4) The amounts charged to FERC Account 728, which includes liquid petroleum gas and unmixed propane gas; plus

(5) All additional charges paid to the Company's suppliers for prior periods; plus

(6) The costs paid to third parties as part of a gas price hedging program approved by the Commission, including payments to obtain an option, whether or not exercised, payments to obtain a price band or cap, swap transaction costs, and other similar costs, less revenues or payments received for the sale of an option, swap transaction revenues, or similar revenues or payments received; less

(7) Revenues received for the Company's Firm Storage, and Standby Services; less

(8) All refunds received from the Company's suppliers for prior periods.

Gas Costs specifically exclude expenses associated with operation and maintenance of Company Owned Liquefied Natural Gas facilities.

The Determination Period concerning the Gas Cost Rate shall be the twelve (12) month period ended October 31 of each year. The Application Period shall be the twelve (12) month period beginning with the November billing month following the close of the Determination Period and continuing through the following October billing month.

In August of each year, the Company shall file with the Commission a statement of its annual estimated gas costs for the next Application Period calculated in accordance with this Clause, and the Commission shall set a new Commodity Cost Rate and a Demand Cost Rate for that year as provided in this Section

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

B. Commodity Component

1. Monthly Commodity Cost Rate ("Monthly CCR")

The Monthly CCR shall apply to Customers served under Service Classification LVG and is an option for Customers served under Service Classification MVG. On or before August 1 of each year all MVG Customers must elect whether to be charged the annual or monthly commodity cost rate for each 12 month planning period beginning with November billing. No MVG Customer will be permitted to change its election once the application period has begun.

The Monthly CCR shall be determined each month as an estimate of the weighted average commodity cost of gas ("WACCOG"), adjusted for unaccounted-for gas. The estimate shall be based on expected volume requirements and supplier prices. The Monthly CCR shall be applied to all gas quantities used by Customers served under the Monthly CCR provision. There will be no true-up of the monthly WACCOG commodity pricing under this Monthly CCR mechanism unless the annual (July 1-June 30) net difference between the actual monthly WACCOG incurred and the monthly WACCOG price charged (both of which are multiplied by the applicable monthly volumes delivered to Monthly CCR Customers) exceeds the lesser of $250,000 or 5% of the aggregated gas commodity costs assigned to Monthly GCR Customers. This determination will be filed annually in the GCR.

If this threshold is exceeded, a volumetric factor (either positive or negative) will be calculated by dividing the annual net differences attributed to Monthly GCR Customers by the projected sales for Monthly GCR Customers over the next GCR period. This factor would be applied to all Monthly CCR Customers for the upcoming GCR period in addition to the commodity price that would otherwise apply (the monthly WACCOG) until the amount to be trued up has been reached. At that point, the true-up factor will be eliminated. If the $250,000 or 5% threshold described above is exceeded, the difference trued-up with respect to Monthly GCR Customers shall be excluded from the Annual Commodity Cost Rate calculation as described below.

2. Annual Commodity Cost Rate ("Annual CCR")

All Customers in Service Classifications RG, GG and GL, and all MVG customers not electing the Monthly CCR will be subject to the "Annual Commodity Cost Rate", to be billed on a volumetric basis. The development of the Annual CCR is based on the cost components defined below, divided by sales to the appropriate Customer classes.

The Annual commodity gas cost shall consist of all costs not recovered by the Demand Gas Cost component, including but not limited to:

(1) The total commodity portion of the gas costs listed in Paragraph A; less

(2) The commodity cost of gas, adjusted for ~~losses~~Lost and ~~unaccounted~~-Unaccounted for ~~gas~~Gas, for LVG and MVG Customers served under the Monthly CCR and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less

(3) Streamed gas supplies; less

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

(4) The commodity cost of gas, adjusted for ~~unaccounted~~Lost and Unaccounted for ~~gas~~Gas, for ~~Delmarva's~~the Company's electric generation and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less

(5) The commodity cost of gas, valued at the system WACCOG and adjusted for unaccounted-for gas, provided to the non-firm Customers served under the Flexibly Priced Gas Sales Service; less

(6) A credit for ~~company~~Company use gas, valued at the system WACCOG adjusted for unaccounted-for gas; plus

(7) An adjustment for under-collections or over-collections of commodity gas costs as provided for in this Section; plus

(8) Interest on under-collections or over-collections of commodity gas costs as provided for in this Section.

The Annual CCR shall be calculated by dividing the above commodity cost by the projected sales to all Customers served under the Annual CCR.

C. Demand Cost Rate ("DCR")

The demand gas cost recovery component will be recovered from all firm gas sales customers and is derived as follows:

Total Demand Component = FC - ADR - FPS - ISS - CROS - IT - ONF + PP - SA

Where: FC = Total fixed gas supply costs
ADR = 100% of contributions from electric generation toward fixed costs
FPS = 80% of the margins from "Flexibly Priced Service" gas sales
ISS = 80% of the margins from interruptible storage services *
CROS = 100% of the first $3.0 Million in margins attributable to combined capacity release transactions and off system sales, with margins in excess of $3.0 Million credited 80% to the GCR
IT = 80% of the margins from interruptible transportation services *
ONF = 80% of the margins of other non-firm services not otherwise classified and provided under contracts executed on or after April 1, 1996 *
PP = Prior period over or under-recovery of the demand component, including Interest
SA = 100% of an amount equal to $0.15 per ~~Mcf~~MCF multiplied by the annual average throughput for a customer who is a firm sales service customer of ~~Delmarva~~the Company and who switches to delivery service and begins receiving gas supply from a ~~Delmarva~~Company affiliate

* Excludes non-gas revenues from Customers that were firm Customers as of March 31, 1996, until the effective date of the next base rate case.

Other Definitions:

Design Day Load is as projected by the Company, subject to modification by the Commission. Total Contract MDQ will be used for the MVG and LVG classes.

Order No. ~~7658~~ 2011May 17, 2016

Filed: ~~October 31,~~

Docket No. ~~08-266F~~

Effective Date: ~~November 1, 2009~~July 16, 2016

~~Filed in Compliance with Order No. 7658 in Docket No. 08-266F~~

Proposed

RULES AND REGULATIONS
SECTION XX - GAS COST RATE CLAUSE - (Continued)

The Demand Cost Rate (DCR) consists of a single volumetric based factor, which is calculated by dividing the Total Demand Component by the projected annual firm sales to all Customer classes. The DCR is added to the Annual CCR to arrive at a single, volumetric rate which is applied to all gas quantities used by Customers in the RG, GG, GL and Non-Electing MVG service classifications. The DCR and the monthly CCR are applied to all gas quantities used by Customers in the LVG and Electing MVG service classifications.

D. Interim Gas Cost Rate Changes

The GCR as so determined shall be in effect and apply to billings during each month of the Application Period unless the GCR is changed as hereinafter provided:

If it appears at any time during the Application Period that the use of the GCR then in effect for the remainder of that period will result in a net under-collection of the Company's gas cost by more than 6% of the latest estimate of the Application Period's gas cost calculated using the actual gas costs incurred to date and the Company's latest estimate of the gas costs and firm sales for the remainder of the Application Period, or a net over-collection of such gas costs by more than 4-1/2% of such estimate, the Company shall apply to the Commission for a change in the GCR and the Commission shall fix a new GCR for the balance of the Application Period which will correct for over- or-under-recoveries by amortizing them over a twelve-month period instead of zeroing them out by the end of the current Application Period.

In the case of a projected over-collection of firm gas costs by more than 4-1/2% of the latest estimate of firm gas costs, the Company may apply to the Commission for approval of alternative treatments of such over-collections, including bill credits, in conjunction with or as an alternative to reducing the GCR and amortizing the projected over-collection over a future period.

An adjustment for over or under-collection of purchased gas costs under the CCR and the DCR, and the calculation of interest thereon, will be included in the GCR factors. This adjustment shall be determined as follows:

(1) By calculating for the Determination Period the commodity cost component as recorded on the Company's books and as estimated by the Company for the remainder of the period, and subtracting therefrom an amount equal to the gas commodity revenues received from all customers gas sales;

(2) By calculating for the Determination Period the total demand cost component as recorded on the Company's books of purchased gas costs allocable to the DCR and as estimated by the Company for the remainder of the period and subtracting therefrom an amount equal to the gas demand revenues received from all customers.

(3) Interest will be calculated on the total average deferred gas cost balance. Over-recoveries up to 4 1/2% of the applicable GCR costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission. Over-recoveries in excess of 4 1/2% of the applicable costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission plus 200 basis points. Under-recoveries shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission.

PURPOSELY LEFT BLANK

Filed in Compliance with Order No. 8869 in Docket No. 15-1355
To reflect Gas Cost Rate Approved as Final
(Originally Effective November 1, 2015)
Proposed

Delmarva Power & Light Company
P.S.C. Del. No. 5 – Gas

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS	
Residential Gas Sales Service ("RG")			
Customer Charge	~~$11.52~~17.26		per month
Delivery Charge	$0.~~50739058096~~		per CCF
Space Heating Delivery Charge 1/			
Over 50 CCF	$0.~~40714046617~~		per CCF
Environmental Surcharge Rider	$0.00128	per CCF	
Gas Cost Rate (GCR)	$0.39467	per CCF	
General Gas Sales Service ("GG")			
Customer Charge	~~$34.72~~52.08		per month
Delivery Charge			
First 750 CCF	$0.~~42149~~43242		per CCF
Over 750 CCF	$0.~~31483~~43242		per CCF
Environmental Surcharge Rider	$0.00128	per CCF	
Gas Cost Rate (GCR)	$0.39467	per CCF	
Gas Lighting Sales Service ("GL")			
(Estimated Usage - 15 CCF per month)			
Monthly Charge	~~$ 7.13~~8.80		per gas light
Gas Cost Rate (GCR)	$ 5.92	per gas light	
Medium Volume Gas Sales Service ("MVG")			
Customer Charge	~~$681.20~~$947.30		per month
Demand Charge	~~$ 16.142~~$ 20.985		per MCF of Billing MDQ
Delivery Charge 2/	$0.~~51796~~56852		per MCF
Environmental Surcharge Rider	$0.01282	per MCF	
Gas Cost Rate (GCR)	$3.9467	per MCF	
Large Volume Gas Sales Service ("LVG")			
Customer Charge	$1,~~020.84~~375.24	per month	
Demand Charge	~~$ 9.940~~12.427		per MCF of Billing MDQ
Delivery Charge 2/	$0.~~12453~~16084	per MCF	
Environmental Surcharge Rider	$0.01282	per MCF	
Gas Demand Cost Rate(DCR)	$1.7022	per MCF	
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF	

Public Utilities Tax: 4.25% ~~Applies~~applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.
City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.
Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ~~ccf~~CCF for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production ("LVG-QFCP-RC")		
Customer Charge	$1,~~097.04~~450.24	per month
Demand Charge	$~~6.9676~~608.45474	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York North price plus any premiums incurred by ~~Delmarva~~the Company to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
General Volume Firm Transportation Service ("GVFT")		
Customer Charge	$~~120.98~~181.47	per month
Delivery Charge		
First 750 CCF	$0.~~42149~~43242	per CCF Redelivered
Over 750 CCF	$0.~~31483~~43242	per CCF Redelivered
Balancing Fee Non-Base Rate	$0.03310	per CCF of Imbalance Volumes
Environmental Surcharge Rider	$0.00128	per CCF
Medium Volume Firm Transportation Service ("MVFT")		
Customer Charge	$~~757.40~~1,022.30	per month
Demand Charge	$~~16.142~~20.985	per MCF of Billing MDQ
Delivery Charge	$~~0.51796~~56852	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Large Volume Firm Transportation Service ("LVFT")		
Customer Charge	$1,~~097.04~~450.24	per month
Demand Charge	$~~9.940~~12.427	per MCF of Billing MDQ
Delivery Charge	$~~0.12453~~16084	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Standby Service ("SBS")		
Demand Charge Non-Base Rate	$1.7022	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for ~~losses~~Lost and ~~unaccounted~~Unaccounted for Gas)
Utility Facility Relocation Charge		For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
NON-CORE RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	MIN RATE	MAX RATE	NON-BASE RATE	BASIS
Flexibly Priced Gas Service ("FPS")					
Commodity Charge 1/		Varies	N/A		per MCF
No Notice Swing Charge	$ 0.15000				per MCF Redelivered
Medium Volume Interruptible Transportation Service ("MVIT")					
Customer Charge	$~~757.40~~1,022.30				per month
Delivery Charge (2)					
Option 1	$ 1.30000				per MCF Redelivered
Option 2		$0.01	$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Large Volume Interruptible Transportation Service ("LVIT")					
Customer Charge	$1,~~097.04~~450.24				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	$ 1.30000				per MCF Redelivered
Over 5,000 MCF	$ 0.36000				per MCF Redelivered
Option 2		$0.01	$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Quasi-Firm Transportation Service ("QFT")					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes

Public Utilities Tax — 4.25% ~~Applies~~applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax — 2.00% — Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus ~~losses~~Lost and ~~unaccounted~~ Unaccounted for Gas, unless gas is acquired specifically for, plus $0.01 per ~~Mcf~~MCF.

2/ Minimum and maximum rates do not include the applicable $0.00000/~~Mcf~~MCF charge on QFT, MVIT and LVIT.

SERVICE CLASSIFICATION "RG"

RESIDENTIAL GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer for household and other related uses in a single private dwelling or dwelling unit or estate and pertinent detached buildings.

B. Rates and Charges:

The rates and charges under this classification are shown on Tariff Leaf No. 37.

C. Space Heating Service

Gas used by Customers with permanently installed gas-fired space heating equipment which is the primary heating source for the space in which it is installed shall qualify for the space heating commodity charge for all gas used in excess of 50 CCF for the billing months of October through May, inclusive.

D. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

E. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge.

F. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

G. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GG"

GENERAL GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer for non-residential gas use with a Monthly Use of less than 20,000 CCF and a Maximum Daily Quantity of less than 5,000 CCF. Any Customer whose monthly use equals or exceeds 20,000 CCF and/or whose Maximum Daily Quantity equals or exceeds 5,000 CCF in any three consecutive billing months may be transferred to Service Classification "MVG" or "LVG", as applicable. Availability of this rate to Customers taking service under a non-core or Transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities.

B. Transition Cost Adjustment Charge

A transition cost adjustment charge shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a transition cost adjustment charge or refund shall be paid by or returned to the Customer. Such transition cost adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition cost adjustment refunds shall be paid in a lump sum; transition cost adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

C. Rates and Charges:

The rates and charges under this classification are shown on Tariff Leaf No. 37.

D. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

E. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge.

SERVICE CLASSIFICATION "GG"

GENERAL GAS SALES SERVICE

F. Maximum Daily Quantity (MDQ)

The MDQ shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m., ~~E.S.T. and E.D.S.T.)~~EST (EDT) of the current billing month.

If the Customer's present metering equipment does not include recording device metering, the Customer's MDQ may be determined, at the Company's option, by measurement, by assessment after test, or by estimation. When a Customer's MDQ is estimated, it shall be the MDQ resulting from dividing the total MCF of gas used during the billing month by the number of days in that billing month and then multiplying that result by 1.5.

G. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of Service under this Service Classification.

I. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GL"

GAS LIGHTING SALES SERVICE

A. Availability

This firm sales service is applicable to unmetered residential outdoor gas lights that were installed and receiving service prior to November 9, 1978.

This rate is not available for service to new gas lights or to reconnected lights.

B. Rates and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

C. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations. The Gas Cost Rate shall be the GCR multiplied by 15 ccf, which represents the estimated monthly usage of one gas light.

D. Minimum Monthly Bill

The minimum monthly bill shall be the number of gas lights multiplied by the sum of the base rate and the GCR.

E. Lighting Devices

The Customer shall install, own and maintain the lighting devices.

F. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all service, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

G. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

H. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "MVG"
MEDIUM VOLUME GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVG". Any Customer served under this Service Classification shall remain on this classification for at least 12 billing months, unless the Customer chooses to switch to a transportation service. After such 12 billing months as an "MVG" Customer, at the Company's option, the Customer may be transferred to the appropriate core sales Service Classification. Availability of this rate to Customers taking service under a non-core or transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities. This rate is not available for gas used in electric generation facilities exceeding 1 megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Contract Term

Service for an MVG Customer as of April 1, 1996 shall be provided under an executed contract with a minimum initial term of three (3) years. Beginning January 1, 1997, the minimum initial contract term will be two (2) years and as of January 1, 1998, the minimum initial contract term is one (1) year. The contract shall be automatically extended for one year on each anniversary date of the executed contract unless the Company or the Customer gives one year's advance written notice of termination. This notice provision may be reduced or eliminated if the Customer agrees to pay the Company a Transition Cost Adjustment Charge as described below.

If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

C. Transition Cost Adjustment Charge

A ~~transition~~Transition Cost Adjustment charge shall be assessed upon any Customer that switches to or from any transportation service on less than twelve (12) months advance written notice, or that switches to a monthly Commodity Gas Cost Rate. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service, or to a monthly Commodity Gas Cost Rate at a time when the gas deferred fuel balance is other than zero, a ~~transition~~Transition Cost Adjustment charge or refund shall be paid by or returned to the Customer. Such ~~transition~~Transition Cost Adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition Cost Adjustment refunds shall be paid in a lump sum; ~~transition~~Transition Cost Adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

D. Rate and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

E. Gas Cost Rate Clause

All gas billed under the Commodity Charge of this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

F. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge plus the Billing MDQ multiplied by the sum of the MVG Base Rate Demand Charge and the Gas Demand Rate.

G. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m. ~~E.S.T. and E.D.S.T.)~~EST (EDT) of the current billing month.

H. Contract Maximum Daily Quantity

The Customer's Contract Maximum Daily Quantity ("Contract MDQ") shall be set initially at the Customer's MDQ in effect as of April 1, 2003. Contract MDQ's shall be subsequently adjusted according to the following criteria, unless specified otherwise in the Customer's contract with the Company: 1. Written requests for an increase in Contract MDQ to serve additions to firm load will be evaluated by the Company against available delivery system firm capacity. 2. If Customer billing demand exceeds the existing Contract MDQ and sufficient firm capacity is available, the Company may increase Contract MDQ to the highest recorded MDQ since the most recent date that the Customer's MDQ was reset, effective with the billing month in which the change is made by the Company. No prior written notice is required. If insufficient capacity is available, the Company will determine if any increase in Contract MDQ is appropriate. 3. The Company will consider written requests to reduce Contract MDQ based upon evidence of a permanent change in the Customer's process or facility loads which, in the sole judgement of the Company, indicate a material reduction in demand likely to continue for three years after considering an extrapolation of the Customer's recorded load and growth history to the Company's design weather conditions.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

Any reduction made in Contract MDQ will be determined by the Company and agreed to in writing. Reductions, if any, will be effective in November of the heating season following satisfaction of the above conditions. Once Contract MDQ is reduced, any subsequent instances in which the Customer exceeds Contract MDQ or any request for an increase in Contract MDQ will not automatically result in an allocation of additional capacity. No firm capacity will be offered unless it is available, and if Contract MDQ is not increased the Customer will be liable for all penalties that may be associated with exceeding Contract MDQ.

The Company will have no obligation to provide an increase to Contract MDQ if, in the Company's sole judgment, the system-wide firm capacity projected to be available to the Company during the following three heating seasons is inadequate to support both such higher Contract MDQ and to supply the requirements of all existing ~~customers~~Customers and expected growth in requirements from existing and new residential and other high-priority ~~customers~~Customers.

I. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month or the Customer's Contract MDQ.

J. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. Separate metering may be required, at the Customer's expense, where necessary to determine the quantities of gas being delivered under this rate class.

In the interim period until the Customer's present metering equipment is converted to recording device metering, the Customer's MDQ under Section G of this Service Classification may be determined, at the Company's option, by measurement, by assessment after test, or by estimation. When a Customer's MDQ is estimated, it shall be the MDQ resulting from dividing the total MCF of gas used during the billing month by the number of days in that billing month and then multiplying that result by 1.5.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

K. Unauthorized Overrun

Any quantity of gas taken for this service on any day of the month in excess of 110% of the Contract MDQ shall constitute unauthorized overrun volumes for such day.

~~K. Unauthorized Overrun~~

~~Any quantity of gas taken for this service on any day of the month in excess of 110% of the Contract MDQ shall constitute unauthorized overrun volumes for such day. For all such unauthorized overrun volumes, a charge of twenty dollars ($20.00) per Mcf will be applied, in addition to other charges specified in this Service Classification.~~ For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO"), a notice that FPS is not available, or discontinuance of service, a charge ~~of thirty-five dollars ($35.00) per Mcf will be applied, in addition to~~which is the ~~other charges specified in this Service Classification. For any unauthorized overrun,~~higher of: Fifty dollars ($50.00) per MCF or three times the ~~penalty shall not exceed thirty-five dollars ($35.00) per Mcf. If an OFO has been issued by the Company, the maximum quantity~~market rate for the cost of gas ~~taken by~~ will be applied, in addition to the other charges specified in this Service Classification. Market Rate shall mean the ~~Customer shall generally be limited to 105%~~higher of the ~~Contract MDQ,~~ daily midpoint for

a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the Interstate Pipelines transporting the Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or its successors ceased publishing these indices the Company will identify a reasonable substitute. The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances so warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

L. Authorized Overrun

If during any day, upon advance authorization from the Company, the Customer uses in excess of 110% of the Contract MDQ, such usage shall be billed under this Service Classification.

M. Exit Fee

All Customers must provide at least one (1) year's written notice when discontinuing gas service. If a Customer fails to provide any notice, the Company shall charge an Exit Fee to the Customer which equals the sum of one (1) year's Customer charges plus the sum of the current Base and Gas Demand Charges times the Contract MDQ times twelve (12) months. If a Customer provides some notice, but less than the required amount, the Exit Fee shall be prorated based on the number of months of notice divided by 12.

N. Commodity Gas Cost Rate

All gas billed under this Service Classification shall be subject to the annual Gas Cost Rate and the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations. However, all Customers in this Service Classification have the option to elect a monthly Commodity Gas Cost Rate as described in Section XX – Gas Cost Rate Clause. For ~~customers~~Customers who elect the monthly Commodity Gas Cost Rate at a time when the gas deferred fuel balance is other than zero, ~~a transition charge~~ the Transition Cost Adjustment Charge or refund shall be paid by or returned to the Customer. Such ~~transition charge~~the Transition Cost Adjustment Charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-

month period. Transition cost adjustment refunds shall be paid in a lump sum; ~~transition charges~~Transition Cost Adjustment Charge shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

O. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "MVG"

MEDIUM VOLUME GAS SALES SERVICE - (Continued)

P. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

Q. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer with a Contract Maximum Daily Quantity of 500 MCF or greater. Any Customer served under this Service Classification shall remain on this classification for at least 12 billing months, unless the Customer chooses to switch to a transportation service. After such 12 billing months as an "LVG" Customer, at the Company's option, the Customer may be transferred to the appropriate core sales Service Classification. Availability of this rate to Customers taking service under a non-core or transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities. This rate is not available for gas used in electric generation facilities exceeding 1 megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Contract Term

Service for an LVG Customer as of April 1, 1996 shall be provided under an executed contract with a minimum initial term of three (3) years. Beginning January 1, 1997, the minimum initial contract term will be two (2) years and as of January 1, 1998, the minimum initial contract term is one (1) year. The contract shall be automatically extended for one year on each anniversary date of the executed contract unless the Company or the Customer gives one year's advance written notice of termination. This notice provision may be reduced or eliminated if the Customer agrees to pay the Company a Transition Cost Adjustment Charge as described below.

If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

C. Transition Cost Adjustment Charge

~~A transition charge~~ A Transition Cost Adjustment Charge shall be assessed upon any Customer that switches to any transportation service on less than twelve (12) months advance written notice. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

D. Rate and Charges

The rates and charges under this classification are shown on Tariff Leaf No. 37.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE - (Continued)

E. Gas Cost Rate Clause

All gas billed under the Commodity Charge of this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

F. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge plus the Billing MDQ multiplied by the sum of the LVG Base Rate Demand Charge and the Gas Demand Rate.

G. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas delivered to the Customer during any day (10:00 a.m. to 10:00 a.m. ~~E.S.T. and E.D.S.T.)~~EST (EDT) of the current billing month.

H. Contract Maximum Daily Quantity

The Customer's Contract Maximum Daily Quantity ("Contract MDQ") shall be set initially at the Customer's MDQ in effect as of April 1, 2003. Contract MDQ's shall be subsequently adjusted according to the following criteria, unless specified otherwise in the Customer's contract with the Company: 1. Written requests for an increase in Contract MDQ to serve additions to firm load will be evaluated by the Company against available delivery system firm capacity. 2. If Customer billing demand exceeds the existing Contract MDQ and sufficient firm capacity is available, the Company may increase Contract MDQ to the highest recorded MDQ since the most recent date that the Customer's MDQ was reset, effective with the billing month in which the change is made by the Company. No prior written notice is required. If insufficient capacity is available, the Company will determine if any increase in Contract MDQ is appropriate. 3. The Company will consider written requests to reduce Contract MDQ based upon evidence of a permanent change in the Customer's process or facility loads which, in the sole judgement of the Company, indicate a material reduction in demand likely to continue for three years after considering an extrapolation of the Customer's recorded load and growth history to the Company's design weather conditions.

Any reduction made in Contract MDQ will be determined by the Company and agreed to in writing. Reductions, if any, will be effective in November of the heating season following satisfaction of the above conditions. Once Contract MDQ is reduced, any subsequent instances in which the Customer exceeds Contract MDQ or any request for an increase in Contract MDQ will not automatically result in an allocation of additional capacity. No firm capacity will be offered unless it is available, and if Contract MDQ is not increased the Customer will be liable for all penalties that may be associated with exceeding Contract MDQ.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE - (Continued)

The Company will have no obligation to provide an increase to Contract MDQ if, in the Company's sole judgment, the system-wide firm capacity projected to be available to the Company during the following three heating seasons is inadequate to support both such higher Contract MDQ and to supply the requirements of all existing ~~customers~~Customers and expected growth in requirements from existing and new residential and other high-priority ~~customers~~Customers.

I. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month and the Customer's Contract MDQ.

J. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company.

SERVICE CLASSIFICATION "LVG"

LARGE VOLUME GAS SALES SERVICE - (Continued)

~~K. Unauthorized Overrun~~

~~Any quantity of gas taken for this service on any day of the month in excess of 110% of the Contract MDQ shall constitute unauthorized overrun volumes for such day.~~ K. Unauthorized Overrun

~~For all such unauthorized overrun volumes, a charge of twenty dollars ($20.00) per Mcf will be applied, in addition to other charges specified in this Service Classification.~~ For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO") , a notice that FPS is not available, or discontinuance of service, a charge ~~of thirty-five dollars ($35.00) per Mcf will be applied, in addition to the other charges specified in this Service Classification. For any unauthorized overrun, the penalty shall not exceed thirty-five dollars ($35~~which is the higher of: Fifty dollars ($50.00) per MCF~~. If an OFO has been issued by the Company.~~ or three times the market rate for the cost of gas will be applied, in addition to the other charges specified in this Service Classification. Market Rate shall mean the higher of the ~~maximum quantity of gas taken~~daily midpoint for

a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the ~~Customer shall generally be limited to 105% of~~Interstate Pipelines transporting the ~~Contract MDQ.~~ Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or its successors ceased publishing these indices the Company will identify a reasonable substitute. The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances so warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

L. Authorized Overrun

If during any day, upon advance authorization from the Company, the Customer uses in excess of 110% of the Contract MDQ, such usage shall be billed under this Service Classification.

M. Exit Fee

All Customers must provide at least one (1) year's written notice when discontinuing gas service. If a Customer fails to provide any notice, the Company shall charge an Exit Fee to the Customer which equals the sum of one (1) year's Customer charges plus the sum of the current Base and Gas Demand Charges times the Contract MDQ times twelve (12) months. If a Customer provides some notice, but less than the required amount, the Exit Fee shall be prorated based on the number of months of notice divided by 12.

N. Commodity Gas Cost Rate

All Customers in this Service Classification are subject to the monthly Commodity Cost Rate as described in Section XX - Gas Cost Rate Clause.

O. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

P. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

Q. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "LVG-QFCP-RC"

LARGE VOLUME GAS SALES SERVICE-
QUALIFIED FUEL CELL PROVIDER-RENEWABLE CAPABLE POWER PRODUCTION

A. Purpose

This negotiated contract service allows the Company to respond to State of Delaware mandates concerning compliance with The Renewable Energy Portfolio Standards Act.

B. Availability

This contract tariff provision allows for the sale of natural gas on a firm basis to those third party entities involved in electric generation providing service to ~~Delmarva Power~~the Company's electric Customers pursuant to service classification ~~QFPC~~QFCP-RC.

C. Applicability

These general terms and conditions are applicable to all gas Customers being served under the Company's LVG-QFCP-RC Gas Sales Service Classification.

D. Term

Service for a Fuel Cell Gas Sales Service Customer shall be provided under an executed Service Agreement concerning natural gas service under the LVG-QFCP-RC classification with a specified term and renewal provisions.

E. Base Rates and Charges

Customers that are served under the LVG-QFCP-RC service classification will be subject to charges as provided on Tariff Leaf No. 37a for Large Volume Gas Fuel Cell sales.

F. Commodity Cost Rates

All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) Transco Zone 6 Non NY price plus any premiums incurred by ~~Delmarva~~the Company to provide this service.

G. Metering

Metering shall include a recording device, which shall be furnished and installed by the Company. The Customer shall furnish an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company.

"PM" RIDER

PEAK MANAGEMENT RIDER

A. Availability

This Rider shall be available to any Customer taking service under Service Classifications MVG or LVG that has a Contract MDQ of 100 ~~Mcf~~MCF or more and who agrees to reduce its daily load to a level at least 100 ~~Mcf~~MCF below its Contract MDQ upon the request of the Company as set forth herein. This reduction would be for a maximum of ten (10) days. The Company reserves the right to limit the total manageable demand available under this Rider on the Company's gas system. Availability of this Rider is subject to the economic and technical feasibility of the installation of required Company equipment. The Company shall determine how much, if any, peak management control it will contract for in any period.

B. Peak Management Contract and Term

The Customer shall execute a contract for service provided under this Rider, with an initial term of two years. On each annual anniversary date of the executed contract, the contract term shall be extended automatically for a year, unless 18 months written notice of termination is given by either party.

C. Guaranteed Load Reduction

Customer shall contract for a Guaranteed Load Reduction by specifying a minimum daily load reduction of at least 100 ~~Mcf~~MCF. This is the amount by which the Customer agrees to reduce daily quantities below that Customer's Contract Maximum Daily Quantity ("Contract MDQ"). The Customer shall stand ready to reduce daily takes by at least this amount for up to ten (10) days during the months of December through February. This reduction shall occur whenever the Company declares a Peak Management Period as described below.

D. Peak Management Bill Credit

During the months of December through February, the Customer's monthly bill shall include a "Peak Management Credit" based upon the level of the Customer's Peak Management Guaranteed Load Reduction. The Peak Management credit will be the applicable GCR demand charge times the amount of the Guaranteed Load Reduction and shall be credited in each of these three months, whether or not the Customer is called upon to reduce load.

Credits to be paid to the Customer under this Rider shall be applied, before applicable taxes, as part of the Customer's regular monthly bill.

"PM" RIDER

PEAK MANAGEMENT RIDER - (Continued)

E. Peak Management Compliance

The Company shall provide a minimum of four hours notice prior to initiating a Peak Management Period, unless determined otherwise in the Customer's contract. The maximum recorded demand of the Customer must be reduced to a level at or below the Customer's Contract MDQ less the Guaranteed Load Reduction by the beginning of the Peak Management Period. The Customer's demand must be maintained at or below this level until the end of the Peak Management Period. The Company is solely responsible for determining the need for initiating a Peak Management Period.

F. Penalty for Non-Compliance

If- the Customer fails to effect the Guaranteed Load Reduction when requested by the Company, the Customer shall be subject to a penalty as follows: there will be no credit applied to Customer's regular monthly bill and each ~~Mcf~~MCF in excess of the Contract MDQ less the Guaranteed Load Reduction during each Peak Management Period(s) shall be billed at an unauthorized overrun rate as specified in the otherwise applicable Service Classification. In addition, the Company may immediately discontinue offering this Peak Management Rider to any Customer that fails to comply with the Company's request to reduce load more than one time during the period of the contract.

G. Company Equipment

The Customer will allow the Company to install, own and maintain the equipment required for the purpose of administering this Rider. Such equipment shall be installed by the Company at no direct cost to the Customer.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS

A. Applicability

These general terms and conditions are applicable to all gas transportation Customers being served under any of the Company's transportation Service Classifications as well as all Customers being served under the Company's storage services.

B. Transportation to the Company's Gas Distribution System

The Customer is responsible for making all arrangements necessary for delivering gas to the Company's interconnection with the delivering pipeline supplier. To be eligible for transportation service, Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas distribution system. Further, delivery must be made at an acceptable point of connection and in compliance with the delivering pipeline's measurement, pressure and quality provisions. If requested, gas transportation Customers may, as a condition of service, be required to provide adequate documentation as to holding clear and marketable title to gas or compliance with a delivering pipeline's conditions of service.

C. Contract Requirements

The Customer shall execute a Service Agreement with the Company which shall specify, among other things, the Maximum Daily quantities of gas to be transported. The minimum contract term for all transportation services shall be for one (1) year, except for Quasi-Firm Transportation Service, which shall have a minimum contract term negotiated between the Company and the Customer.

D. Provisions For Customers Using Agents

For a Customer utilizing an Agent (e.g. gas marketer, broker or producer) as the supplier of gas to the Company's gas distribution system, the Customer must notify the Company in writing of the Agent(s) to be used for any month and what responsibilities have been delegated to the Agent on behalf of the Customer. Once notified, the Company will rely upon information provided by Customer's Agent as to deliveries, nominations, scheduling and any other duties so assigned. Further, any notices provided by the Company to Customer's Agent shall be deemed to have been provided to the Customer and the Company shall be held harmless from any actions taken by the Agent in regard to the information that was provided. All Agents must comply with the terms and conditions of the Company's tariffs and operating procedures.

Only one agent may be used for any single Transportation account in any given billing month, unless the agent ceases services to the Customer during the billing month and the Company agrees to a substitution for the remainder of the billing month. The Company shall have no obligation to assist a Customer in obtaining the services of an Agent at any time.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

D. Provisions For Customers Using Agents (Continued)

An Agent for two or more Customers is permitted by the Company to aggregate, or "Pool", the natural gas supplies for those Customers who are members of the Agent's Pool. The Company's Transportation Terms and Conditions (e.g., transportation scheduling, balancing, unauthorized overrun, monthly cash-outs) shall be applicable to the entire Pool and not to individual Customers who are members of the Pool. The intent of this provision is to allow aggregation only of gas supplies and related functions such as transportation scheduling, balancing, and cashouts, but not at the meter for the purpose of qualifying for a different Service Classification or other such purpose not directly related to gas supplies. The Agent shall provide the Company with a written list of the members of its Pool at least five (5) calendar days prior to the beginning of the month. Prior to causing the delivery of such aggregated natural gas to ~~Delmarva~~the Company for redelivery to the transportation Customers, the Agent shall provide in writing a pre-determined allocation between the Customers in order to assign the volumes of gas to be redelivered and any charges for gas supply, cash-outs, or other charges that may be incurred. The Agent shall have actual authority to make such designated allocations, which shall be binding on the transportation Customers. Agents must provide the final allocations to ~~Delmarva~~the Company by the second business day after the end of the preceding month. This provision is not intended to permit individual Customers who are members of a pool to exceed their individual Contract MDQ without obtaining individual authorization from the Company, or to avoid otherwise applicable overrun charges related to daily takes in excess of Contract MDQ.

The Company will not bill third parties that are acting as an Agent for the Customer.

E. Maximum Daily Quantity

The Maximum Daily Quantity ("MDQ") shall be the greatest amount of gas redelivered to the Customer during any gas day (10:00 a.m. to 10:00 a.m. ~~E.S.T. and E.D.S.T.~~)EST (EDT) of the current billing month.

F. Contract Maximum Daily Quantity

The Customer's initial Contract Maximum Daily Quantity ("Contract MDQ") must be specified in the transportation Service Agreement. The Company shall be under no obligation to redeliver any transportation quantities greater than the Contract MDQ, or to receive quantities in excess of the Contract MDQ plus adjustment for thermal content and ~~losses~~Lost and ~~unaccounted~~-Unaccounted for ~~gas~~Gas.

G. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") shall be the higher of the Customer's actual MDQ in the current billing month and the Customer's Contract MDQ.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

H. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" firm transportation Customers shall equal their firm transportation MDQ. For all other firm transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

I. Standby Service

Standby service, as provided under Service Classification "SBS", is required for any "Human Needs" Customer that does not maintain complete dual fuel capabilities for the load being served under any transportation Service Classification. Human Needs Customers are defined as those falling in the Standard Industrial Code ("SIC") 805-807 designations.

J. Metering

Metering shall be provided by the Company at its own expense. All firm transportation Customers shall have daily metering and interruptible Customers shall have hourly metering devices. The Customer shall provide an independent dedicated electrical supply and phone line for the operation of this equipment, in an area acceptable to the Company. A separate meter may be required by the Company, at the Customer's expense, where the Customer is taking service under more than one Service Classification at the same facility. When separate metering is not feasible, redeliveries shall be specified in the Service Agreement. The Company is under no obligation to install separate or additional metering for transportation Customers or their Agents and any remote access to the Company's meters will be at the Customer's expense.

K. Transportation Scheduling

The Company and Customer shall have scheduling personnel available 24 hours per day, seven days per week. Any notices provided to the Customer's gas supplier or Agent shall be deemed to have been made to the Customer, unless otherwise instructed in advance by the Customer.

The Company's transportation operating procedures, as modified from time-to-time, will be provided to each transportation Customer prior to the initiation of transportation service. The Company shall not be obligated to redeliver gas on any gas day that such gas is not received from the transporting pipeline(s). The business day is defined as being from 10:00 a.m. to 10:00 a.m. ~~E.S.T.~~EST and ~~E.D.S.T~~EDT.

The quantity of gas tendered by the Customer for transportation shall be adjusted monthly for thermal content and reduced by two point five percent (2.5%) for ~~losses~~Lost and ~~unaccounted-~~Unaccounted for ~~gas~~Gas. The thermal correction factor will be determined by dividing the average BTU content per MCF of gas received by the Company for transportation by the average BTU content per MCF of gas for the Company's system for that month.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

K. Transportation Scheduling (Continued)

Customers or their Agents shall provide the Company, via ~~facsimile or mail,~~Electronic Bulletin Board (EBB), with Monthly Nominations by 4 p.m. EST (EDT) on the calendar day prior to the beginning of each month. If the Monthly Nomination cannot be confirmed with the delivering pipeline(s), the nomination will be rejected and a new nomination required. The Company shall notify Customers or their Agents that the Monthly Nomination is rejected no later than 9:00 a.m. EST (EDT) immediately ~~preceeding~~preceding the first gas day of the month.

Customers or their Agents shall provide the Company, via ~~facsimile or mail~~EBB, with Daily Nominations no later than 4 p.m. the calendar day before gas is scheduled to flow. If the Daily Nomination does not agree with the confirmation from the delivering pipeline(s), the amount of unconfirmed volumes will be considered invalid. The Company shall notify Customers or their Agents by 9:00 a.m. EST (EDT) immediately preceding the gas day the gas is scheduled to flow if the Daily Nomination cannot be confirmed by the delivering pipeline(s) and the unconfirmed volume of gas considered invalid. Customers or their Agents shall make a good faith estimate of expected use that would differ from the Daily Nomination.

The Company shall permit Intraday Nominations if confirmed by the delivering pipeline(s) and such Nominations can be handled without impacting gas system supplies.

If available, the Company shall automatically schedule a portion or all of a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) in order to eliminate or minimize an imbalance created on any gas day. The redelivery of any Customer's cumulative daily imbalances during any month is wholly interruptible. The Company shall notify Customers or their Agents, ~~by phone or facsimile~~via the EBB if it cannot redeliver any cumulative daily imbalances during any month no later than 9:00 a.m. EST (EDT) immediately preceding the gas day in which the gas is scheduled to flow. In addition, the Company, in its sole discretion, has the right to limit the amount of excess gas that it can redeliver to a Customer on any day curtailment is not in effect.

L. Balancing of Transportation Volumes

Any imbalances between Customer's deliveries of gas for transportation and Customer's daily takes shall be kept to a minimum. On any gas day, when Customer's daily deliveries do not equal Customer takes, an imbalance results. If Customer's deliveries are less than Customer's takes, an excess takes or redeliveries imbalance is created. If Customer's deliveries are greater than Customer's takes, an excess deliveries imbalance is created. These imbalances are cumulative. If the Customer's cumulative monthly imbalance is in an excess takes position at the end of the month, this excess takes imbalance is subject to the Monthly Cash Out Provision hereunder.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

L. Balancing of Transportation Volumes (Continued)

If the Customer's cumulative monthly imbalance at the end of the month is an excess deliveries position, an amount up to five (5) percent of the Customer's deliveries, net of ~~fuel~~Lost and ~~losses~~Unaccounted for Gas, shall be carried forward as the beginning imbalance in the following month. All excess deliveries at the end of the month greater than five (5) percent of the Customer's deliveries, net of ~~fuel~~Lost and ~~losses~~Unaccounted for Gas, are subject to the monthly cash out provision hereunder.

The maximum allowable cumulative daily imbalances during any month (excess deliveries or excess takes) shall be two times the Contract MDQ. On any day, if a Customer's cumulative daily imbalances during any month (excess deliveries or excess takes) exceeds two times the Customer's Contract MDQ, the Company may issue an Operational Flow Order (OFO) to require adjustments to Customer's daily scheduling of deliveries or takes over a reasonable period of time to maintain a concurrent balance or remedy an imbalance.

On any gas day, if an excess takes imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the contract MDQ, such excess shall be cashed out at the higher of the relevant *Gas Daily* ~~posting for Texas Eastern, M-3 or Transco, zone 6~~Market Rate postings listed in Paragraph N.~~Y.~~., plus the applicable transportation rate and all taxes and surcharges, unless ~~Delmarva~~the Company notifies the Customer that the excess takes will not be cashed out, but will be accumulated.

On any gas day, if an excess deliveries imbalance causes Customer's cumulative daily imbalances during any month to exceed two times the Contract MDQ at any time during the month, such excess shall be immediately cashed out for all excesses above two times the MDQ at a price equal to ~~one~~ ninety percent (90%) of the lower of the relevant *Gas Daily* Market Rate posting ~~for Texas Eastern, M-3 or Transco, zone 6~~listed in Paragraph N.~~Y.~~., unless ~~Delmarva~~the Company notifies the Customer that the excess will not be cashed out but will be accumulated.

M. Transportation Balancing Fee

A balancing fee, on a per MCF basis shall be applicable to all Transportation Services ~~and assessed on the customer's total monthly throughput~~for all daily Customer usage in excess of, or short of, confirmed nominations of gas adjusted for thermal content and reduced by two point five percent (2.5%) for ~~losses and unaccounted for gas and daily takes, either excess deliveries or excess takes~~Lost and Unaccounted for Gas.

N. Unauthorized Overrun

An unauthorized overrun is defined as the occurrence, without authorization from the Company, of one of the following three conditions:

~~(1)~~ (1) Any quantity of gas taken hereunder on any gas day in excess of 110% of the Customer's actual gas deliveries for that gas day, net of ~~fuel~~Lost and ~~losses~~Unaccounted for Gas, shall be considered unauthorized overrun volumes.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

N. Unauthorized Overrun (continued)

(~~1~~2) In the event that the Company issues an OFO under these Transportation Service Terms and Conditions, any quantity of gas taken that exceeds the quantity tendered for delivery (net of ~~losses~~Lost and ~~unaccounted~~-Unaccounted for ~~gas~~Gas) by an amount greater than that permitted under the OFO shall be considered unauthorized overrun volumes.

(~~2~~3) On a gas day when the Company has notified the Customer (by 9 AM immediately prior to the gas day) that FPS Gas is unavailable, any quantity of gas taken shall be considered unauthorized overrun volumes.

For all such unauthorized overrun volumes used after notification of curtailment, Operational Flow Order ("OFO") , a notice that FPS is not available, or discontinuance of service, a charge ~~equal to~~which is the higher of: Fifty dollars ($50.00) per MCF or three times the ~~*Gas Daily* posting~~market rate for ~~Texas Eastern, M-3 or Transco, zone 6 N.Y., or $20 per Mcf~~the cost of gas will be applied, in addition to the other charges ~~payable under the applicable transportation service classification, unless the unauthorized overrun volumes were consumed~~specified in ~~violation of a notice of curtailment or an OFO, or a notice that FPS is not available in which cases a charge equal to~~this Service Classification. Market Rate shall mean the higher of the ~~*Gas Daily* posting~~daily midpoint for

a.) Transco Zone 6 Non NY;
b.) Texas Eastern M-2;
c.) Texas Eastern, M-3;
d.) Mich Con Citygate; or
e.) any other indices as adopted by the Interstate Pipelines transporting the Company's gas and reported in the daily price survey published by PLATTS MCGRAW HILL GAS DAILY or it successors during the subject calendar month.

In the event that PLATTS MCGRAW HILL GAS DAILY or ~~Transco, zone 6 N.Y., or thirty-five dollars ($35.00) per Mcf~~its successors ceased publishing these indices the Company will ~~be applied in lieu of the twenty dollar ($20.00) per Mcf charge~~identify a reasonable substitute.

The Company may waive unauthorized overrun charges on a nondiscriminatory basis should circumstances warrant. Without limiting such circumstances, one example of such circumstance may include instances of meter inaccuracy.

O. Authorized Overrun

If, during any day, upon authorization from the Company, the Customer delivers and takes in excess of the Contract MDQ, such usage shall be billed under the applicable transportation Service Classification.

~~Obtaining authorization from the Company means the Customer adhering to the Company's Transportation Scheduling provision hereunder.~~ The Company may authorize excess takes during or after the gas day on a nondiscriminatory basis should circumstances warrant.

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Proposed

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

P. Operational Flow Orders

"Operational Flow Orders", or "OFOs", are defined as notices issued by the Company to transportation Customers ~~or~~and their Agents, via email, facsimile or telephone, or other electronic means as deemed acceptable by the Company, that limit the quantity of gas taken by the Customer. An OFO shall generally limit the quantity of gas taken to no more than one hundred and five percent (105%) of the volumes of gas tendered for delivery (net of ~~losses~~Lost and ~~unaccounted~~-Unaccounted for ~~gas~~Gas) by the Customer. When reasonably necessary, the Company may also issue a more restrictive OFO. The Company may also issue a change to an OFO that would apply to all transportation Customers whose gas is delivered on a particular upstream pipeline to match the balancing tolerances permitted by such pipeline on that day. The Company may also issue Operational Flow Orders to require adjustments to one or more Customers daily scheduling of deliveries or redeliveries over a reasonable period to maintain a concurrent balance, remedy a current imbalance, or to reduce an accumulated imbalance.

OFOs shall be issued in the Company's sole judgment to a) protect the integrity of the Company's gas system; b) assure deliveries of gas supplies to all of the Company's firm sales Customers; c) adhere to the various interstate pipeline companies' balancing or delivery requirements; or d) remedy operational or other problems, where necessary. Failure to comply with an OFO will result in an unauthorized overrun as described above, or in the case of over-deliveries, a cash out at a price equal to one hundred percent (100%) of the Reference Spot Price (defined in paragraph Q below) less ten cents ($.10) per Mcf.

Q. Monthly Cash Out Provision

Except for the first five percent (5%) of an excess deliveries position, the Customer's Imbalance Volume (the difference between total deliveries to the Company and total redeliveries to the Customer) will be "cashed out" at the end of the month. The Company will pay the "Buy" price for excess deliveries and the Customer will pay the "Sell" price for excess takes based on a Reference Spot Price (RSP). The RSP shall be the simple average of the available weekly spot prices published in Natural Gas Week * plus the cost of transportation, which will be the one-hundred percent (100%) load factor charge (including fuel) under Transcontinental Gas Pipe Line Corporation's (Transco) Rate Schedule "FT" during the months of November through April. The cost of transportation during the months of May through October will be the Transco Rate Schedule "FT" Commodity charges, including fuel. The Reference Spot Price shall be adjusted based on the Imbalance Volume for the month as follows:

Imbalance Volume	"BUY" Excess Deliveries	Imbalance Volume	"SELL" Excess Redeliveries or Takes
0% up to 5%:	No Cash Out		
5% up to 10%:	100% of RSP	0% up to 10%:	100% of RSP
10% up to 15%:	80% of RSP	10% up to 15%:	120% of RSP
15% up to 20%:	70% of RSP	15% up to 20%:	130% of RSP
20% and over:	50% of RSP	20% and over:	150% of RSP

(Determined as a percentage of total monthly deliveries by an upstream pipeline for the account of the Customer.)

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

Q. Monthly Cash Out Provision (Continued)

Customers may trade monthly imbalance volumes for netting out monthly over and underdelivery volumes. The Company must be notified of any such trades within two (2) business days of the end of the billing month.

All cash out charges or credits, as determined above, will be applied to the Customer's monthly transportation invoice and will be adjusted to an MCF equivalent using a standard conversion factor of 1.035 mmbtu per MCF, unless such factor is not representative of the monthly energy content of gas received by the Company.

* Natural Gas Week is published by the Oil Daily, Inc. Suite 500, 1401 New York Avenue, N.W., Washington, D.C. 20005. For purposes of establishing the Reference Spot Price and the Monthly Available Reference Spot Price the Company shall utilize the Table labeled "Spot Prices On Interstate Pipeline Systems" published each week for gas delivered-to-pipeline at Transco Stations No. 50, 62, 65 (South La/Zone 3). In the event that Natural Gas Week no longer publishes the RSP, or the reference price is no longer representative of spot prices on the Transco pipeline, an acceptable substitute publication will be used.

R. Liability

The Company shall not be liable for curtailment of service or loss of gas as a result of action taken by any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the Customer while being transported and delivered by the Company. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after delivery to the Company.

The Company shall not be liable for any loss to the Customer arising from or out of service by the Company or any actions taken by the Customer's gas supplier or Agent, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employee's or Agents. The Company reserves the right to commingle gas of the Customer with other gas system supplies.

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

S. Special Provisions

The Customer bears sole responsibility for all costs incurred to deliver Customer owned gas to the Company's gas distribution system.

The Company's ability to receive Customer owned gas at the specific point(s) of receipt is subject to the operating limitations of the Company and/or the limitations of the upstream party at such point(s).

The Customer shall be responsible for all reasonable costs incurred by the Company in connection with the initiation and rendering of transportation services, including costs required to make suitable facilities available.

The Company will not accept gas for delivery that will adversely impact the integrity of the Company's pipeline system, limit its rights to current or future supply or capacity entitlements, or impose any financial or administrative burdens that would not have existed without acceptance of Customer's transportation volumes.

Customers may be directed by the Company to deliver a portion of or all of their daily nomination to a specific delivery point to facilitate operation of the Company's system and / or ensure system reliability. The Company will be under no obligation to accept or redeliver gas delivered to points other than those specified by the Company in these instances.

T. Public Utilities Tax

The Delaware State Public Utilities Tax shall apply to all transportation services rendered hereunder, unless the Customer is exempt from such tax.

U. Transition Cost Adjustment Charge

Notwithstanding any provision to the contrary in the tariff provisions applicable to a firm service classification, a firm sales customer taking service under the "LVG", "MVG" or "GG" service classifications may transfer service to a transportation service by providing 12 months prior notice of transfer or by paying a ~~transition~~Transition Cost Adjustment charge of $0.11 per Mcf. The applicable Mcf figure will be the larger of a Customer's firm natural gas commodity volumes used in the 12 months prior to the transfer or the average annual use of firm natural gas over the prior three years ending in the most recent July prior to the transfer. If 12 months notice is given prior to the transfer, no ~~transition~~Transition Cost Adjustment charge will be owed. The ~~transition~~Transition Cost Adjustment charge will be prorated for notices of transfer of less than 12 months.

If a Customer had previously provided a three year notice, as permitted by Commission Order No. 6327~~-3709~~, such notice remains operative unless superseded by a new notice as provided above. Unless superseded, no ~~transition~~Transition Cost Adjustment charge will be applicable after the end of the three-year period. If the remaining period of the three-year notice is less than 12 months, the Customer may transfer to a transportation service by paying a prorated ~~transition~~Transition Cost Adjustment charge based on the number of months remaining in the three-year period divided by 12.

Order No. ~~6327~~
Docket No. ~~03-127~~

Filed: ~~December 9, 2003~~May 17, 2016

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~~Filed in compliance with Order No. 6327 in Docket No. 03-127~~

Proposed

TRANSPORTATION SERVICE

TERMS AND CONDITIONS - (Continued)

U. Transition Cost Adjustment Charge (Continued)

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a ~~transition~~Transition Cost Adjustment charge or refund shall be paid by or returned to the Customer. Such ~~transition~~Transition Cost Adjustment charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition refunds shall be paid in a lump sum; ~~transition~~Transition Cost Adjustment charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

V. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under these Transportation Service Terms and Conditions.

W. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "GVFT"

GENERAL VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of less than 2,000 ~~Mcf~~MCF, who has a Billing Maximum Daily Quantity (Billing MDQ) of less than 500 MCF and who has an annual consumption of greater than 5,000 Mcf annually. Any Customer whose monthly use equals or exceeds 2,000 MCF and/or whose Maximum Daily Quantity equals or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "MVFT" or "LVFT", as applicable. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the GVFT Customer Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "MVFT"

MEDIUM VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Monthly Use of at least 2,000 MCF and a Contract Maximum Daily Quantity ("MDQ") of less than 500 MCF. Any Customer whose Billing Maximum Daily Quantity is equal to or exceeds 500 MCF in any three consecutive billing months may be transferred to Service Classification "LVFT". The Customer must own and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the MVFT Customer Charge, the Billing MDQ during a month times the MVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "LVFT"

LARGE VOLUME FIRM TRANSPORTATION SERVICE

A. Availability

This firm transportation service is available to any Customer with a Maximum Daily Quantity ("MDQ") of 500 MCF or greater. The Customer must own and deliver gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made-available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation Service provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the General Terms and Conditions of the Company's Tariff.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the LVFT Customer Charge, the Billing MDQ during a month times the LVFT Demand Charge, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 38. In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fees, taxes and any surcharges that may apply.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "SBS"

STAND-BY GAS SUPPLY SERVICE

A. Availability

Stand-by service is an unbundled city gate gas supply service available to any transportation Customer and is mandatory for any "Human Needs" Transportation Customer who does not have proven alternate fuel capability for 100% of its transportation Contract Maximum Daily Quantity ("MDQ"). A transportation Customer other than a "Human Needs" Customer may select any Stand-by MDQ up to its transportation Contract MDQ. The Stand-by MDQ shall represent the maximum quantity of gas the Company shall be obligated to provide to the Customer during any day over the term of the contract.

Stand-by service shall be used in conjunction with the customer's own gas supplies.

The Company may, at its option, with advance written notice being provided no later than 9:00 a.m. EST (EDT) on the calendar day prior to the gas day on which service would otherwise have been provided, limit the amount of stand-by service available if the Customer cannot demonstrate that it has procured a reasonable amount of its own gas supplies for redelivery to the Customer's facility on the Company's gas system.

B. Character of Service

Stand-by service is intended for use by a Customer to a) provide an emergency backup supply in times where the Customer's own gas supply cannot be delivered in quantities sufficient to meet the Customer's requirements, b) minimize daily imbalances, and c) avoid month-end cashouts of excess takes.

During periods of time when a Transportation Customer does not receive its own gas supply in quantities sufficient for its firm requirements, the Company will use its system resources and supplemental supplies to provide gas to the Customer, up to the Stand-by MDQ.

Stand-by Gas provided under this Service Classification shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under Paragraph A herein or under the General Terms and Conditions of the Company's Tariff.

Stand-by volumes shall be the last gas through the meter on any day, after the scheduled redelivery of the Customer's own confirmed transportation and/or storage gas.

C. Contract Term

Service hereunder shall be provided under an executed contract with an initial contract term of at least one (1) year. On each annual anniversary date of the executed contract, the contract term will be automatically extended for another year. The contract may be terminated by either party with at least 6 months advance written notice. Unless agreed to in writing by the other party, notice of termination cannot be subsequently revoked or withdrawn. If the Customer fails or refuses to execute a contract, the Company may, at its option, refuse to continue providing service or elect to continue service with the Customer deemed to be taking service under a one (1) year contract.

SERVICE CLASSIFICATION "SBS"

STAND-BY GAS SUPPLY SERVICE - (Continued)

D. Rates and Charges

The minimum monthly bill shall be the Demand Charge times the Stand-by MDQ. The rates and charges which apply under this Service Classification are shown in Tariff Leaf No. 38. In addition, the ~~customer~~Customer will pay any taxes and surcharges that may apply.

E. Billing Maximum Daily Quantity

The Billing Maximum Daily Quantity ("Billing MDQ") for Stand-by Service shall be the higher of the Customer's Stand-by MDQ or the actual daily MDQ experienced during the month.

F. Stand-by Maximum Daily Quantity

The Stand-by Maximum Daily Quantity for "Human Needs" transportation Customers shall equal their transportation MDQ. For all other transportation Customers the Stand-by Maximum Daily Quantity shall be specified in the contract.

G. Public Utilities Tax

In addition to the charges hereunder, the Delaware State Public Utilities Tax shall apply to all services rendered, unless the Customer is exempt from such tax.

H. Rules and Regulations

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of service under this Service Classification.

I. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION "QFT"

QUASI-FIRM TRANSPORTATION SERVICE

A. Availability

Quasi-Firm Transportation Service is available hereunder to any Customer who has a Minimum Monthly Use of more than 2,000 Mcf and who owns and delivers gas to the Company at an acceptable point of connection, for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for redelivery to Customer's facility on the Company's gas system.

The Company reserves the right to limit the total amount of service offered under this Service Classification. Availability of service is subject to availability of adequate gas transmission and distribution system capabilities. This rate is not available for gas used for electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Transportation service provided under the Service Classification shall be as stated in the QFT contract, which contract shall specify that the service is firm for no more than 265 days per year and shall also specify the permissible number of days of interruption.

C. Rates and Charges

For transportation service rendered to Customer each month, Customer shall pay a minimum of the sum of the applicable QFT Customer Charge, the Billing MDQ times the QFT Demand Charge as specified in the contract, and, if applicable, the Transition Cost Adjustment Charge. The rates and charges which apply to this Service Classification are shown in Tariff Leaf No. 39. In addition, Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-outs, balancing fees, taxes and surcharges. The maximum QFT Demand Charge for each Customer shall be the applicable MVFT or LVFT demand charge.

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "MVIT"

MEDIUM VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

A. Availability

This service is available hereunder to any Customer who has a monthly use of 2,000 Mcf or greater and who owns and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for delivery to Customer's facility on the Company's gas system.

B. Character of Service

Transportation service provided under this Service Classification shall be on a best efforts basis. Customers with No. 6 fuel oil as their alternate fuel are subject to interruption on four (4) hours notice. All other Customers are subject to interruption on two (2) hours notice. For good cause shown, a Customer without No. 6 fuel oil as alternate fuel may be interrupted on four (4) hours notice, if the Customer and the Company enter into a written agreement in advance with such a provision.

C. Rates and Charges

The Customer and the Company shall enter into an interruptible transportation agreement with a minimum term of one (1) year. Among other items, this agreement shall specify a Delivery Charge Option. There are three Delivery Charge pricing options:

1. A fixed rate as shown in Tariff Leaf No. 39.

2. A flexible rate that varies within a minimum and maximum as shown in Tariff Leaf No. 39.

3. A fixed rate between the minimum and maximum, with further terms and conditions (such as minimum throughput requirements) to be negotiated.

Options 1 and 2 are available to the Customer at the Customer's sole discretion. Option 3 is available only by mutual agreement between the Company and the Customer.

Thirty days prior to the expiration or rollover of the contract, the Customer may change its option. If Option 1 is chosen, the Customer may subsequently elect to switch to Option 2 on three (3) months notice. If necessary, there shall be an automatic contract term extension so that the remaining term is at least twelve (12) months from the date the switch to Option 2 is made. If no selection is made, the Customer is deemed to have selected Option 1. At the Company's sole discretion, the Customer may be allowed to switch from Option 1 to Option 2 on less than three (3) months notice. A Customer that selects Option 2 shall remain on Option 2 for a minimum of 12 months. A ~~customer~~Customer that selects Option 3 shall remain on Option 3 for a minimum of 12 months, unless a different period is agreed to by the Company.

In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, balancing fees, imbalance cash-out charges, taxes and any surcharges that may apply.

SERVICE CLASSIFICATION "MVIT"

MEDIUM VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE - (Continued)

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax , Transition Cost Adjustment Charges, and Rules and Regulations.

SERVICE CLASSIFICATION "LVIT"

LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

A. Availability

This service is available hereunder to any Customer with a demonstrable Contract MDQ of 500 ~~Mcf~~MCF or greater and who owns and delivers gas to the Company at an acceptable point of connection for redelivery by the Company to the Customer's regular point of service. To be eligible for service, a Customer must hold clear and marketable title to gas that is made available for delivery to Customer's facility on the Company's gas system.

B. Character of Service

Transportation service provided under this Service Classification shall be on a best efforts basis. Customers with No. 6 fuel oil as their alternate fuel are subject to interruption on four (4) hours notice. All other Customers are subject to interruption on two (2) hours notice. For good cause shown, a customer without No. 6 fuel oil as alternate fuel may be interrupted on four (4) hours notice, if the Customer and the Company enter into a written agreement in advance with such a provision.

C. Rates and Charges

The Customer and the Company shall enter into an interruptible transportation agreement with a minimum term of one (1) year. Among other items, this agreement shall specify a Delivery Charge Option. There are three Delivery Charge pricing options:

1. A fixed rate as shown in Tariff Leaf No. 39.

2. A flexible rate that varies within a minimum and maximum as shown in Tariff Leaf No. 39.

3. A fixed rate between the minimum and maximum, with further terms and conditions (such as minimum throughput requirements) to be negotiated.

Options 1 and 2 are available to the Customer at the Customer's sole discretion. Option 3 is available only by mutual agreement between the Company and the Customer.

Thirty days prior to the expiration or rollover of the contract, the Customer may change its option. If Option 1 is chosen, the Customer may subsequently elect to switch to Option 2 on three (3) months notice. If necessary, there shall be an automatic contract term extension so that the remaining term is at least twelve (12) months from the date the switch to Option 2 is made. If no selection is made, the Customer is deemed to have selected Option 1. At the Company's sole discretion, the Customer may be allowed to switch from Option 1 to Option 2 on less than three (3) months notice. A Customer that selects Option 2 shall remain on Option 2 for a minimum of 12 months. A customer that selects Option 3 shall remain on Option 3 for a minimum of 12 months, unless a different period is agreed to by the Company.

In addition, the Customer will pay all applicable delivery charges, authorized and unauthorized overrun charges, imbalance cash-out charges, balancing fee, taxes and any surcharges that may apply.

SERVICE CLASSIFICATION "LVIT"

LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE - (Continued)

D. Transportation Terms and Conditions

The Customer shall comply with all terms and conditions regarding transportation of gas on the Company's system as specified under the "Transportation Terms and Conditions" section of the Company's Tariff. These include, but are not limited to: Contract Requirements, Provisions for Customers Using Agents, Contract Maximum Daily Quantity, Billing Maximum Daily Quantity, Standby Service, Metering, Transportation Scheduling and Balancing, Transportation Balancing Fee, Unauthorized Overruns, Authorized Overruns, Operational Flow Orders, Monthly Cash Out Provision, Liability, Special Provisions, Public Utilities Tax, City of Wilmington Local Franchise Tax, Transition ~~Charges~~Cost Adjustment, and Rules and Regulations.

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SERVICE CLASSIFICATION "FPS"

FLEXIBLY PRICED GAS SUPPLY SERVICE

A. Availability

This city gate gas supply service is available hereunder to any transportation Customer for use 1) as an interruptible service of gas supply, 2) to replace third-party procured gas supply that was scheduled but not delivered to the Company's citygate station, or 3) to provide the Customer with a source of supply for incremental energy needs.

The Company shall notify Customers or their Agents no later than 9 a.m. EST (EDT) immediately preceding the gas day of the volumes, if any, are available for use.

This rate is not available for gas used in electric generation facilities exceeding one (1) megawatt gross electric output capacity unless expressly permitted by the contract between the Company and the Customer.

B. Character of Service

Unbundled Sales Service provided under this Service Classification shall be on a best efforts basis and shall be subject to interruption upon at least a four (4) hours advance notice.

C. Contract Term

The Customer shall execute a service agreement with the Company which shall specify, among other things, the Maximum Daily Quantity ("MDQ") of gas required. The minimum contract term shall be one (1) day and maximum contract term shall be negotiated.

D. Rates and Charges

The Customer shall pay the commodity rate per ~~Mcf~~MCF as specified in the contract. This commodity rate shall be a negotiated, market-based charge. ~~This commodity rate shall be a negotiated, market-based charge.~~ If system supply is used, the Customer shall pay at a minimum a price per ~~Mcf~~MCF equal to the monthly WACCOG, plus ~~losses~~Lost and ~~unaccounted~~-Unaccounted for ~~gas~~Gas, plus one (1) cent per ~~Mcf~~MCF.

SERVICE CLASSIFICATION "FPS"

FLEXIBLY PRICED GAS SUPPLY SERVICE - (Continued)

E. Liability

The Company shall not be liable for curtailment of service or loss of gas as a result of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

The Company shall not be liable for any loss to the Customer arising from or out of service by the Company, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other gas supplies.

F. Public Utilities Tax

In addition to the charges hereunder, the Delaware State Public Utilities Tax shall apply to all services rendered, unless the Customer is exempt from such tax.

G. Rules and Regulations

The applicable Rules and Regulations set forth in the Company's Tariff, of which this Service Classification is a part, shall govern the provision of services under this Service Classification. The General Terms and Conditions of the Company's Tariff are incorporated into this Service Classification and shall be interpreted in accordance therewith.

H. City of Wilmington Local Franchise Tax

In addition to the charges provided for in this Service Classification, City of Wilmington Local Franchise Tax shall apply to all services, including the Gas Cost Rate, rendered hereunder, unless the Customer is exempt from such tax.

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR"

A. Purpose

The Company is offering this negotiated contract tariff provision to enable the Company to respond to Customer needs and the increasingly competitive forces in the energy services market. This contract tariff provision shall be used by the Company as a vehicle for responding to competitive pricing situations resulting from but not limited to fuel switching, facility relocation or expansion, partial or complete plant production shifting, and potential physical bypass. The Company shall use the provisions of this tariff only after a determination by the Customer that other existing tariff options will not meet the Customer's needs.

B. Eligibility

This contract tariff is available to any qualifying Customer as specified herein. Customer qualification shall be based upon meeting each of the following criteria as determined solely by the Company:

(a) The Customer has an economic competitive alternative to full or partial service from the Company's standard tariff rates, as determined by the Company;

(b) The Customer is likely to select said alternative if the Company does not provide a negotiated contract rate offer, verified by an affidavit to that effect signed by a qualified representative of the Customer;

(c) The price to the Customer will provide net revenues above the incremental costs to provide service under this negotiated contract rate; and

(d) The Customer is not eligible to take Residential Gas Service and has an average monthly consumption of at least 2,000 ~~Mcf~~MCF.

The Company shall determine eligibility on a case-by-case basis based upon information supplied by the Customer. The Company's decision on the application shall consider the economics of the competitive alternative, as well as the practical aspects of securing that alternative (e.g., ability to secure environmental permitting, feasibility studies, switching ability, ability to secure required capital).

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR" - (Continued)

C. Service Options

If, after reviewing the Customer's application for service, the Company concludes that the Customer meets all the eligibility requirements listed above, the Company shall enter into negotiations with the Customer for the purpose of offering such services as are believed to meet the Customer's requirements. Competitive offers may be made in a manner which provides the Customer with increased choices for service. A menu of service options differentiated by contract term, quantity, pricing options, and service attributes may be made available to the qualifying Customer. The agreed upon services shall be specifically described within the Customer Service Agreement ("CSA").

D. Contract

Eligible Customers requesting this Service Classification will be presented with a CSA, which specifies the terms and conditions of the contractual agreement between the Company and Customer. The CSA shall establish the otherwise applicable Service Classification for the Customer. The Customer must sign the CSA prior to commencement of this service and any investment by the Company. Service under the contractual agreement will commence on the date specified in the CSA.

E. Confidentiality

The CSA shall be considered a confidential document between the Company and Customer. By signing the CSA, the Customer and the Company agree not to share the CSA or information contained within the CSA with anyone except the parties to the contract, the Commission and the Office of the Public Advocate, unless given written consent from the other party. Violations by the Customer of the confidentiality agreement shall permit the Company to immediately terminate the contract with the Customer and subsequent reclassification to the appropriate Service Classification (as determined by the Company). The Customer shall also be responsible for the penalty provision (described below) and additional damages or prejudices to any other existing or potential contracts resulting from the breach of confidentiality.

F. Public Notice

The Company shall make publicly available the conditions that define a similarly situated Customer. Similarly situated means having characteristics including, but not limited to, similar supply economics and similar economic impacts on the Company. The Company shall make the same terms, prices and conditions available to any other Customer, new or existing, which the Company determines, at its sole discretion, to be similarly situated.

G. Pricing Options

Pricing shall be determined on a case-by-case basis according to the nature of the competitive situation. The final arrangements between the Company and Customer shall be included in the CSA.

SERVICE CLASSIFICATION

NEGOTIATED CONTRACT RATE "NCR" - (Continued)

H. Service Attributes

The Company may offer value-added services in conjunction with the contract. All service attributes agreed to between the Company and Customer shall be included in the CSA.

I. Contract Termination Clause

The contract between the Company and Customer shall include penalty provisions for early contract cancellation. If at any time prior to the end of the contract term the Customer elects to terminate the contractual agreement with the Company without exercising a recontracting option for continuing service, the Customer shall be obligated to the terms for cancellation as specified within the CSA.

J. Increase In Rates And Charges

Unless specifically stated within the CSA, commodity charges under this Service Classification shall be subject to the Gas Cost Rate Clause as described in the Tariff.

Customers subscribing to this Service Classification shall be assessed all surcharges of the otherwise applicable Service Classification (the standard classification to which the Customer would be subscribed to absent this contract tariff). All applicable surcharges which apply under this Service Classification shall be administered in accordance with the corresponding rules of this schedule.

The rates and charges under this Service Classification, including the Gas Cost Rate Clause and all applicable surcharges, shall be increased by the applicable Delaware State Public Utilities Tax and the Local City of Wilmington Franchise Tax, unless the Customer is exempt from such tax.

K. Contract Terms Filed With The Commission

The Company shall file the Contract terms with the Commission at least 30 days prior to the effective date of the Contract.

RIDER "ESR"

ENVIRONMENTAL SURCHARGE RIDER

A. Purpose

The purpose of this rider is to recover reasonable costs associated with the clean up of the Manufactured Gas Plant site in Wilmington. Applicable environmental costs are those incurred as a result of, but are not limited to investigating, testing, monitoring, remediation, land acquisition, legal costs related directly to the site remediation, and disposal sites. These costs must be actually incurred, incremental "out-of-pocket" remediation related expenses and must exclude such as internal labor and overhead expenses. The remediation costs must be offset by ~~a~~any remediation costs reimbursements received by the Company from insurance carriers and or other Potentially Responsible Parties. The costs recovered by this Rider shall not include expenses incurred in connection with litigation by third parties claiming personal injury or by third parties claiming damage to their property as a result of the operation or decommissioning of the site or as a result of the migration of material from the site.

B. Applicability

This rider is applicable to all firm delivery service ~~customers~~Customers, including Service Classifications "RG", "GG", "MVG", "LVG", "GVFT", "MVFT", "LVFT".

C. Operation of the Rider

The Company will file with the Commission a copy of the environmental surcharge rider computation at least 30 days prior to the proposed effective date of November 1.

The calculation filed will be supported by all bills and receipts relating to the amount of any environmental costs incurred in the preceding Environmental Cost Year for which the Company seeks to begin recovery. In the same filing, the Company shall include similar material and information to support any expenses and/or recoveries resulting from Third Party claims.

D. Rate

The rate for this Rider is listed under the applicable classifications shown on Tariff Leaf No. 37 and Tariff Leaf No. 38.

E. Determination of the Rate

The Rider rate shall be comprised of an Amortization Factor and a Reconciliation Factor as follows:

(1) Amortization Factor: Recovery of net environmental costs incurred during an Environmental Cost Year (ECY) will be accomplished through a five year amortization, offset by the tax benefit associated with those environmental costs as defined below. A net annual amortization amount will be calculated for each of the five years of amortization scheduled for the Environmental Cost Year. The amortization factor for any year will be comprised of the total net annual amount scheduled for that year.

RIDER "ESR" (continued)

ENVIRONMENTAL SURCHARGE RIDER

E. Determination of the Rate continued

(2) Reconciliation Factor: The reconciliation factor shall be equal to the over/under collection of the environmental cost rider. Over/under collection is the accumulated experienced net over or under recovery of the environmental costs during the twelve-month period ending with the month of July immediately preceding the beginning of the next recovery year.

(3) Rider Rate: The rider rate shall be equal to the sum of the amortization and reconciliation factors divided by projected firm sales over the next recovery period of November 1 through October 31.

F. Definitions

Environmental Cost Year (ECY) - is the time period over which environmental costs are incurred and any payments from other parties are netted against those costs. For purposes of this rider, the ECY is from June 1 through May 31. The ECY will include actual data recorded for the year. Recovery of environmental costs for an ECY will begin with the Recovery year that starts immediately following the end of the ECY.

Recovery Year – is each November 1 through October 31 and is the time period which the annually calculated environmental rider will be billed to firm ~~customers~~Customers.

Tax benefit (TB) – associated with environmental expenditures shall be calculated as follows:

$Tb_n = AEC_n * [(5-x)/5] * 0.1118 * 0.40655$

Where:

AEC_n = Actual Environmental Costs incurred in ECY "n"

X = The number of years that the Actual Environmental Costs (AEC) incurred in Year "n" have been subject to amortization (x= 1, 2, 3, and 4)

0.1118 = Before Tax Cost Rate

0.40655 = Effective Combined Federal and State Income Tax Rate.

The Before Tax Cost Rate of 0.1118 and the Effective Combined Federal and State Income Tax Rate of 0.40655 are the rates at the time of implementation of this rider and are subject to change. Any change in the Before Tax Cost Rate will be implemented starting with the next Rider Rate is calculated for the next Recovery year. Any change in the Effective Combined Federal and State Income Tax Rate will be implemented starting with the recovery calculation for the next ECY that ends after the rate changes.

RIDER "UFRC"
UTILITY FACILITY RELOCATION CHARGE RIDER

A. Purpose

The Utility Facility Relocation Charge (UFRC) is intended to allow ~~Delmarva Power~~Company to recover the cost of relocation of existing facilities required or necessitated by Department of Transportation or other government agency projects.

B. Applicablity

This Rider is applicable to any Customer served under Service Classifications "RG", "GG", "GL", "MVG", "LVG", "LVG-QFCP", "PM", "GVFT", "MVFT", "LVFT", "SBS", "QFT", "MVIT", "LVIT", "FPS" and "NCR."

The rate is applicable to the portion of the Customer's charges related to the delivery or distribution of gas.

C. Definitions

1. "Eligible Utility Facility Relocations" mean new, used and useful plant or facilities of a gas utility that:

   i. Do not include that portion of any plant or facilities used to increase capacity of or connect to the system to serve new or additional load;
   ii. Are in service; and
   iii. Were not included in the utility's rate base in its most recent general rate case; and which
   iv. Relocate, as required or necessitated by Department of Transportation or other government agency projects without reimbursement, existing Company facilities, including but not limited to, mains, lines and services, whether underground or aerial. For purposes of this section, "existing facilities" and "relocate" include the physical relocation of existing facilities and also include removal, abandonment or retirement of existing facilities and the construction of new facilities in a relocated location.

2. "Pretax return" means the revenues necessary to:

   a. Produce net operating income equal to the Company's weighted cost of capital as established in the most recent general rate proceeding multiplied by the net original cost of eligible utility facility relocations. At any time the Commission by its own motion, or by motion of the Company, Commission staff or the Public Advocate, may determine to revisit and, after hearing without the necessity of a general rate filing reset the UFRC rate to reflect the Company's current cost of capital. The UFRC rate shall be adjusted back to the date of the motion to reflect any change in the cost of capital determined by the Commission through this process;

   b. Provide for the tax deductibility of the debt interest component of the cost of capital; and

   c. Pay state and federal income taxes applicable to such income.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER - continued

C. Definitions (continued)

3. "UFRC costs" means depreciation expenses and pretax return associated with eligible utility facility relocations.

4. "UFRC rate" refers to utility facility relocation charge.

5. "UFRC revenues" means revenues produced through a UFRC exclusive of revenues from all other rates and charges.

D. Filing

1. The UFRC rate shall be adjusted semiannually for eligible relocation expenses placed in service during the 6-month period ending 2 months prior to the effective date of changes in the UFRC rate .

2. The effective date of changes in the UFRC rate shall be January 1 and July 1 every year.

3. The Company shall file any request for a change in the UFRC rate and supporting data with the Commission at least 30 days prior to its effective date.

4. The UFRC rate applied between base rate filings shall be capped at 7.5% of the portion of the Customer's charge related to the delivery or distribution of gas, but the UFRC rate increase applied shall not exceed 5% within any 12-month period.

5. The UFRC rate will be subject to annual reconciliation based on a period consisting of the 12 months ending December 31^{sl} of each year. The revenue received under the UFRC for the reconciliation period shall be compared to the Company's eligible costs for that period with the difference between revenue received and eligible costs for the period recouped or refunded, as appropriate, over a 1-year period commencing July 1 of each year. If the UFRC revenues exceeded the UFRC eligible costs, such over-collections shall be refunded with interest.

6. The UFRC rate shall be reset to zero as of the effective date of new base rates that provide for the prospective recovery of the annual costs theretofore recovered under the UFRC rate.

RIDER "UFRC"

UTILITY FACILITY RELOCATION CHARGE RIDER – continued

E. Filing (Continued)

1. The UFRC rate shall also be reset to zero if, in any quarter, data filed with the Commission by the Company show that the gas utility will earn a rate of return that exceeds the rate of return established in its last general rate filing or by Commission order as described in paragraph 2.a of this Rider, if such was determined subsequent to the final order in the ~~company's~~Company's last general rate filing. Further, the UFRC rate shall be reinstated when such data show that the established rate of return is not exceeded and will not be exceeded if the UFRC rate is reinstated and reset.

The UFRC is set forth as follows: 1.95%

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Appendix B

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Residential Gas Sales Service ("RG")		
Customer Charge	$11.85	per month
Delivery Charge	$0.52212	per CCF
Space Heating Delivery Charge 1/		
Over 50 CCF	$0.41896	per CCF
Environmental Surcharge Rider	$0.00128	per CCF
Gas Cost Rate (GCR)	$0.39467	per CCF
General Gas Sales Service ("GG")		
Customer Charge	$35.73	per month
Delivery Charge		
First 750 CCF	$0.43373	per CCF
Over 750 CCF	$0.32397	per CCF
Environmental Surcharge Rider	$0.00128	per CCF
Gas Cost Rate (GCR)	$0.39467	per CCF
Gas Lighting Sales Service ("GL")		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	$ 7.34	per gas light
Gas Cost Rate (GCR)	$ 5.92	per gas light
Medium Volume Gas Sales Service ("MVG")		
Customer Charge	$700.98	per month
Demand Charge	$ 16.611	per MCF of Billing MDQ
Delivery Charge 2/	$0.53300	per MCF
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR)	$3.9467	per MCF
Large Volume Gas Sales Service ("LVG")		
Customer Charge	$1,050.48	per month
Demand Charge	$10.229	per MCF of Billing MDQ
Delivery Charge 2/	$0.12815	per MCF
Environmental Surcharge Rider	$0.01282	per MCF
Gas Demand Cost Rate(DCR)	$1.7022	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production ("LVG-QFCP-RC")		
Customer Charge	$1,128.89	per month
Demand Charge	$7.170	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
General Volume Firm Transportation Service ("GVFT")		
Customer Charge	$124.49	per month
Delivery Charge		
First 750 CCF	$0.43373	per CCF Redelivered
Over 750 CCF	$0.32397	per CCF Redelivered
Balancing Fee Non-Base Rate	$0.03310	per CCF of Imbalance Volumes
Environmental Surcharge Rider	$0.00128	per CCF
Medium Volume Firm Transportation Service ("MVFT")		
Customer Charge	$779.39	per month
Demand Charge	$16.611	per MCF of Billing MDQ
Delivery Charge	$0.53300	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Large Volume Firm Transportation Service ("LVFT")		
Customer Charge	$1,128.89	per month
Demand Charge	$10.229	per MCF of Billing MDQ
Delivery Charge	$0.12815	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Standby Service ("SBS")		
Demand Charge Non-Base Rate	$1.7022	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)
Utility Facility Relocation Charge		For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
NON-CORE RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	MIN RATE	MAX RATE	NON-BASE RATE	BASIS
Flexibly Priced Gas Service ("FPS")					
Commodity Charge 1/		Varies	N/A		per MCF
No Notice Swing Charge	$ 0.15000				per MCF Redelivered
Medium Volume Interruptible Transportation Service ("MVIT")					
Customer Charge	$779.39				per month
Delivery Charge (2)					
Option 1	$ 1.30000				per MCF Redelivered
Option 2		$0.01	$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Large Volume Interruptible Transportation Service ("LVIT")					
Customer Charge	$1,128.89				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	$ 1.30000				per MCF Redelivered
Over 5,000 MCF	$ 0.36000				per MCF Redelivered
Option 2		$0.01	$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Quasi-Firm Transportation Service ("QFT")					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes

Public Utilities Tax	4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.	
City of Wilmington Local Franchise Tax	2.00%	Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus $0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable $0.00000/Mcf charge on QFT, MVIT and LVIT.

PROPOSED

REDLINE TARIFFS

INTERIM RATES

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS	
Residential Gas Sales Service ("RG")			
Customer Charge	$11.~~52~~85	per month	
Delivery Charge	$0.~~50739~~052212		per CCF
Space Heating Delivery Charge 1/			
Over 50 CCF	$0.~~40714~~041896		per CCF
Environmental Surcharge Rider	$0.00128	per CCF	
Gas Cost Rate (GCR)	$0.39467	per CCF	
General Gas Sales Service ("GG")			
Customer Charge	~~$34.72~~35.73		per month
Delivery Charge			
First 750 CCF	$0.~~42149~~43373		per CCF
Over 750 CCF	$0.~~31483~~32397		per CCF
Environmental Surcharge Rider	$0.00128	per CCF	
Gas Cost Rate (GCR)	$0.39467	per CCF	
Gas Lighting Sales Service ("GL")			
(Estimated Usage - 15 CCF per month)			
Monthly Charge	$ 7.~~13~~34	per gas light	
Gas Cost Rate (GCR)	$ 5.92	per gas light	
Medium Volume Gas Sales Service ("MVG")			
Customer Charge	~~$681.20~~700.98		per month
Demand Charge	$ 16.~~142~~611		per MCF of Billing MDQ
Delivery Charge 2/	$0.~~51796~~053300		per MCF
Environmental Surcharge Rider	$0.01282	per MCF	
Gas Cost Rate (GCR)	$3.9467	per MCF	
Large Volume Gas Sales Service ("LVG")			
Customer Charge	$1,~~020.84~~050.48	per month	
Demand Charge	~~$ 9.940~~10.229		per MCF of Billing MDQ
Delivery Charge 2/	$0.~~12453~~12815	per MCF	
Environmental Surcharge Rider	$0.01282	per MCF	
Gas Demand Cost Rate(DCR)	$1.7022	per MCF	
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF	

Public Utilities Tax: 4.25%- Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

RATES AND CHARGES
CORE SALES RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
Large Volume Gas Sales Service-Qualified Fuel Cell Provider-Renewable Capable Power Production ("LVG-QFCP-RC")		
Customer Charge	$1,~~097.04~~128.89	per month
Demand Charge	$~~6.967660~~7.170000	per MCF of Billing MDQ
Capital Recovery Charge	Varies	per Customer's Executed Service Agreement
Environmental Surcharge Rider	$0.01282	per MCF
Gas Cost Rate (GCR) Commodity Charge 1/	Varies	per MCF

Public Utilities Tax: 4.25% applies to all non-residential services, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% charged on all non-exempt services, in the City of Wilmington.

Utility Facility Relocation Charge — For applicability refer to Rider UFRC on Leaf No. 81

1/ All LVG-QFCP-RC customers pay a Commodity Charge Rate based upon the Gas Daily Average (GDA) for Transco Zone 6 Non-New York price plus any premiums incurred by Delmarva to provide this service.

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	BASIS
General Volume Firm Transportation Service ("GVFT")		
Customer Charge	$~~120.98~~124.49	per month
Delivery Charge		
First 750 CCF	$0.~~4214~~43373	per CCF Redelivered
Over 750 CCF	$0.~~3148~~32397	per CCF Redelivered
Balancing Fee Non-Base Rate	$0.03310	per CCF of Imbalance Volumes
Environmental Surcharge Rider	$0.00128	per CCF
Medium Volume Firm Transportation Service ("MVFT")		
Customer Charge	$~~757.40~~779.39	per month
Demand Charge	$-16.~~142~~611	per MCF of Billing MDQ
Delivery Charge	$-0.~~5179~~53300	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Large Volume Firm Transportation Service ("LVFT")		
Customer Charge	$1,~~097.04~~128.89	per month
Demand Charge	$~~9.940~~10.229	per MCF of Billing MDQ
Delivery Charge	$-0.~~12453~~12815	per MCF Redelivered
Balancing Fee Non-Base Rate	$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	$0.01282	per MCF
Standby Service ("SBS")		
Demand Charge Non-Base Rate	$1.7022	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)
Utility Facility Relocation Charge		For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

RATES AND CHARGES
NON-CORE RATE LEAF

SERVICE CLASSIFICATION	BASE RATE	MIN RATE	MAX RATE	NON-BASE RATE	BASIS
Flexibly Priced Gas Service ("FPS")					
Commodity Charge 1/		Varies	N/A		per MCF
No Notice Swing Charge	$ 0.15000				per MCF Redelivered
Medium Volume Interruptible Transportation Service ("MVIT")					
Customer Charge	~~$757.40~~779.39				per month
Delivery Charge (2)					
Option 1	$ 1.30000				per MCF Redelivered
Option 2		$0.01	$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Large Volume Interruptible Transportation Service ("LVIT")					
Customer Charge	$1,~~097.04~~128.89				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	$ 1.30000				per MCF Redelivered
Over 5,000 MCF	$ 0.36000				per MCF Redelivered
Option 2		$0.01	$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Quasi-Firm Transportation Service ("QFT")					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				$0.3310	per MCF of Imbalance Volumes
Public Utilities Tax	4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.				
City of Wilmington Local Franchise Tax				2.00%	Charged on all non-exempt services, in the City of Wilmington, including the GCR
Utility Facility Relocation Charge	For applicability refer to Rider UFRC on Leaf No. 81				

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus $0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable $0.00000/Mcf charge on QFT, MVIT and LVIT.

Delaware Gas Base Rate Case – 2016 Case
Minimum Filing Requirements
Index to Schedules

Filing Requirements Designation	Schedule Number	Description	Witness Sponsoring
Part I	A	Period Definitions	Ziminsky
Part II	**General Information**		
2.1.1	B	Description of the Company	McGowan Reference 10-K
2.1.2	B	Intercompany Relationships	McGowan Reference 10-K
2.1.3	B	Systems MAP	Collacchi
2.1.4	C	Reasons for an Increase	Ziminsky
2.1.5	C	Items Departing from Prior Decision	Ziminsky
2.2.2	C	Gas Utility Plant Capacity and Service	Collacchi
2.3.1	D	Amount and Percent of Increases by Class	Santacecilia
Part III	**Financial Results of Operations**		
3.1.1		Financial Summary	Ziminsky
3.1.2	1-A, 1-B	Jurisdictional versus Total Company Results	Ziminsky
3.2.1.1	--	Annual Report to Stockholders	McGowan
3.2.1.2	--	FERC Reports	McGowan
3.2.1.3	--	SEC 10K Reports	McGowan
3.2.1.4	--	Proxy Statements	McGowan
3.2.1.5	--	Security Prospectuses	McGowan
Part IV	**Rate Base**		
4.2	2	Rate Base Summary	Ziminsky
4.3	2A	Used and Useful Utility Plant	Ziminsky
4.4	2B	Intangible Assets	Ziminsky
4.5	2C	Accumulated Depreciation & Amortization	Ziminsky
4.6	2C	Customer Advances and Contributions in Aid of Construction	Ziminsky
4.7.3	2D	Deferred Tax Accounting Methods	Ziminsky
4.8	--	Accumulated Depreciation of Customer Advances and Contributions in Aid of Construction	Ziminsky
4.9	2E	Materials and Supplies	Ziminsky
4.10	2E-1	Investor Supplied Cash Working Capital	Ziminsky
4.11	2F	Other Elements of Property and CWIP Schedule/By Project	Ziminsky
Part V	**Net Operating Income**		
5.1	3	Summary of Net Operating Income	Ziminsky
5.2.1	3A, Page 1	Revenues	Ziminsky/Santacecilia
5.2.2	3A, Page 2	Sales & Revenues by Class	Ziminsky/Santacecilia
5.3.1	3B, Page 1	Operating Expenses	Ziminsky
5.3.6	3B, Page 2	Statement on Depreciation/Depreciation Rates Depreciation Rates and Study	Ziminsky Spanos

Delaware Gas Base Rate Case – 2016 Case
Minimum Filing Requirements
Index to Schedules

Filing Requirements Designation	Schedule Number	Description	Witness Sponsoring
	3B	Deferred Fuel Cost Accounting	Collacchi
5.3.4	3C	Payroll Costs	Ziminsky
5.3.5	3D	Executive Compensation	McGowan
5.3.9	3E	Sales Promotion and Advertising	Ziminsky
5.3.10, 5.3.11	3F	Contribution & Lobbying Costs	Ziminsky
5.3.12	3G	Association Dues	Ziminsky
5.3.13	3H	Rate Case Expenses	Ziminsky
5.3.14		Affiliated Transaction Detail	Waiver to be requested
5.3.15.1	3I	Income Taxes and Provisions	Ziminsky
5.3.15.2	3J, Page 1 & 2	Federal & State Income Taxes	Ziminsky
5.3.15.3	3K, Page 1	Deferred Federal & State Income Taxes	Ziminsky
5.3.15.3	3K, Page 2	Income Tax Accounting Statement	Ziminsky
5.3.15.4	3L	Investment Tax Credit	Ziminsky
5.3.15.7	3M	Other Taxes	Ziminsky
5.4	3N, Page 1 & 2	AFUDC Definition & Computation	Ziminsky
5.5	3O	Other Income & Deductions	Ziminsky
Part VI	**Rate of Return**		
6.1.1	4	Overall Proposed Rate of Return	Hevert
6.1.2	4A	Actual and Estimated Capital Structure	Hevert
6.2.1	4A	Short Term Debt and Compensating Balances	Hevert
6.2.2	4B and 4C	Embedded Cost of Debt	Hevert
6.3	4D and 4E	Embedded Cost of Preferred Stock	Hevert
6.4	4F, G and H	Common Equity Cost	Hevert
6.5	Parent: 4A, 4B, 4C, 4D	Parent – Subsidiary Relationship	Hevert
Part VII	**Gross Revenue Conversion Factor**		
7.0	5	Revenue Conversion Factor	Ziminsky
Part VIII	**Rates and Tariffs**		
8.1 – 8.6	--	All Rates and Tariffs are filed in the Application Book (Book 1). See testimony and schedules of Company Witness Santacecilia for a list of proposed tariff changes and reasons for changes	Santacecilia
8.4		Cost of Service Study	Normand

Test Year = 12 months ending December 2015, Actual

Test period = 12 months ending December 2015, Actual

Before the Delaware Public Service Commission
Application for an Increase in Gas Base Rates
PSC Docket No. 16 -
Briefing Sheet

Subject: Delmarva Power & Light Company's (Delmarva or the Company) Application for an Increase in Gas Rates filed May 17, 2016.

Increase Sought: Delmarva seeks approval of a proposed increase of $21,475,979 in its gas base rates, which equates to an increase in total revenue of 13.2%.

Reasons for Filing: The proposed increase reflects higher costs since 2013 to continue to provide safe and reliable service.

Effective Date: The Company is requesting that the full proposed increase become effective July 16, 2016. If the Commission should decide to suspend the full proposed increase, the Company requests to put an interim increase of $2.5 Million into effect on July 16, 2016.

Rate Design: The proposed apportionment of the increase will move the class rates of return toward unity.

Rate of Return: 7.19% overall; 10.60% on Common Equity

Test Year: Actual Data for the 12 months ending December 2015

Test Period: Same as the Test Year

Capital Structure: At December 31, 2015

Type of Capital	Ratio	Cost Rate	Weighted Cost Rate
Long Term Debt	50.56%	3.85%	1.95%
Common Equity	49.44%	10.60%	5.24 %
Total	100.00%		7.19 %

Before the Delaware Public Service Commission
Application for an Increase in Gas Base Rates
PSC Docket No. 16 -

Elements of the Rate Increase:

Items:	($000)
Attrition since Last Decision	$7,108
Reliability Plant Additions	$5,077
Proposed Depreciation Rates	$4,586
Increase in Return on Equity	$2,608
Wage & Benefits Expense Change	$1,206
AMI True-up Adjustments	$1,166
Other	$- 275
Total	$21,476

Impact on Different Rate Classes:

Service Classification	Proposed Increase ($000)			
	Full Proposed Increase		Interim Increase	
	$	%	$	%
R + RSH	13,792	13.9	1,599	1.61
GG + GVFT	5,358	11.6	639	1.38
MVG + MVFT	1,079	23.4	118	2.58
LVG + LVFT	1,128	24.8	127	2.80
Gas Lighting	.2	10.9	.02	1.36
LVG-QFCP	119	1.7	15.8	0.22
Total	$21,476	13.2%	$ 2,500	1.54%

Impact on Average Customer:

For a typical residential customer using 120 ccf, the bill impact is 10.4% (bill increase of $13.55, from $129.67 to $143.22)

For the interim increase, for a typical residential customer using 120 ccf, the bill impact is 1.5% (bill increase of $1.90, from $129.67 to $131.57)

Details of preceding rate case (Docket No. 12-546)

1. Filed December 7, 2012
2. Full Proposed Rates Effective July 1, 2013
3. Final Rates Effective November 1, 2013 with refunds
4. Settlement Reached
5. Final Order No. 8465 issued October 22, 2013
6. Increase of $6.8 M
7. No Return on Equity approved ; 9.75% used for calculation of metrics
8. Refunds processed and applied February 15, 2014
9. Impact varied by class

General Information

Schedule No. A
Ref: Part 1, Para. 2.1 & 2.2
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Test Year and Test Period Defined

In all following schedules, the following period definitions are applicable:

Test Year: 12 Months Ending December 31, 2015
Test Period: 12 Months Ending December 31, 2015

Schedule No. B
Witness: McGowan
Collacchi. Ziminsky

DELMARVA POWER & LIGHT COMPANY - GAS
DATA PREVIOUSLY FILED

Line No.	Designation	Description	Witness
1	Part 2, Para. 1.1 & 1.2	Description of the Company	McGowan
2			
3	Part 2, Para. 1.3	System Map	Collacchi
4			
5	Part 2, Para. B 2.2	Gas Supply Plan 2016	Collacchi
6			
7		Supporting Documents	
8	Part 3, Para. 2.1.1	A. Annual Reports	McGowan
9	Part 3, Para. 2.1.2	B. FERC Reports	Ziminsky
10	Part 3, Para. 2.1.3	C. SEC 10-K Reports	McGowan
11	Part 3, Para. 2.1.4	D. SEC Proxy Statements	McGowan
12	Part 3, Para. 2.1.5	E. Prospectus	McGowan

Schedule B
Addendum

Delmarva Power & Light Company
Data Previously Filed

2.1 Description of Company:

The Company routinely files its SEC Form 10K with the DPSC. This document is also available on the Company's website (see link below). On the SEC filings page select "Annual Filings". In the pdf form of the 2016 10K, reference Part 1, item 1 for corporate history.
http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec

2.1.3 System Map:

The Gas service tariff on page 3 depicts the areas served by Delmarva Power.

Supporting Documents:

Annual Reports:

The Company routinely files its Annual SEC Form 10K with the DPSC. This document is also available on the Company's website (see link below). On the SEC filings page select "Annual Filings". In the pdf form of the 2016 10K, reference Part 1, item 1 for corporate history.
http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec

FERC Reports:

Delmarva files its FERC FORM No. 1 with the DPSC. The Company filed its FERC Form No. 1 on April 17, 2016.

SEC 10 K reports:

The Company routinely files its SEC Form 10K with the DPSC. Form 10K is available on the Company's website (see link below). On the SEC filings page select "Annual Filings".
http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec

SEC Proxy Statements:

This document is available on Exelon's website (see link below). On the SEC filings part of the page select "Proxy".
http://www.exeloncorp.com/investor-relations/reports-and-sec-filings

Prospectus:

This document is available on Exelon's website (see link below). On the SEC filings part of the page select "Other".
http://www.exeloncorp.com/investor-relations/reports-and-sec-filings

Schedule No. C
Ref: Part 2, Para. 1.4 & 1.5
Witness: Ziminsky

DELMARVA POWER & LIGHT COMPANY - GAS
ELEMENTS OF RATE INCREASE

Reasons for the Proposed Increase:

Refer to Kevin M. McGowan's testimony

Elements of the Proposed Increase

Items	000's
Attrition since last base rate case	$7,108
Reliability Plant Additions	$5,077
Proposed Depreciation Rates	$4,586
Increase in Return on Equity	$2,608
Wages and Benefits Expense Change	$1,206
AMI Deployment	$1,166
Experimental Station Project	$808
Removal of Executive Compensation	($746)
Merger Integration & Costs to Achieve	($337)

Accounting Elements departing from Prior Decisions

Non-executive incentive compensation not removed

Non-named executives' non-financial incentive compensation not removed

Schedule D
Ref: Part II, Para. C-1
Witness: Santacecilia

Delmarva Power & Light Company - Delaware
Summary of Proposed Revenue Increase
12 Months Ending December 31, 2015

Rate Schedule	Test Period Total Delivery Sales CCF	Total Test Period Revenue $	Total Test Period Delivery Revenue w/o Tax $	Proposed Delivery Revenue Increase $	Total Proposed Delivery w/o Tax $	Total Proposed Revenue w/o Tax $	Proposed Delivery Revenue Increase (%)	Total Proposed Revenue Increase (%)
Residential	85,190,893	99,443,649	55,091,544	$ 13,793,369	$ 68,884,914	$ 113,237,018	25.0%	13.9%
GG/GVFT	49,282,177	46,229,794	22,006,959	$ 5,358,427	$ 27,365,386	$ 51,588,222	24.3%	11.6%
GL	1,980	2,010	941	$ 220	$ 1,161	$ 2,230	23.4%	10.9%
MVG/MVFT	17,127,280	4,612,051	4,097,894	$ 1,079,610	$ 5,177,504	$ 5,691,660	26.3%	23.4%
LVG/LVFT	35,030,260	4,542,507	4,375,622	$ 1,127,983	$ 5,503,605	$ 5,670,490	25.8%	24.8%
LVG-QFCP	16,593,190	7,068,439	543,720	$ 118,918	$ 662,638	$ 7,187,357	21.9%	1.7%
MVIT	2,284,300	432,507	81,881	$ -	$ 81,881	$ 432,507	0.0%	0.0%
LVIT	2,271,730	287,401	50,107	$ -	$ 50,107	$ 287,401	0.0%	0.0%
Total	207,781,810	$ 162,618,358	$ 86,248,668	$ 21,478,528	$ 107,727,196	$ 184,096,886	24.9%	13.2%

Schedule D
Ref: Part II, Para. C-1
Witness: Santacecilia

Delmarva Power & Light Company - Delaware
Summary of Proposed Interim Revenue Increase
12 Months Ending December 31, 2015

Rate Schedule	Test Period Total Delivery Sales CCF	Total Test Period Revenue w/o Tax $	Total Test Period Delivery Revenue W/O Tax $	Proposed Delivery Revenue Increase $	Total Proposed Delivery Revenue W/O Tax $	Total Proposed Revenue w/o Tax $	Proposed Delivery Revenue Increase (%)	Total Proposed Revenue Increase (%)
Residential	85,190,893	99,443,649	55,091,544	$ 1,599,329	$ 56,690,873	$ 101,042,977	2.90%	1.61%
GG/GVFT	49,282,177	46,229,794	22,006,959	$ 638,870	$ 22,645,829	$ 46,868,665	2.90%	1.38%
GL	1,980	2,010	941	$ 27	$ 968	$ 2,037	2.90%	1.36%
MVG/MVFT	17,127,280	4,612,051	4,097,894	$ 118,963	$ 4,216,858	$ 4,731,014	2.90%	2.58%
LVG/LVFT	35,030,260	4,542,507	4,375,622	$ 127,026	$ 4,502,648	$ 4,669,533	2.90%	2.80%
LVG-QFCP	16,593,190	7,068,439	543,720	$ 15,784	$ 559,504	$ 7,084,223	2.90%	0.22%
MVIT	2,284,300	432,507	81,881	$ -	$ 81,881	$ 432,507	0.00%	0.00%
LVIT	2,271,730	287,401	50,107	$ -	$ 50,107	$ 287,401	0.00%	0.00%
Total	207,781,810	162,618,358	86,248,668	$ 2,500,000	88,748,668	165,118,358	2.90%	1.54%

Schedule No. 1

Schedule No. 1 - A
Ref: Part 3, Para. 1.1
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Overall Financial Summary for Total Company

(1)	(2)	(3)	(4)	(5)
			Test Period	
Line No.	Description	System Gas	Adjustments	Adjusted System Gas
1	Rate Base	$319,673,089	$42,704,043	$362,377,132
2				
3	Net Operating Income	$16,870,452	($3,348,350)	$13,522,102
4				
5	Earned Rate of Return	5.28%		3.73%

Delmarva Power & Light Company - Gas
Overall Financial Summary for Delaware Jurisdiction

(1)	(2)	(3)	(4)	(5) Test Period	(6)
Line No.	Description	Reference Schedule	Delaware Gas Jurisdiction	Adjustments	Delaware Gas Adjusted
1	Rate Base	2	$319,673,089	$42,704,043	$362,377,132
2	Net Operating Income	3	$16,870,452	($3,348,350)	$13,522,102
3	Earned Rate of Return		5.28%		3.73%
4					
5	Proposed Fair Rate of Return				7.19%
6	Required Operating Income				$26,054,916
7					
8	Operating Income Deficiency				$12,532,814
9	Gross Revenue Conversion Factor	5			1.71358
10	Revenue Deficiency				$21,475,979

Delmarva Power & Light Company
Delaware Gas
Adjustments to Rate Base for the Test Period

(1) Line No.	(2) Description	(3) Per Cost of Service	(4) **Adj # 10** AMI Residuals	(5) **Adj # 12** Reliability Closings Test Period	(6) **Adj # 13** Reliability Closings Jan - Sep 2016	(7) **Adj # 14** Reliability Closings Oct - Dec 2016	(8) **Adj # 15** Reliability Closings Dec 2016 CWIP	(9) **Adj # 16** Experimental Station	(10) **Adj # 18** Amortization of Refinancings	(10) **Adj # 19** Remove Bloom Incremental
1	Supporting Witness		Ziminsky	Ziminsky / Collacchi	Ziminsky / Collacchi	Ziminsky / Collacchi	Ziminsky / Collacchi	Ziminsky / Santacecilia	Ziminsky	Ziminsky
2										
3	Gas Plant in Service	$558,891,232	$0	$10,569,679	$9,022,443	$2,767,940	$5,708,127	$6,000,000	$0	($594,959)
4	Intangible Assets	$1,242,117	$0	$0	$0	$0	$0	$0	$0	$0
5	Less: Accumulated Depreciation and Amortization	$225,331,776	$0	($1,364,884)	($2,741,427)	($740,693)	($1,478,311)	$58,384	$0	($39,683)
6	**Net Plant in Service**	$334,801,573	$0	$11,934,563	$11,763,869	$3,508,633	$7,186,438	$5,941,616	$0	($555,276)
7										
8	Less: Customer Advances	($168,748)	$0	$0	$0	$0	$0	$0	$0	$0
9	Accumulated Deferred Income Taxes	($52,034,701)	($191,405)	$0	$0	$0	$0	$0	($603,119)	$0
10	Accumulated Investment Tax Credit	($357,595)	$0	$0	$0	$0	$0	$0	$0	$0
11										
12	Plus: Materials and Supplies	$8,441,780	$0	$0	$0	$0	$0	$0	$0	$0
13	Working Capital	$32,108,844	$0	$0	$0	$0	$0	$0	$0	$0
14	Other Elements of Property									
15	Construction Work in Progress	$0	$0	$0	$0	$0	$0	$0	$0	$0
16	Customer Deposits	($3,118,065)	$0	$0	$0	$0	$0	$0	$0	$0
17	Amortizable Balances	$0	$470,801	$0	$0	$0	$0	$0	$1,483,504	$0
18										
19	**Total Claimed Rate Base**	$319,673,089	$279,396	$11,934,563	$11,763,869	$3,508,633	$7,186,438	$5,941,616	$880,386	($555,276)

Delmarva Power & Light Company
Delaware Gas
Adjustments to Rate Base for the Test Period

(1) Line No.	(2) Description	(5) **Adj # 22** Credit Facilities Expense	(6) **Adj # 23** Merger Synergies & Costs to Achieve	(7) **Adj # 25** CWC Adjustment	(13) Adjusted Rate Base
1	Supporting Witness	Ziminsky / McGowan	Ziminsky / McGowan	Ziminsky	
2					
3	Gas Plant in Service	$0	$0	$0	$592,364,462
4	Intangible Assets	$0	$0	$0	$1,242,117
5	Less: Accumulated Depreciation and Amortization	$0	$0	$0	$219,025,162
6	**Net Plant in Service**	$0	$0	$0	$374,581,416
7					
8	Less: Customer Advances	$0	$0	$0	($168,748)
9	Accumulated Deferred Income Taxes	$0	($1,182,570)	$0	($54,011,795)
10	Accumulated Investment Tax Credit	$0	$0	$0	($357,595)
11					
12	Plus: Materials and Supplies	$0	$0	$0	$8,441,780
13	Working Capital	$0	$0	($100,122)	$32,008,722
14	Other Elements of Property				
15	Construction Work in Progress	$0	$0	$0	$0
16	Customer Deposits	$0	$0	$0	($3,118,065)
17	Amortizable Balances	$138,316	$2,908,794	$0	$5,001,416
18					
19	**Total Claimed Rate Base**	$138,316	$1,726,224	($100,122)	$362,377,132

Delmarva Power & Light Company
Delaware Gas
Adjustments to Earnings for the Test Period

(1) Line No.	(2) Description	(3) Per Cost of Service	(4) **Adj # 1** Regulatory Exp Normalization	(5) **Adj # 2** Injuries & Dam Normalization	(6) **Adj # 3** Uncollectible Exp Normalization	(7) **Adj # 4** Wage & FICA Adjustment	(8) **Adj # 5** Benefits Expense Adjustment	(9) **Adj # 6** Remove Executive Incentives	(10) **Adj # 7** Remove Certain Executive Comp.	(11) **Adj # 8** Emp Assoc Exp Adjustment
1	Supporting Witness		Ziminsky	Ziminsky	Ziminsky	Ziminsky	Ziminsky	Ziminsky / McGowan	Ziminsky	Ziminsky
2										
3	Operating Revenues									
4	Sales	$86,154,370	$0	$0	$0	$0	$0	$0	$0	$0
5	Other Revenues	$523,610	$0	$0	$0	$0	$0	$0	$0	$0
6	Total Operating Revenues	$86,677,980	$0	$0	$0	$0	$0	$0	$0	$0
7										
8	Operating Expenses									
9	Operation and Maintenance	$42,006,951	($12,841)	($43,231)	($847,692)	$961,037	$169,315	($726,003)	($7,662)	($28,189)
10	Depreciation and Amortization	$15,138,458	$0	$0	$0	$0	$0	$0	$0	$0
11	Taxes Other than Income Taxes	$5,939,818	$0	$0	$0	$55,116	$0	$0	$0	$0
12	Income Taxes and Provisions	$6,718,887	$5,221	$17,576	$344,629	($413,117)	($68,835)	$295,156	$3,115	$11,460
13	Total Operating Expenses	$69,804,114	($7,620)	($25,656)	($503,063)	$603,036	$100,480	($430,846)	($4,547)	($16,729)
14										
15	Operating Income	$16,873,866	$7,620	$25,656	$503,063	($603,036)	($100,480)	$430,846	$4,547	$16,729
16										
17	AFUDC	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	Other Income and Deductions	($3,414)	$0	$0	$0	$0	$0	$0	$0	$0
19										
20	Net Operating Income	$16,870,452	$7,620	$25,656	$503,063	($603,036)	($100,480)	$430,846	$4,547	$16,729

Delmarva Power & Light Company
Delaware Gas
Adjustments to Earnings for the Test Period

(1) Line No.	(2) Description	(3) **Adj # 9** IMU Battery Replacement	(4) **Adj # 10** AMI Residuals	(5) **Adj # 11** September 2015 AMI Phase-In	(6) **Adj # 12** Reliability Closings Test Period	(7) **Adj # 13** Reliability Closings Jan - Sep 2016	(8) **Adj # 14** Reliability Closings Oct - Dec 2016	(9) **Adj # 15** Reliability Closings Dec 2016 CWIP	(10) **Adj # 16** Experimental Station
1	Supporting Witness	Ziminsky/Collacchi	Ziminsky	Ziminsky	Ziminsky/Collacchi	Ziminsky/Collacchi	Ziminsky/Collacchi	Ziminsky/Collacchi	Ziminsky / Santacecilia
2									
3	Operating Revenues								
4	Sales	$0	$0	$869,538	$0	$0	$0	$0	$0
5	Other Revenues	$0	$0	$0	$0	$0	$0	$0	$0
6	Total Operating Revenues	$0	$0	$869,538	$0	$0	$0	$0	$0
7									
8	Operating Expenses								
9	Operation and Maintenance	$1,565,731	$0	$0	$0	$0	$0	$0	$0
10	Depreciation and Amortization	$0	$104,623	$272,332	$445,171	$322,101	$98,815	$203,780	$116,768
11	Taxes Other than Income Taxes	$0	$0	$0	$0	$0	$0	$0	$0
12	Income Taxes and Provisions	($636,548)	($17,876)	$242,794	($180,984)	($130,950)	($40,173)	($82,847)	($47,472)
13	Total Operating Expenses	$929,183	$86,747	$515,126	$264,187	$191,151	$58,642	$120,933	$69,296
14									
15	Operating Income	($929,183)	($86,747)	$354,412	($264,187)	($191,151)	($58,642)	($120,933)	($69,296)
16									
17	AFUDC	$0	$0	$0	$0	$0	$0	$0	$0
18	Other Income and Deductions	$0	$0	$0	$0	$0	$0	$0	$0
19									
20	Net Operating Income	($929,183)	($86,747)	$354,412	($264,187)	($191,151)	($58,642)	($120,933)	($69,296)

Delmarva Power & Light Company
Delaware Gas
Adjustments to Earnings for the Test Period

(1) Line No.	(2) Description	(3) **Adj # 17** Proposed Depreciation Rates	(4) **Adj # 18** Amortization of Refinancings	(5) **Adj # 19** Remove Bloom Incremental	(6) **Adj # 20** Relocation Normalization	(7) **Adj # 21** Post 1980 ITC Amortization	(8) **Adj # 22** Credit Facilities Expense	(9) **Adj # 23** Merger Synergies & Costs to Achieve	(10) **Adj # 24** Interest Synchronization	(12) Adjusted Earnings
1	Supporting Witness	Ziminsky / Spanos	Ziminsky	Ziminsky	Ziminsky	Ziminsky	Ziminsky / McGowan	Ziminsky / McGowan	Ziminsky	
2										
3	Operating Revenues									
4	Sales	$0	$0	$0	$0	$0	$0	$0	$0	$87,023,907
5	Other Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$523,610
6	Total Operating Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$87,547,518
7										
8	Operating Expenses									
9	Operation and Maintenance	$0	$0	$0	$14,183	$0	$128,440	($1,175,270)	$0	$42,004,769
10	Depreciation and Amortization	$4,511,816	$207,363	($12,638)	$0	$0	$0	$646,399	$0	$22,054,987
11	Taxes Other than Income Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$5,994,934
12	Income Taxes and Provisions	($1,835,766)	($84,303)	$5,138	($5,766)	$41,228	($52,217)	$215,013	($336,050)	$3,967,312
13	Total Operating Expenses	$2,676,050	$123,060	($7,500)	$8,417	$41,228	$76,223	($313,859)	($336,050)	$74,022,002
14										
15	Operating Income	($2,676,050)	($123,060)	$7,500	($8,417)	($41,228)	($76,223)	$313,859	$336,050	$13,525,516
16										
17	AFUDC	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	Other Income and Deductions	$0	$0	$0	$0	$0	$0	$0	$0	($3,414)
19										
20	Net Operating Income	($2,676,050)	($123,060)	$7,500	($8,417)	($41,228)	($76,223)	$313,859	$336,050	$13,522,102

Schedule No. 2

Schedule No. 2
Ref: Part 4, Para. 2.1 & 2.2
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Rate Base Summary - "Per Books"

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Description	26 Del. C. 102 (3) Letter Ref.	Reference Schedule	Test Period Delaware Gas Jurisdiction	Test Period Amount in COS
1	Gas Plant in Service	a	2 - A	$558,891,232	$558,891,232
2	Intangible Assets	a	2 - B	$1,242,117	$1,242,117
3	Less: Accumulated Depreciation and Amortization	b	2 - C	$225,331,776	$225,331,776
4	**Net Plant in Service**			$334,801,573	$334,801,573
5					
6	Less: Customer Advances	c	2 - C	($168,748)	($168,748)
7	Accumulated Deferred Income Taxes	d	2 - D	($52,034,701)	($52,034,701)
8	Accumulated Investment Tax Credit	d	2 - D	($357,595)	($357,595)
9					
10	Plus: Materials and Supplies	f	2 - E	$8,441,780	$8,441,780
11	Working Capital	f	2 - E	$32,108,844	$32,108,844
12	Other Elements of Property				
13	Construction Work in Progress	g	2 - F	$11,704,838	$0
14	Customer Deposits	g	2 - F	($3,118,065)	($3,118,065)
15	Amortizable Balances	g	2 - F	$0	$0
16					
17	**Total Claimed Rate Base**			$331,377,927	$319,673,089

Schedule No. 2-A
Ref: Part 4, Para. 3.1
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Gas Plant in Service by Major Plant Category

(1)	(2)	(3)	(4)
Line No.	Major Plant Category	Test Period Balance	Test Period Amount in COS
1	Production	$11,055,240	$11,055,240
2	Transmission	$40,124,765	$40,124,765
3	Distribution	$471,093,671	$471,093,671
4	General	$5,017,946	$5,017,946
5	Common - Gas	$31,599,610	$31,599,610
6			
7			
8	Total	$558,891,232	$558,891,232

The Company's plant in service are included in FERC Accounts 101 and 106. Detail by FERC sub-account is included in the Company's workpapers.

Schedule No. 2-B
Ref: Part 4, Para. 1.1 & 1.2
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Intangible Assets Claimed in Jurisdictional Rate Base

(1) Line No.	(2) Major Plant Category	(3) Test Period Balance	(4) Test Period Amount in COS
1	Account 301 Organization	$0	$0
2	302 Franchise	$0	$0
3	303 Miscellaneous	$1,242,117	$1,242,117
4			
5			
6	Total Intangible	$1,242,117	$1,242,117
7			
8			

Intangible assets are included in rate base as defined by 25 Del. Code 102(3)a. These assets include expenditures incurred in organizing and franchising the Company and various computer software costs necessary for daily operation. As such, intangible assets are "used and useful" in providing service.

Intangible Assets In Service Dates	Amount
May 2000	$251,328
December 2008	$345,711
May 2009	$645,077

Delmarva Power & Light Company - Gas
Accumulated Depreciation and Amortization for the Test Period

(1) Line No.	(2) Major Plant Category	(3) Test Period Balance	(4) Test Period Amount in COS
1	Depreciation		
2	Production	$9,146,988	$9,146,988
3	Transmission	$16,476,965	$16,476,965
4	Distribution	$178,797,203	$178,797,203
5	General	$1,607,685	$1,607,685
6	Common - Gas	$18,061,636	$18,061,636
7			
8	Total Depreciation	$224,090,477	$224,090,477
9			
10	Amortization	$1,241,300	$1,241,300
11			
12	Total Depreciation and Amortization	$225,331,776	$225,331,776

Delmarva Power & Light Company - Gas
Customer Advances

(1) Line No.	(2) Description		(3) Test Period Balance
1	System Gas		
2	December, 2014	Actual	$95,400
3	January, 2015	Actual	$120,877
4	February	Actual	$144,077
5	March	Actual	$135,477
6	April	Actual	$161,477
7	May	Actual	$166,477
8	June	Actual	$161,077
9	July	Actual	$184,577
10	August	Actual	$196,377
11	September	Actual	$188,377
12	October	Actual	$200,377
13	November	Actual	$214,177
14	December, 2015	Actual	$224,977
15	13 month average		$168,748

Delmarva Power & Light Company - Gas
Accumulated Deferred Federal Income Taxes

(1)	(2)	(3)	(4)
Line No.	Description	Test Period Balance	Test Period Amount in COS
1	Accumulated Federal Deferred Income Taxes		
2	Account 190		
3	Federal NOL	$7,948,876	$7,948,876
4	Allowance for Doubtful Accounts	$1,040,840	$1,040,840
5	Claims Reserve	$116,915	$116,915
6	Other Labor Related	$783,294	$783,294
7			
8	Account 283		
9	Property Taxes	($349,795)	($349,795)
10	Materials Reserve	($61,775)	($61,775)
11			
12	Plant Related	($55,953,784)	($55,953,784)
13			
14	Total Federal Deferred Taxes	($46,475,430)	($46,475,430)
15			
16	Accumulated Investment Tax Credit	($357,595)	($357,595)

Delmarva Power & Light Company - Gas
Accumulated Deferred State Income Taxes

(1)	(2)	(3)	(4)
Line No.	Description	Test Period Balance	Test Period Amount in COS
1	Accumulated State Deferred Income Taxes		
2	Account 190		
3	State NOL	$8,933,462	$8,933,462
4	Allowance for Doubtful Accounts	$277,164	$277,164
5	Claims Reserve	$31,132	$31,132
6	Other Labor Related	$211,824	$211,824
7			
8	Account 283		
9	Property Taxes	($93,207)	($93,207)
10	Materials Reserve	($16,444)	($16,444)
11			
12	Plant Related	($14,903,202)	($14,903,202)
13			
14	Total State Deferred Taxes	($5,559,271)	($5,559,271)

Delmarva Power & Light Company - Gas
Statement of Deferred Tax Accounting Methods

Income Taxes

Deferred income taxes result from timing differences in the recognition of certain expenses for tax and financial accounting purposes. The principal item accounting for deferred income taxes is the use of an accelerated depreciation method for income tax purposes.

Investment tax credits generated in prior years have generally been deferred and amortized. The remaining unamortized investment tax credits are being amortized over the remaining useful lives of the related utility plant which generated the credit.

There was no ITC available to the Company as of the end of the test period.

Delmarva Power & Light Company - Gas
Delaware Jurisdictional Materials & Supplies for the Test Period

(1) Line No.	(2) Description	(3) Test Period Balance
1	Gas in Storage	$7,453,057
2		
3	Plant Materials & Supplies	
4	Materials & Supplies	$946,708
5		
6	Stores Expense	$42,015
7		
8	Total	$988,723
9		
10		
11	Total Materials & Supplies	$8,441,780

Delmarva Power & Light Company - Gas
Delaware Materials & Supplies for the Test Period and Preceding 12 Months

(1)	(2)		(3)	(4)	(5)
			Test Period		
Line No.	Description		Gas in Storage	Materials & Supplies	Stores Expense
1	Twelve Months Preceding Test Period				
2	December, 2013	Actual	$11,063,223	$919,274	$54,881
3	January, 2014	Actual	$7,442,802	$925,150	$55,512
4	February	Actual	$4,606,897	$1,001,609	$56,601
5	March	Actual	$2,573,631	$1,059,995	$53,530
6	April	Actual	$3,672,848	$1,010,884	$53,376
7	May	Actual	$5,850,143	$958,473	$50,775
8	June	Actual	$7,658,346	$984,330	$47,051
9	July	Actual	$9,353,925	$952,392	$45,953
10	August	Actual	$10,753,987	$934,720	$45,509
11	September	Actual	$12,130,179	$938,040	$43,244
12	October	Actual	$13,270,588	$1,003,781	$46,051
13	November, 2014	Actual	$12,532,873	$967,231	$41,376
14					
15	Test Period				
16	December, 2014	Actual	$10,954,170	$918,625	$40,879
17	January, 2015	Actual	$8,643,752	$896,647	$40,012
18	February	Actual	$7,054,727	$882,684	$38,491
19	March	Actual	$4,530,124	$868,700	$38,570
20	April	Actual	$4,353,731	$863,603	$38,079
21	May	Actual	$5,313,524	$906,759	$40,865
22	June	Actual	$6,227,982	$996,566	$44,347
23	July	Actual	$7,012,363	$987,113	$43,753
24	August	Actual	$7,713,604	$1,022,876	$44,102
25	September	Actual	$8,430,850	$976,239	$42,564
26	October	Actual	$9,155,102	$1,011,722	$45,667
27	November	Actual	$9,021,612	$977,221	$44,735
28	December, 2015	Actual	$8,478,206	$998,445	$44,131
29	13 month average		$7,453,057	$946,708	$42,015

Delmarva Power & Light Company - Gas
Delaware Jurisdictional Working Capital for the Test Period

(1)	(2)	(3)
Line No.	Description	Test Period Balance
1	Cash Working Capital	$11,385,769
2		
3	Miscellaneous Items (net of tax)	
4	Prepaid Pension Balance	$17,970,591
5	Accrued OPEB Liability	($2,900,465)
6	AMI Regulatory Asset	$5,652,949
7		
8	Total Miscellaneous Items	$20,723,075
9		
10	Total Cash Working Capital	$32,108,844

Delmarva Power & Light Company - Gas
Development of Cash Working Capital for the Test Period

(1) Line No.	(2) Description	(3) Test Period Expense	(4) Cash Working Capital Requirement
1	O & M Expense		
2	Purchased Fuel	$79,150,588	$5,956,895
3	Deferred Fuel	$651,788	$0
4	Other Production	$2,718,334	$226,776
5	Transmission	$1,620,753	$135,211
6	Distribution	$14,318,886	$1,194,548
7	Other O & M	$22,978,067	$1,916,937
8	Total O & M Expense	$121,438,416	$9,430,367
9			
10	Other Taxes		
11	Delaware Public Utility Tax	$2,224,281	$127,668
12	Property Taxes	$5,234,847	$2,212,404
13	FICA	$590,640	$86,638
14	Federal Unemployment Tax	$6,034	$3,505
15	State Unemployment Tax	$22,362	$10,239
16	Other	$85,935	$4,822
17	Total Other Taxes	$8,164,100	$2,445,276
18			
19	Income Taxes		
20	State - Current	$0	$0
21	Federal - Current	$0	$0
22	Total Income Taxes	$0	$0
23			
24	Other Items		
25	Interest Expense	$6,239,764	($488,753)
26	Interest on Customer Deposits	$3,414	($1,121)
27	Total Other Items	$6,243,178	($489,874)
28			
29	Total Requirements	$135,845,694	$11,385,769

Delmarva Power & Light Company - Gas
Other Elements of Property

(1) Line No.	(2) Description	(3) Test Period Balance	(4) Test Period Amount in COS
1	Construction Work in Progress		
2	Production	$754,002	$0
3	Transmission	$3,129,457	$0
4	Distribution	$5,041,902	$0
5	General	$1,454,219	$0
6	Other	-$92,209	
7	Common - Gas	$1,417,466	$0
8			
9	Total CWIP	$11,704,838	$0
10			
11	Deductions		
12	Customer Deposits	$3,118,065	$3,118,065
13			
14	Total Deductions	$3,118,065	$3,118,065

Delmarva Power & Light Company - Gas
CWIP Balances

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Plant Descrption	Project	WBSDescription	Test Period 13 mo avg 12/15 CWIP	Test Period 2015 AFUDC
1	Distribution	RGEF-2	Replace Regulator @ Cedar St (HL-17)	965.84	-
2	Distribution	RGEF-2	Regulator/Valves - Distribution	66,705.48	(364.5)
3	Distribution	RGCR-1	Gas Service Renewals a/c Leak	24,069.04	-
4	Distribution	RGCR-1	Gas Service Renewals a/c Customer	(3,718.13)	-
5	Distribution	RGCR-1	Gas Service Retirement	(224.17)	-
6	Distribution	RGCR-1	Gas Service Renewal a/c Engineering Req.	33,381.28	-
7	Distribution	RGCR-1	Gas Service Renewal in Main Project	1,607,698.43	28,957
8	Distribution	RGCR-1	Closed Capital Service Order - Restore	8,495.38	-
9	Distribution	RGCR-14	Plastic Main Install	174,606.24	3,059.8
10	Distribution	RGCR-2	Gas C.I. Main Renewal - Installs	565,491.48	4,988.1
11	Distribution	RGCR-2	Gas Bell Joint Encapsulation	17,496.13	133.5
12	Distribution	RGCR-2	Gas C.I. Main Renewal - Retirement	4,146.26	-
13	Distribution	RGCR-3	Gas Steel Main Renewals - Install	149,439.36	1,049.7
14	Distribution	RGCR-3	Closed Capital D.Main Order - Restore	1,410.14	-
15	Distribution	RGCR-6	CP Installation Distribution System	18,469.30	-
16	Distribution	RGHW-1	Highway Distribution Installation	8,417.30	83.5
17	Distribution	RGHW-1	Highway Service Installation	5,900.80	-
18	Distribution	RGUP-1	Distribution Improvements Install	106,805.99	1,347.5
19	Distribution	RGUP-1	Gas Dist Regulator Improvements	229,867.97	(988.9)
20	Distribution	RGAMB1	Gas AMI Meters Deployment	10,666.40	-
21	Distribution	RGNL-1	Install Distribution Main	9,875.50	-
22	Distribution	RGNL-2	Install Est. Dev. Distribution Main	1,052,431.30	14,193.1
23	Distribution	RGNL-2	Install Est. Dev. Service	597,782.52	(1,448.5)
24	Distribution	RGNL-3	Install Commercial Distribution Main	19,544.77	639.3
25	Distribution	RGNL-3	Install Commercial Service	33,200.59	-
26	Distribution	RGNL-4	Install New Dev. Distribution Main	130,113.06	497.0
27	Distribution	RGNL-4	Install New Dev. Service	91,942.23	1,203.6
28	Distribution	RGNL-5	Install Gas N.L. Regulators	2,958.18	-
29	Distribution	RGNL-6	Distribution Easements	15,664.30	-
30	Distribution	RGDBLN-1	Design Build Existing Home Main	-	38.3
31	Distribution	RGDBLN-1	Design Build Existing Home Service	58,038.73	498.7
32	**Distribution Total**			**5,041,642**	**53,887**
33	General Plant	RGEF-2	Gas Tools & Equipment 2014	26,714.97	-
34	General Plant	RGEF-2	Gas Tools & Equipment 2015	19,485.28	-
35	General Plant	RGEF-2	Gas Safety Trailer	2,322.68	-
36	General Plant	RGEF-2	Audio Visual Equipment - Gas CM&S	41,888.45	-
37	General Plant	RGEF-2	Gas Capital Accruals	1,360,022.41	-
38	**Total General**			**1,450,434**	-

Delmarva Power & Light Company - Gas
CWIP Balances

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Plant Descrption	Project	WBSDescription	Test Period 13 mo avg 12/15 CWIP	Test Period 2015 AFUDC
1	Production	RGEF-2	Install Wire and Cable (100 AMP)	2,492.56	-
2	Production	RGEF-2	LNG Guard House Structure	5,078.27	-
3	Production	RGEF-2	LNG Flow Control Panel	310,735.16	9,405
4	Production	RGEF-2	LNG Boiloff Compressor Lubricator	-	73
5	Production	RGEF-2	LNG Tank - Valve Replacement-Truck Line	1,149.12	-
6	Production	RGEF-2	Install LNG Induction Motor	33,281.08	1,037
7	Production	RGEF-2	Valve Upgrade LES - Liquefaction	3,560.61	-
8	Production	RGEF-2	Valve Upgrade VES - Vaporization	3,475.68	-
9	Production	RGEF-2	Meter Run Valve / Regulator	28,366.86	-
10	Production	RGEF-2	Boil Off Compressor Motor	6,081.52	-
11	Production	RGEF-2	LNG ROC (Transmittter)	3,386.21	-
12	Production	RGEF-2	LNG Cooling Tower Piping	14,473.22	447
13	Production	RGEF-2	LNG Main Nitrogen Compressor	141,545.68	4,367
14	Production	RGEF-2	LNG ROTO Flow Lube Oil Pump Motor	372.63	-
15	Production	RGEF-2	LNG Nitrogen Compressor Anti-Surge Valve	722.97	-
16	Production	RGEF-2	LNG Nitrogen Compressor (Transformer)	146,872.79	3,830
17	Production	RGEF-2	Replace Gas Pressure Regulators	1,341.93	-
18	Production	RGEF-2	Install Glycol Pressure Control Pump	627.53	-
19	**Total Production**			**703,564**	**19,159**
20	Transmission	RGEF-2	Replace Generator/UPS @ Ridge Rd	16,904.59	398
21	Transmission	RGEF-2	Replace Generator/UPS @ Hockessin	30,414.16	926
22	Transmission	RGEF-2	Install Heater Welsh Tract	56,735.49	651
23	Transmission	RGEF-2	Install Halon Fire System @ Ridge Rd	52,179.84	1,270
24	Transmission	RGEF-2	Replace Odorizers @ Ridge Rd	10,005.29	2,006
25	Transmission	RGEF-2	Replace Odorizers @ Hockessin	67,212.29	-
26	Transmission	RGEF-2	Replace Odorizers @ Hay Rd	779.59	-
27	Transmission	RGEF-2	Install Water Supply System @ Hockessin	2,964.10	-
28	Transmission	RGEF-2	Install Gas Detector	4,079.36	-
29	Transmission	RGEF-2	Install Roof @ Ridge Road	4,642.37	-
30	Transmission	RGEF-2	Regulator/Valves - Transmission	9,191.86	54
31	Transmission	RGCR-12	Transmission Main Renewal	95,683.18	614
32	Transmission	RGCR-6	CP Installation Transmission System	2,564.10	-
33	Transmission	RGUP-1	Transmission Improvements Install	75,896.14	1,245
34	Transmission	RGUP-1	Gas Regulator Improvements	155.45	3,993
35	Transmission	RGNT-1.2	Dupont Water Pipeline Construction	(228,437.38)	4,676
36	Transmission	RGNT-1.2	DuPont Experimental Gas Conversion	2,889,148.05	68,234
37	**Total Transmission**			**3,090,118**	**84,067**
38	**Common**			**297,866**	**-**
39	**Service Company**			**1,119,600**	**-**
40	**Other**			**1,615**	**(870)**
41	**Total Gas Delivery**			**11,704,838**	**156,243**

Schedule No. 3

Schedule No. 3
Ref: Part 5, Para. 1.1
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Net Operating Income Schedule - "Per Books"

(1)	(2)	(3)	(4)	(5)
Line No.	Description	Schedule	Test Period Balance	Test Period Amount in COS
1	Operating Revenues			
2	Sales	3 A	$153,408,079	$86,154,370
3	Other Revenues	3 A	$10,486,936	$523,610
4	Total Operating Revenues		$163,895,015	$86,677,980
5				
6	Operating Expenses			
7	Operation and Maintenance	3 B	$121,438,416	$42,006,951
8	Depreciation and Amortization	3 B	$15,385,870	$15,138,458
9	Taxes Other than Income Taxes	3 M	$8,164,100	$5,939,818
10	Income Taxes and Provisions	3 I	$4,813,743	$6,718,887
11	Total Operating Expenses		$149,802,129	$69,804,114
12				
13	Operating Income		$14,092,885	$16,873,866
14				
15	AFUDC	3 N	$156,243	$0
16	Other Income and Deductions	3 O	($3,414)	($3,414)
17				
18	Net Operating Income		$14,245,715	$16,870,452

Delmarva Power & Light Company - Gas
Operating Revenues

(1) Line No.	(2) Description	(3) Test Period Balance	(4) Test Period Amount in COS
1	Sales Revenues	$153,408,079	$86,154,370
2			
3	Other Revenue		
4	Account 487	$409,588	$409,588
5	Account 493	$114,022	$114,022
6	Account 495	$9,963,326	$0
7	Total Other Revenue	$10,486,936	$523,610
8			
9	Total Operating Revenue	$163,895,015	$86,677,980

Delmarva Power Company
Sales and Revenue by Rate Class
Delaware - Gas

Classification	RG	GG	MVG	LVG	GL	GVFT	MVFT	LVFT	LVG-QFCP	Core Sales Subtotal	MVIT	LVIT	Non-Core Sales Sub-total	Retail Total	Control Sheet Check
12 Months Ended 12/31/2013															
MCF Sales:	7,734,532	4,560,969	259,147		226	1,060,176	1,393,746	4,252,182	461,039	19,722,016	235,772	(399,820)	(164,048)	19,557,968	19,557,968
Base Booked Revenues	$ 49,194,073	$ 17,784,892	$ 924,270		$ 1,072	$ 2,953,483	$ 3,024,158	$ 4,132,675	$ 90,883	$ 78,105,507	$ 83,877	$ 59,042	$ 142,919	$ 78,248,426	$ 78,133,143
Booked GCR Revenues	$ 51,911,082	$ 30,568,986	$ 1,855,364		$ 1,538	$ 279,910	$ 784	$ (6,907)	$ 260,045	$ 89,137,092	$ 336,519	$ (644,001)	$ (307,483)	$ 88,567,772	$ 84,678,598
Total Revenues	$ 101,105,155	$ 48,353,878	$ 2,779,635		$ 2,610	$ 3,233,393	$ 3,024,942	$ 4,125,768	$ 350,928	$ 162,976,309	$ 420,396	$ (584,959)	$ (164,563)	$ 162,811,746	$ 162,811,741
12 Months Ended 12/31/2014															
MCF Sales:	8,578,645	5,741,543	268,597		199	1,523,893	1,549,722	3,724,582	919,553	22,306,734	239,383	(1,536,788)	(1,297,405)	21,009,329	21,009,329
Base Booked Revenues	$ 54,126,325	$ 19,909,564	$ 895,400		$ 931	$ 3,339,618	$ 3,277,654	$ 3,558,976	$ 341,398	$ 85,449,866	$ 84,930	$ 53,897	$ 138,827	$ 85,588,692	87,431,825
Booked GCR Revenues	$ 52,605,544	$ 37,018,277	$ 1,483,063	$ -	$ 1,214	$ 55,084	$ (31,020)	$ 535,902	$ 448,319	$ 92,116,382	$ 336,035	$ (924,384)	$ (588,349)	$ 91,528,033	89,684,902
Total Revenues	106,731,869	56,927,841	2,378,464		2,145	3,394,701	3,246,634	4,094,878	789,716	177,566,248	420,965	(870,487)	(449,523)	$ 177,116,725	$ 177,116,727
12 Months Ended 12/31/2015															
MCF Sales:	8,519,089	4,162,495	243,966		198	765,723	1,468,762	3,503,026	1,659,319	20,322,578	228,430	227,173	455,603	20,778,181	20,778,181
Base Booked Revenues	$ 55,152,450	$ 20,923,676	$ 936,312		$ 942	$ 2,742,952	$ 3,445,014	$ 3,573,653	$ 601,882	$ 87,376,881	$ 81,881	$ 50,107	131,988	$ 87,508,869	87,508,869
Booked GCR Revenues	$ 44,291,199	$ 22,563,167	$ 230,724		$ 1,068			$ 968,854	$ 6,466,557	$ 74,521,568	$ -		-	$ 74,521,568	$74,521,568
Total Revenues	$ 99,443,649	$ 43,486,843	$ 1,167,036		$ 2,010	$ 2,742,952	$ 3,445,014	$ 4,542,507	$ 7,068,439	$ 161,898,449	$ 81,881	$ 50,107	131,988	$ 162,030,437	$ 162,030,437

Delmarva Power & Light Company - Gas
Operating & Maintenance Expense and Depreciation Expense

(1)	(2)	(3)	(4)
Line No.	Description	Test Period Balance	Test Period Amount in COS
1	Operating & Maintenance Expense		
2	Production	$82,520,711	$3,054,896
3	Transmission	$1,620,753	$1,620,753
4	Distribution	$14,318,886	$14,318,886
5	Customer Accounts	$11,363,145	$11,363,145
6	Customer Service & Information	$289,537	$289,537
7	Sales	$437,448	$437,448
8	Administrative & General	$10,887,937	$10,922,287
9	Total O & M Expense	$121,438,416	$42,006,951
10			
11	Depreciation and Amortization Expense		
12	Other Storage	$339,839	$339,839
13	Transmission	$705,806	$705,806
14	Distribution	$12,836,519	$12,836,519
15	General	$64,844	$64,844
16	Common - Gas	$869,789	$869,789
17	Amortization	$569,073	$321,661
18	Total Depreciation and Amortization Expense	$15,385,870	$15,138,458

The following rates were approved by the Commission and are applied to account 101, Plant in Service, and account 106, Plant Unclassified, to compute depreciation expense.

	LNG PLANT	Rate
360.20	LAND RIGHTS	5.24%
361.00	STRUCTURES AND IMPROVEMENTS	5.48%
362.00	GAS HOLDERS	2.60%
363.00	PURIFICATION EQUIPMENT	5.03%
363.10	LIQUIFICATION EQUIPMENT	3.33%
363.20	VAPORIZING EQUIPMENT	5.54%
363.30	COMPRESSOR EQUIPMENT	5.15%
363.40	MEASURING AND REGULATING EQUIPMENT	6.61%
363.50	OTHER EQUIPMENT	3.79%
	TRANSMISSION PLANT	
365.20	LAND RIGHTS	1.97%
366.20	STRUCTURES AND IMPROVEMENTS	1.95%
367.00	MAINS	1.69%
369.00	MEASURING AND REGULATING EQUIPMENT	2.22%
	DISTRIBUTION PLANT	
374.20	LAND RIGHTS	0.91%
375.00	STRUCTURES AND IMPROVEMENTS	1.46%
376.10	MAINS - CAST IRON	1.92%
376.20	MAINS - STEEL	2.17%
376.30	MAINS - PLASTIC	1.86%
378.00	MEASURING AND REGULATING EQUIPMENT	2.04%
380.10	SERVICES - STEEL AND COPPER	3.77%
380.20	SERVICES - PLASTIC	3.61%
381.00	METERS	4.32%
381.10	METERS - AMI	1.40%
	GENERAL PLANT	
390.30	STRUCTURES AND IMPROVEMENTS	2.98%
391.10	OFFICE FURNITURE	6.04%
391.30	COMPUTER EQUIPMENT	20.00%
394.10	TOOLS, SHOP AND GARAGE EQUIPMENT	2.69%
394.11	TOOLS, SHOP AND GARAGE EQUIPMENT - CNG	2.69%
397.10	COMMUNICATION EQUIPMENT	3.02%

Delmarva Power & Light Company - Gas
Deferred Fuel Cost Accounting

Under the approved tariffs, the Company recovers fuel costs using a twelve month levelized gas cost rate factor, which includes a true-up mechanism for previously over or under recovered fuel costs. For accounting purposes, the difference between fuel costs actually incurred, which are eligible for recovery through the gas cost rate factor, and fuel revenues is deferred. This accounting provides for a matching of fuel revenues and expenses for financial statement purposes since over or under recovered fuel costs are reflected in the gas cost rate factor in subsequent periods.

Delmarva Power & Light Company
Comparison of Gas Expense and Recovery
For Delaware Firm Gas Operations
For January 2015 Through December 2015
12 Months Actual

Billing Month	Firm Sales (Mcf)	Total GCR Revenue ($)	Total Gas Cost ($)	(Over) or Under Recovery Monthly ($)	Deferred Fuel Balance YTD ($)
Deferred Fuel Balance @ December 31, 2014					4,975,440
January 2015	2,629,497	14,050,397	11,254,965	(2,795,432)	2,180,008
February 2015	2,622,255	13,997,378	12,595,411	(1,401,967)	778,041
March 2015	2,609,371	13,938,128	8,702,571	(5,235,558)	(4,457,517)
April 2015	1,311,709	7,008,957	4,383,454	(2,625,503)	(7,083,020)
May 2015	529,108	2,835,615	2,888,129	52,513	(7,030,506)
June 2015	296,327	1,602,914	2,584,310	981,396	(6,049,110)
July 2015	274,296	1,484,141	2,424,375	940,234	(5,108,876)
Lost & Unaccounted-for-Adjustment					(2,758,730)
Adjusted Fuel Balance @ August 1, 2015					(7,867,606)
August 2015	232,754	1,258,932	2,180,629	921,697	(6,945,909)
September 2015	230,633	1,251,572	2,439,965	1,188,393	(5,757,516)
October 2015	389,607	2,101,500	3,122,285	1,020,785	(4,736,731)
Interest Expense (November 2014 through October 2015)					(134,954)
Adjusted Fuel Balance @ November 1, 2015					(4,871,685)
November 2015	641,772	2,964,827	3,970,731	1,005,904	(3,865,781)
December 2015	1,158,419	4,591,797	4,984,680	392,883	(3,472,898)
Total	12,925,748	67,086,158	61,531,503	(5,554,654)	

Notes:

(1) January 1, 2015 through October 31, 2015 Fuel Revenue is based on GCR of $5.3563 Mcf approved, as final, by Order No. 8767 in Docket No. 14-0295F dated August 4, 2015.
(2) November 2015 and December 2015 Fuel Revenue is based on GCR of $3.9467 Mcf approved, as final, by Order No. 8869 in Docket No. 15-1355 dated April 5, 2016.

Schedule No. 3-C
Ref: Part 5, Para. 3.4
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Payroll and Benefit Expense

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Test Period				
Line No.		Payroll Costs	Pension Costs	Payroll Related Taxes	Other Benefits	Total Payroll Costs
1	Operating & Maintenance Expense					
2	Charged to Gas Operations	$17,370,535	$3,647,556	$619,036	$2,712,103	$24,349,230

Schedule No. 3 - D
Ref. Part V. Para 5.3.5
Witness: McGowan

Delmarva Power & Light Company - Electric
Executive Compensation
For Year ended December 31, 2015

Line No.	Name	Title	Salary (1)	Benefits (2)	Total Value
1	Joseph M. Rigby	Chairman, President and Chief Executive Officer	$1,015,000	$4,751,626	$5,766,626
2	Frederick J. Boyle	Senior Vice President and Chief Financial Officer	$515,000	$1,203,064	$1,718,064
3	David M. Velazquez	Executive Vice President	$549,000	$1,483,937	$2,032,937
4	Kevin C. Fitzgerald	Executive Vice President and General Counsel	$563,000	$1,459,997	$2,022,997
5	John U. Huffman	President and Chief Executive Officer, Pepco Energy Services	$398,000	$507,720	$905,720

1) Salary includes Variable Compensation

2) Benefits include Bonuses, Stock Awards, Non-equity Incentive Plan Compensation, Change in Pension Value and Nonqualified Deferred Compensation Earnings and Other Compensation

Note: Information source is page 43 of PEPCO Holdings 10-K/A Amendment to Previously filed 10-K. Filing date April 28, 2016.

Schedule No. 3-E
Ref: Part 5, Para. 3.9
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Sales Promotion & Advertising Expense

(1)	(2)	(3)
No.	Description	Test Period Balance
1	**Sales Promotion**	
2	Account 912 Demonstration & Selling Expense	$437,448
3	Account 913 Advertising Expense	$0
4	Total Sales Promotion	$437,448
5		
6	**Advertising Expense**	
7	Account 909 Informational & Instructional	$68,598
8	Account 930.25 Public Relations & Sp Advertising	$0
9	Total Advertising Expense	$68,598

Schedule No. 3-F
Ref: Part 5, Para. 3.10 & 3.11
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Contributions and Lobbying Costs

Test Period

No contributions for educational or other charitable purposes are included as part of the Cost of Service.

No Federal and State legislative costs expended by Delmarva Power are included as part of the Cost of Service.

Schedule No. 3-G
Ref: Part 5, Para. 3.12
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Gas Association Dues

(1) Line No.	(2) Membership Organizations	(3) Test Period Balance
1	American Gas Association	$135,170
2	Energy Solutions Center	$12,500
3		
4	Total Gas Association Dues	$147,670

Schedule No. 3-H
Ref: Part 5, Para. 3.13
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Delaware Jurisdictional Rate Case Expense

(1)	(2)	(3)	(4)
Line No.	Items of Expense	Test Period Expense	3 Year Average
1	Normal activity	$341,523	$203,607
2			
3	Other	$0	$0
4			
5	Total	$341,523	$203,607
6			
7			
8	Case Expenses - Gas Docket # 12-546		
9			
10	Expense Description	Estimate	Actual
11	External Legal	$315,000	$100,783
12	Cost of Capital Witness	$92,600	$79,888
13	Court Reporter/Notice/Other	$25,000	$11,561
14	DPSC	$200,000	$123,506
15	Total	$632,600	$315,736

Schedule No. 3-I
Ref: Part 5, Para. 3.15.1
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Income Taxes & Provisions

(1) Line No.	(2) Description	(3) Test Period Balance	(4) Test Period Amount in COS
1	Federal Income Tax	($2,963,350)	($1,465,900)
2			
3	State Income Tax	($806,795)	($399,103)
4			
5	Deferred Federal Income Tax	$6,783,779	$6,783,779
6			
7	Deferred State Income Tax	$1,846,937	$1,846,937
8			
9	Net Investment Tax Credit Adjustment	($46,826)	($46,826)
10			
11	Total Income Taxes & Provisions	$4,813,743	$6,718,887

Delmarva Power & Light Company - Gas
Federal and State Income Taxes

(1) Line No.	(2) Description	(3) Test Period Balance	(4) Test Period Amount in COS
1	Operating Revenues	$163,895,015	$86,677,980
2			
3	Less: Operation and Maintenance	$121,438,416	$42,006,951
4	Depreciation and Amortization	$15,385,870	$15,138,458
5	Taxes Other than Income Taxes	$8,164,100	$5,939,818
6			
7	Operating Income before Income Taxes	$18,906,629	$23,592,753
8			
9	Tax Additions and Deductions:		
10	Accrued Vacation Pay	($13,149)	($13,149)
11	Claims Reserve	$40,753	$40,753
12	Deferred Compensation	$94,790	$94,790
13	Health Related	$192,578	$192,578
14	Materials Reserve	$9,896	$9,896
15	Meals and Entertainment	$24,959	$24,959
16	Memberships and Dues	$4,035	$4,035
17	Pension/OPEB/SERP	$1,256,457	$1,256,457
18	Plant Related	($23,669,017)	($23,669,017)
19	Reacquired Debt	$200,784	$200,784
20	Workmen's Compensation	($79,048)	($79,048)
21	Interest	($6,243,178)	($6,243,178)
22			
23	Total Tax Additions and Deductions:	($28,180,139)	($28,180,139)
24			
25	Taxable Income	($9,273,511)	($4,587,387)
26			
27	Calculation of Interest Expense		
28			
29	Gas Rate Base (excluding income tax and		
30	interest CWC)		$320,162,963
31			
32	Weighted Cost of Debt		1.95%
33			
34	Interest Expense		$6,243,178
35			
36	State Income Tax Rate		8.70%
37	Federal Income Tax Rate		35.00%

Delmarva Power & Light Company - Gas
Federal and State Income Taxes

(1)	(2)	(3)	(4)
Line No.	Description	Test Period Balance	Test Period Amount in COS
1	Total Taxable Income	($9,273,511)	($4,587,387)
2			
3	**Total State Income Tax**	($806,795)	($399,103)
4			
5	Less: State Income Tax	$806,795	$399,103
6			
7	Federal Taxable Income	($8,466,715)	($4,188,284)
8			
9	**Total Federal Income Tax**	($2,963,350)	($1,465,900)
10			
11	Less: Investment Tax Credit	($46,826)	($46,826)
12			
13	Net Federal Income Tax	($3,010,177)	($1,512,726)

Delmarva Power & Light Company - Gas
Deferred Federal & State Income Tax Provisions

(1)	(2)	(3) Test Period Federal	(4) Test Period State
Line No.	Description	Balance	Balance
1	Deferred Income Taxes		
2	Accrued Vacation Pay	$4,202	$1,144
3	Claims Reserve	($13,023)	($3,545)
4	Deferred Compensation	($30,290)	($8,247)
5	Health Related	($61,538)	($16,754)
6	Materials Reserve	($3,162)	($861)
7	Pension/OPEB/SERP	($401,501)	($109,312)
8	Plant Related	$7,327,992	$1,995,103
9	Reacquired Debt	($64,161)	($17,468)
10	Workmen's Compensation	$25,260	$6,877
11			
12	Total Deferred Income Taxes	$6,783,779	$1,846,937
13			
14	Investment Tax Credit		
15	ITC Generated	$0	
16	ITC Amortized	($46,826)	
17	Net Investment Tax Credit	($46,826)	

Delmarva Power & Light Company - Gas
Contributions and Lobbying Costs

A. Statement on Deferred Tax Accounting & Investment Tax Credit Accounting Income Taxes

(A) Deferred income taxes result from timing differences in the recognition of certain expenses for tax and financial accounting purposes. The principal timing difference that results in deferred income taxes is the use of an accelerated depreciation method for income tax purposes.

(B) Investment tax credits generated in prior years have generally been deferred and amortized. The remaining unamortized investment tax credits are being amortized over the remaining useful lives of the related utility plant which generated the credit. Delmarva is an Option One Company.

B. Statement on Allocation of the Consolidated Federal Income Tax Basis of Sharing Consolidated Tax

Present policy provides for each Company to compute and pay its income tax liability on a stand alone basis. Those Companies having taxable losses or unused investment credits on a separate company basis are reimbursed by those Companies having taxable income for the amount of tax benefit realized by using the losses and credits in the consolidated return. Earnings in the equity of subsidiaries dividends are eliminated in the consolidated return.

Schedule No. 3-L
Ref: Part 5, Para. 3.15.5
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Investment Tax Credit

(1) Line No.	(2) Description	(3) Test Period Total
1	Unamortized Balance at January 1, 2015	$381,008
2		
3	ITC Generated during the Test Period	$0
4		
5	ITC Amortized during the Test Period	($46,826)
6		
7	ITC Adjustments	$0
8		
9	Unamortized Balance at December 31, 2015	$334,182

Schedule No. 3-M
Ref: Part 5, Para. 3.15.7
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Other Federal, State & Local Taxes

(1)	(2)	(3)	(4)
Line No.	Description	Test Period System Gas	Test Period Amount in COS
1	Payroll Related		
2	FICA	$590,640	$590,640
3	Federal Unemployment	$6,034	$6,034
4	State Unemployment	$22,362	$22,362
5	Total Payroll Related	$619,036	$619,036
6			
7	Property Related		
8	Property Tax	$5,234,847	$5,234,847
9	Total Property	$5,234,847	$5,234,847
10			
11	Revenue Related		
12	City of Wilmington Tax	$27,240	$27,240
13	Delaware Gross Receipts Tax	$55,279	$55,279
14	Utility Tax	$2,224,281	$0
15	Total Revenue Tax	$2,306,800	$82,519
16			
17	Other		
18	Federal Form 2290	$3,393	$3,393
19	Delaware Annual Report	$23	$23
20	Total Other	$3,416	$3,416
21			
22	Total Other Taxes	$8,164,100	$5,939,818

Delmarva Power & Light Company - Gas
Allowance For Funds Used During Construction

(1)	(2)	(3)	(4)
Line No.	Description	Test Period Total	Test Period Amount in COS
1	AFUDC		
2	Production	$18,216	$0
3	Transmission	$84,141	$0
4	Distribution	$53,887	$0
5			
6	Total	$156,243	$0

Gas AFUDC Rates in effect since the last case:

2015

January through March	1.00%
April	0.67%
May through June	3.52%
July through September	3.40%
October through December	2.91%

2014

January through March	3.10%
April through June	2.78%
July through September	3.11%
October through December	3.40%

2013

January through March	2.76%
April through June	2.57%
July through September	3.24%
October	3.71%
November through December	3.65%

Allowance for Funds Used during Construction (AFUDC) is defined by FERC as a component of construction cost that represents the net cost of borrowed funds and a reasonable rate on other funds. The calculation is defined in FERC guidelines and is determined annually using historic balances and weighted average cost rates as described in the instructions.

The criteria for a project to be eligible for AFUDC are:
1. Project estimate must be >=$25,000;
2. Project must be for construction; and not for direct purchase; and
3. Project must have AFUDC charge triggers defined as non-design internal labor or contractor labor.

Exceptions for project cost that is not eligible for AFUDC:
1. Billable Order Types; Defined based on work request having a billing type value
2. Direct Purchases - Examples are tools, equipment, meters, hardware that requires minimal installation labor, land, and land rights. These projects are identified based on SAP project types.

The calculation for the application of AFUDC is performed monthly. The basis is the beginning Construction Work in Progress balance plus 1/2 of the current month expenditures. Every January and July the interest is compounded. The work order receives 1/2 month AFUDC in the month placed in service.

Per FERC guidelines, interest can be capitalized starting from the date that construction costs are continuously incurred on a planned progressive basis. No interest should be accrued during periods of interrupted construction unless the interruption is justified as being reasonable, for example a work stoppage. Asset Accounting should be notified when construction on a project is stopped to determine if AFUDC should be suspended.

At the point that a project or portion of a project is substantially complete and placed in or ready for service, the project engineer/analyst should mark the work request/project Construction or Technically Complete. At that point the accrual of AFUDC is stopped.

Following is a sample calculation based upon the FERC guidelines in the Uniform System of Accounts

DELMARVA POWER
2015 AFUDC RATE
9 Months Actual 3 Months Estimate
Delaware -- Gas

(DOLLAR AMOUNTS IN THOUSANDS)

	SHORT-TERM DEBT AND CAPITAL STRUCTURE		CAPITAL STRUCTURE RATIOS	SHORT-TERM DEBT AND CAPITAL RATIOS	UNWEIGHTED COSTS		WEIGHTED COST BEFORE TAX		
	$	BASIS			%	BASIS	TOTAL	DEBT	EQUITY
SHORT TERM DEBT	77,503	2015 Plan & Actual		61.42	0.50		0.31	0.31	
CWIP	126,181	2015 Plan & Actual							
CAPITAL STRUCTURE:									
LONG TERM DEBT	1,265,155	2015 Plan & Actual	50.76	19.58	3.86		0.76	0.76	
PREFERRED/PREFERENCE	0	2015 Plan & Actual	0.00	0.00	0.00		0.00		0.00
COMMON EQUITY	1,227,483	2015 Plan & Actual	49.24	19.00	9.75		1.85		1.85
TOTAL	2,492,638		100.00	100.00	GROSS RATE		2.91	1.062	1.852
					EFFECTIVE RATE 10/01/2015		2.91	1.062	1.852
					EQUITY		63.56		
					DEBT		36.44		
							100.00		

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)		Amount (b)	Capitalization Ratio (Percent) (c)		Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S	77,503			
(2)	Short-Term Interest				s	0.498%
(3)	Long-Term Debt		1,265,155	50.76	d	3.860%
(4)	Preferred Stock	P	0	0.00	p	0.000%
(5)	Common Equity		1,227,483	49.24	c	9.750%
(6)	Total Capitalization		2,492,638	100%		
(7)	Average Construction Work in Progress Balance	W	126,181			

2. Gross Rate for Borrowed Funds: $s\,(1-d)\left(\frac{S}{W}\right) \times \left[1-\left(\frac{S}{D+P+C}\right)\right]$ = 1.062%

3. Rate for Other Funds: $\left[1-s\,(1-d)\left(\frac{S}{W}\right)\right] p\left(\frac{P}{D+P+C}\right) + c\left(\frac{C}{D+P+C}\right)$ = 1.852%

4. Weighted Average Rate Actually Used for the Year:
   a. Rate for Borrowed Funds – 1.062%
   b. Rate for Other Funds – 1.852%

Below are the calculations of average CWIP, debt and interest

DELMARVA POWER
2015 AFUDC RATE
9 Months Actual 3 Months Estimate

2015 CWIP WORKSHEET

MONTH	NET CWIP	
DEC 14	125,099	**Actual**
JAN 15	133,495	**Actual**
FEB	141,996	**Actual**
MAR	144,701	**Actual**
APR	152,663	**Actual**
MAY	138,675	**Actual**
JUN	98,273	**Actual**
JUL	104,725	**Actual**
AUG	105,724	**Actual**
SEP	114,398	**Actual**
OCT	117,865	**Estimate**
NOV	123,912	**Estimate**
DEC	138,828	**Estimate**
TOTAL	1,640,354	
AVERAGE	126,181	

SHORT TERM DEBT WORKSHEET

GAS & MD	STD BAL INCL	SHL	BAL EXCLUDING		INT EXP	
MONTH	SHL	LEVEL	SHL			Interest Rate
JAN 15	140,500	0	140,500	**Actual**	49	0.41%
FEB	133,300	0	133,300	**Actual**	46	0.42%
MAR	174,700	0	174,700	**Actual**	77	0.53%
APR	169,500	0	169,500	**Actual**	71	0.50%
MAY	0	0	0	**Actual**	0	0.00%
JUN	30,500	0	30,500	**Actual**	12	0.46%
JUL	44,800	0	44,800	**Actual**	16	0.42%
AUG	48,500	0	48,500	**Actual**	17	0.42%
SEP	66,500	0	66,500	**Actual**	23	0.42%
OCT	13,967	0	13,967	**Estimate**	9	0.75%
NOV	31,712	0	31,712	**Estimate**	20	0.75%
DEC	76,055	0	76,055	**Estimate**	48	0.75%
TOTAL	930,034	0	930,034		386	
AVERAGE					77,503	
INTEREST					0.50	

Schedule No. 3-O
Ref: Part 5, Para. 5.1
Witness: Ziminsky

Delmarva Power & Light Company - Gas
Other Income and Deductions

(1)	(2)	(3)
Line No.	Description	Test Period Total
1	Description	
2	Interest on Customer Deposits	$3,414
3		
4	Total	$3,414

Delmarva Power & Light Company
Overall Rate of Return with Requested ROE
Actual at December 31, 2015
Delaware - Gas

	DPL Delaware - Gas		
Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	50.56%	3.85%	1.95%
Common Equity	49.44%	10.60%	5.24%
Total	100.00%		7.19%

Delmarva Power & Light Company
Capital Structure and Capitalization Ratios
Actual at December 31, 2015
Delaware

Type of Capital	Actual Actual at December 31, 2015 Amount ($) ($)	Ratios
Long-Term Debt	1,273,230,000	
Unamortized Net Discount	2,027,306	
Unamortized Debt Issuance Expense	(10,022,966)	
Total Long-Term Debt	1,265,234,340	50.56%
Common Equity	1,237,088,879	49.44%
Total	2,502,323,219	100.00%

Delmarva Power and Light Company
Short-Term Debt and Compensating Balances

Schedule No. 4-A
Ref: Part 6, Para. 2.1

Witness: McGowan

The Company compensates its line banks with fees. No compensating balances are required.

Delmarva Power & Light Company
Weighted Cost of Debt
Actual at December 31, 2015
Delaware

Issue	Coupon Rate	Maturity	Offering Date	Current Principal Amount Outstanding	Current Unamortized Debt Issuance Expense	Current Unamortized (Premium)/ Discount	Net Amount Outstanding	Effective Cost Rate	Annual Net Cost
First Mortgage Bonds									
	3.50%	11/15/2023	11/7/2013	$300,000,000	$2,080,136	$102,292	$297,817,572	3.61%	$10,742,905
	4.00%	6/1/2042	6/26/2012	$250,000,000	$2,484,598	$1,287,868	$246,227,534	4.09%	$10,080,241
	3.50%	11/15/2023	6/9/2014	$200,000,000	$1,574,221	($3,635,386)	$202,061,165	3.35%	$6,769,496
	4.15%	5/15/2045	5/11/2015	$200,000,000	$2,287,591	$170,036	$197,542,373	4.22%	$8,343,034
Total First Mortgage Bonds				$950,000,000	$8,426,546	($2,075,190)	$943,648,644		$35,935,676
Unsecured Notes									
	5.22%	12/30/2016	12/20/2006	$100,000,000	$71,515		$99,928,485	5.30%	$5,293,876
Total Unsecured Notes				$100,000,000	$71,515	$0	$99,928,485		$5,293,876
Tax Exempt Fixed Rate Bonds	5.40%	2/1/2031	4/1/2010	$78,400,000	$1,162,516		$77,237,484	5.55%	$4,283,312
				$78,400,000	$1,162,516	$0	$77,237,484		$4,283,312
Tax-Exempt Variable Rate Bonds									
	0.12%	10/1/2017	10/1/1987	$8,000,000	$18,331		$7,981,669	0.26%	$20,482
	0.12%	10/1/2017	9/28/1988	$18,000,000	$16,391		$17,983,609	0.17%	$31,123
	0.18%	10/1/2028	10/14/1993	$15,500,000	$105,054		$15,394,946	0.23%	$35,873
	0.12%	10/1/2029	10/12/1994	$30,000,000	$147,981		$29,852,019	0.16%	$48,732
	0.13%	7/1/2024	7/28/1999	$22,330,000	$68,042		$22,261,958	0.25%	$56,610
	0.13%	7/1/2024	7/28/1999	$11,000,000			$11,000,000	0.21%	$23,367
Total Tax Exempt Variable Rate Bonds				$104,830,000	$355,799	$0	$104,474,201		$216,187
Medium-Term Notes Series C									
	7.58%	2/1/2017	2/10/1997	$2,000,000	$718		$1,999,282	7.65%	$153,016
	7.56%	2/1/2017	2/18/1997	$12,000,000	$4,309		$11,995,691	7.63%	$915,657
	6.81%	1/9/2018	1/9/1998	$4,000,000	$104	$3,031	$3,996,865	6.88%	$274,968
	7.61%	12/2/2019	2/12/1997	$12,000,000	$1,459	$44,853	$11,953,688	7.68%	$917,874
	7.72%	2/1/2027	2/7/1997	$10,000,000			$10,000,000	7.78%	$778,476
Total Medium-Term Notes Series C				$40,000,000	$6,590	$47,884	$39,945,526		$3,039,991
Total Long-Term Debt Balance - ACTUAL				$1,273,230,000	$10,022,966	($2,027,306)	$1,265,234,340	3.85%	$48,769,041

Delmarva Power & Light Company
Effective Cost Rate
Long-Term Debt
Actual at December 31, 2015
Delaware

Issue	Coupon Rate	Maturity	Offering Date	Original Principal Amount Issued	Original Expense of Issuance	Original (Premium)/ Discount	Original Net Amount to Company	Net Amount Per Unit	Yield to Maturity
First Mortgage Bonds									
	3.50%	11/15/2023	11/7/2013	$300,000,000	$2,561,030	$126,000	$297,312,970	$99.10	3.61%
	4.00%	6/1/2042	6/26/2012	$250,000,000	$2,656,651	$1,377,500	$245,965,849	$98.39	4.09%
	3.50%	11/15/2023	6/9/2014	$200,000,000	$1,861,600	($4,264,000)	$202,402,400	$101.20	3.35%
	4.15%	5/15/2045	5/11/2015	$200,000,000	$2,313,720	$172,000	$197,514,280	$98.76	4.22%
Unsecured Notes									
	5.22%	12/30/2016	12/20/2006	$100,000,000	$600,000	$0	$99,400,000	$99.40	5.30%
Tax Exempt Fixed Rate Bonds									
	5.40%	2/1/2031	4/1/2010	$78,400,000	$1,406,618	$0	$76,993,382	$98.21	5.55%
Tax-Exempt Variable Rate Bonds									
	0.12%	10/1/2017	10/1/1987	$8,000,000	$315,360	$0	$7,684,640	$96.06	0.26%
	0.12%	10/1/2017	9/28/1988	$18,000,000	$270,107	$0	$17,729,893	$98.50	0.17%
	0.18%	10/1/2028	10/14/1993	$15,500,000	$275,796	$0	$15,224,204	$98.22	0.23%
	0.12%	10/1/2029	10/12/1994	$30,000,000	$440,787	$0	$29,559,213	$98.53	0.16%
	0.13%	7/1/2024	7/28/1999	$22,330,000	$669,900	$0	$21,660,100	$97.00	0.25%
	0.13%	7/1/2024	7/28/1999	$11,000,000	$220,000	$0	$10,780,000	$98.00	0.21%
Medium-Term Notes Series C									
	7.58%	2/1/2017	2/10/1997	$2,000,000	$15,000	$0	$1,985,000	$99.25	7.65%
	7.56%	2/1/2017	2/18/1997	$15,000,000	$112,500	$0	$14,887,500	$99.25	7.63%
	6.81%	1/9/2018	1/9/1998	$33,000,000	$247,500	$0	$32,752,500	$99.25	6.88%
	7.61%	12/2/2019	2/12/1997	$12,000,000	$90,000	$0	$11,910,000	$99.25	7.68%
	7.72%	2/1/2027	2/7/1997	$30,000,000	$225,000	$0	$29,775,000	$99.25	7.78%

Delmarva Power & Light Company
Long-Term Debt Reacquisitions
Actual at December 31, 2015

LINE #	COUPON	ISSUANCE	Original Maturity	Principal	ISSUANCE DATE
1	7.625%	First Mortgage Bonds	12/1/01	$ 35,000,000	8/1/93
2	8%	First Mortgage Bonds	7/1/03	$ 25,000,000	8/1/93
3	Float	Demand Rate Bonds	11/1/14	$ 15,500,000	11/1/93
4	7.30%	Tax Exempt Bonds	9/1/15	$ 11,170,000	9/1/00
5	7.60%	Tax Exempt Bonds	3/1/20	$ 35,000,000	9/1/00
6	7.30%	Tax Exempt Bonds	3/1/14	$ 15,000,000	9/1/00
7	7.50%	Tax Exempt Bonds	10/1/17	$ 9,000,000	10/1/00
8	7.30%	Tax Exempt Bonds	7/1/21	$ 20,000,000	7/2/01
9	7.15%	Tax Exempt Bonds	7/1/18	$ 34,500,000	7/2/01
10	7.15%	Tax Exempt Bonds	7/1/21	$ 4,500,000	7/2/01
11	8.15%	First Mortgage Bonds	10/1/15	$ 34,000,000	7/18/01
12	9.875%, 9.90%, 9.95%	Medium Term Notes	12/1/20	$ 46,000,000	7/25/01
13	8.50%	First Mortgage Bonds	2/1/22	$ 22,500,000	7/18/01
14	7.55%	Medium Term Notes	2/1/17	$ 4,000,000	7/18/01
15	6.81%	Medium Term Notes	1/9/18	$ 29,000,000	7/19/01
16	7.72%	Medium Term Notes	2/1/27	$ 20,000,000	7/18/01
17	7.62%	Medium Term Notes	2/1/17	$ 4,000,000	7/18/01
18	7.54%	Medium Term Notes	2/1/17	$ 15,700,000	7/18/01
19	7.56%	Medium Term Notes	2/1/17	$ 3,000,000	7/20/01
20	8.50%	First Mortgage Bonds	2/1/22	$ 27,500,000	2/4/92
21	6.75%	Tax Exempt Bonds	5/1/19	$ 31,000,000	5/6/92
22	6.85%	Tax Exempt Bonds	5/1/19	$ 15,000,000	5/6/92
23	8.15%	First Mortgage Bonds	10/1/15	$ 32,000,000	10/6/92
24	6.05%	Tax Exempt Bonds	6/1/32	$ 15,000,000	6/1/93
25	5.90%	Tax Exempt Bonds	6/1/21	$ 18,200,000	6/1/93
26	7.71%	First Mortgage Bonds	6/1/25	$100,000,000	6/19/95
27	3.15%	Tax-Exempt Put Bond	2/1/23	$ 18,200,000	8/7/03
28	Variable	Tax Exempt Bonds	5/1/32	$ 15,000,000	5/30/02
29	Variable	Tax Exempt Bonds	7/1/30	$ 11,150,000	7/1/00
30	Variable	Tax Exempt Bonds	7/1/30	$ 27,750,000	7/1/00
31	Variable	Tax Exempt Bonds	5/1/31	$ 20,000,000	5/11/01
32	Variable	Tax Exempt Bonds	5/2/31	$ 4,500,000	5/12/01
33	Variable	Tax Exempt Bonds	8/1/28	$ 15,000,000	8/7/03
34	5.50%	Tax Exempt Bonds	7/1/25	$ 15,000,000	7/1/25
35	5.65%	Tax Exempt Bonds	7/1/28	$ 16,240,000	7/1/28
36	4.90%	Tax Exempt Bonds	5/1/26	$ 34,500,000	5/1/11
37	1.80%	Tax Exempt Bonds	7/1/25	$ 15,000,000	12/1/10
38	2.30%	Tax Exempt Bonds	7/1/28	$ 16,240,000	12/1/10
39	0.75%	Tax Exempt Bonds	5/1/26	$ 34,500,000	5/1/11
40	5.20%	Tax Exempt Bonds	2/1/19	$ 31,000,000	5/21/02

Book Accounting Treatment of Long-Term Debt Reacquisitions
Losses on reacquisitions are amortized over the remaining life of the retired debt issuance.

Income Tax Treatment of Long-Term Debt Reacquisitions
Call premiums, unamortized discount and expense associated with the original issue being refunded and miscellaneous expenses associated with the reacquisition are deducted for tax purposes in the year incurred.

Delmarva Power & Light Company
Economic Cost of Long-Term Debt

Not Applicable

Delmarva Power & Light Company
Calculation of the Effective Cost of Preferred Stock by Series

None currently outstanding.

Delmarva Power & Light Company
Preferred Stock Reacquisitions

Schedule No. 4-E
Ref: Part 6, Para. 3.2
Page 1 of 1
Witness: McGowan

REDEMPTION DATE	SERIES	COUPON	PRINCIPAL RETIRED
September 28, 2001	Adjustable Rate Pfd.	5.50%	$1,785,000
September 6, 2001	Auction Preferred, A	n/a	$45,000,000
May 7, 2004	Trust Preferred	8.125%	$70,000,000
January 18, 2007	Preferred Stock	4.00%	$1,980,900
January 18, 2007	Preferred Stock	3.70%	$3,986,600
January 18, 2007	Preferred Stock	4.28%	$2,846,000
January 18, 2007	Preferred Stock	4.56%	$1,957,100
January 18, 2007	Preferred Stock	4.20%	$2,540,400
January 18, 2007	Preferred Stock	5.00%	$4,858,800

Book Accounting Treatment of Preferred Stock Reacquisitions
Gains/losses associated with preferred stock reacquisitions are charged against common equity.

Income Tax Treatment of Preferred Stock Reacquisitions
Gains/losses on preferred stock reacquisitions do not affect income taxes but are treated as an adjustment to paid-in capital.

Delmarva Power & Light Company
Economic Cost of Preferred Stock

Not Applicable

Delmarva Power & Light Company
Public Offerings of Common Equity

On March 23, 2016, Exelon Corporation ("Exelon") and Pepco Holdings, Inc. ("PHI Inc.") merged. PHI Inc. became an indirect subsidiary of Exelon, pursuant to the Merger effected in accordance with an Amended and Restated Agreement and Plan of Merger, dated July 18, 2014, by and among PHI Inc., Exelon, and Purple Acquisition Corp.

Following consummation of the Merger on March 23, 2016, PHI Inc. was converted from a corporation to a limited liability company, Pepco Holdings LLC.

Exelon formed a bankruptcy-remote Special Purpose Entity ("SPE") as a direct subsidiary of Exelon Energy Delivery Company LLC ("EEDC") which itself is a direct subsidiary of Exelon, for the purpose of owning 99.9% of the ownership interest in Pepco Holdings LLC.

Delmarva Power & Light Company
Stock Dividends, Splits, or Par Value Changes

On March 23, 2016, Exelon Corporation ("Exelon") and Pepco Holdings, Inc. ("PHI Inc.") merged. PHI Inc. became an indirect subsidiary of Exelon, pursuant to the Merger effected in accordance with an Amended and Restated Agreement and Plan of Merger, dated July 18, 2014, by and among PHI Inc., Exelon, and Purple Acquisition Corp.

Following consummation of the Merger on March 23, 2016, PHI Inc. was converted from a corporation to a limited liability company, Pepco Holdings LLC.

Exelon formed a bankruptcy-remote Special Purpose Entity ("SPE") as a direct subsidiary of Exelon Energy Delivery Company LLC ("EEDC") which itself is a direct subsidiary of Exelon, for the purpose of owning 99.9% of the ownership interest in Pepco Holdings LLC.

Delmarva Power & Light Company
Comparative Financial Data - General

Line #	Description	Actual 12/31/2015	Actual 12/31/2014	Actual 12/31/2013
1	Embedded Cost - Long-Term Debt	3.85%	3.90%	4.13%
2	Embedded Cost - Preferred Stock	N/A	N/A	N/A
3	Pretax Interest Coverage	3.31	4.19	3.64
4	Pretax Interest Coverage - Before AFUDC	3.24	4.09	3.54
5	After Tax Interest Coverage	2.41	2.96	2.62
6	After Tax Interest Coverage - Before AFUDC	2.38	2.93	2.56
7	Ratio of Earnings to Fixed Charges	3.31	4.19	3.64
8	Ratio of Earnings to Fixed Charges and Preferred Dividends	3.31	4.19	3.64
9	After Tax Interest & Preferred Dividend Coverage	2.41	2.96	2.62
10	After Tax Interest & Preferred Dividend Coverage, Before AFUDC	2.38	2.93	2.56
11	S&P Bond Rating - Senior Secured Debt	A	A	A
12	Moody's Bond Rating - Senior Secured Debt	A2	A2	A3
13	S&P Preferred Stock Rating	NR*	NR*	NR*
14	Moody's Preferred Stock Rating	NR*	NR*	NR*
15	Rate of Return on Total Capital	6.71%	8.85%	8.62%
16	Percentage of Revenues - Electric	87.50%	85.00%	84.60%
17	Percentage of Revenues - Gas	12.50%	15.00%	15.40%
18	Percentage of Revenues - Other	0.00%	0.00%	0.00%

NR - Not Rated

Delmarva Power & Light Company
Comparative Financial Data - General

See the direct testimony and exhibits of the Company's Common Equity Cost Rate witness

Mortgage and Deed of Trust

The issuance of First Mortgage Bonds by the Company is limited by a covenant in its Mortgage and Deed of Trust dated October 1, 1943, as amended, with The Bank of New York Mellon, as Successor Trustee, requiring that for a period of any twelve consecutive calendar months within the fifteen calendar months immediately preceding the first day of the month in which the application for the authentication and delivery of the bonds then applied for is made to the Trustee, the net earnings of the Company as defined below shall be at least two times the annual interest requirements on the first mortgage bonds to be outstanding.

Section 1.06 of Article I
Net Earnings Certificate

Gross Operating Revenues

Less Operating Expenses:
- Operation Expenses
- Maintenance Expenses
- Book Depreciation
- Other Amortization, Net
- Provision for Taxes (other than income and other taxes measured by or dependent of net taxable income)

Equals Net Operating Revenue

Plus Non-operating Income:
- Allowance for Other Funds Used During Construction
- Allowance for Borrowed Funds Used During Construction
- Other Income and Deductions (before taxes)
  - Total restricted to 10% of Net Operating Revenue

Equals Net Earnings

Annual Interest Charges upon First Mortgage Bonds
- All bonds outstanding
- Bonds applied for in present application

Interest Earnings Requirement
- A figure equal to twice the aggregate annual interest charges specified above.

Restated Certificate and Articles of Incorporation

The Restated Certificate and Articles of Incorporation of Delmarva Power & Light Company do not allow for the issuance of preferred stock

Pepco Holdings Inc. (Consolidated)
Capitalization and Related Capital Structure Ratios
Actual at December 31, 2015

	Actual at December 31, 2015	
	Amount Outstanding ($ millions)	Ratios
Long-Term Debt	5,019 (1)	52.22%
Preferred Stock	183	1.90%
Common Equity	4,410 (2)	45.88%
Total Permanent Capital	9,612	100.00%

Notes: (1) Excludes unamortized debt issuance costs, discount, premium, reacquired debt costs and ACE Transition Bonds.
(2) Excludes $2.960 million common equity balance of ACE Transition Funding LLC.

Delmarva Power & Light Company
Weighted Cost of Long-Term Debt
December 31, 2015
Delaware - Gas

Parent Schedule
Schedule No. 4-B & 4-C
Ref: Part 6, Para. 5.1

Witness: McGowan

Issue	Coupon Rate	Maturity	Offering Date	Current: Principal Amount Outstanding	Current: Unamortized Debt Issuance Expense	Current: Unamortized (Premium)/ Discount	Current: Net Amount Outstanding	Effective Cost Rate	Annual Net Cost
First Mortgage Bonds									
	3.50%	11/15/2023	11/7/2013	$300,000,000	$2,080,136	$102,292	$297,817,572	3.61%	$10,742,905
	3.50%	11/15/2023	6/9/2014	$200,000,000	$1,574,221	($3,635,386)	$202,061,165	3.35%	$6,769,496
	4.15%	5/15/2045	5/11/2015	$200,000,000	$2,287,591	$170,036	$197,542,373	4.22%	$8,343,034
	4.00%	6/1/2042	6/26/2012	$250,000,000	$2,484,598	$1,287,868	$246,227,534	4.09%	$10,080,241
Total First Mortgage Bonds				$950,000,000	$8,426,546	($2,075,190)	$943,648,644		$35,935,676
Unsecured Notes									
	5.22%	12/30/2016	12/20/2006	$100,000,000	$71,515	$0	$99,928,485	5.30%	$5,293,876
Total Unsecured Notes				$100,000,000	$71,515	$0	$99,928,485		$5,293,876
Tax Exempt Fixed Rate Bonds									
	5.40%	2/1/2031	4/1/2010	$78,400,000	$1,162,516	$0	$77,237,484	5.55%	$4,283,312
Total Tax Exempt Fixed Rate Bonds				$78,400,000	$1,162,516	$0	$77,237,484		$4,283,312
Tax-Exempt Variable Rate Bonds									
	0.12%	10/1/2017	10/1/1987	$8,000,000	$18,331	$0	$7,981,669	0.26%	$20,482
	0.12%	10/1/2017	9/28/1988	$18,000,000	$16,391	$0	$17,983,609	0.17%	$31,123
	0.18%	10/1/2028	10/14/1993	$15,500,000	$105,054	$0	$15,394,946	0.23%	$35,873
	0.12%	10/1/2029	10/12/1994	$30,000,000	$147,981	$0	$29,852,019	0.16%	$48,732
	0.13%	7/1/2024	7/28/1999	$22,330,000	$68,042	$0	$22,261,958	0.25%	$56,610
	0.13%	7/1/2024	7/28/1999	$11,000,000	$0	$0	$11,000,000	0.21%	$23,367
Total Tax Exempt Variable Rate Bonds				$104,830,000	$355,799	$0	$104,474,201		$216,187
Medium-Term Notes Series C									
	7.58%	2/1/2017	2/10/1997	$2,000,000	$718	$0	$1,999,282	7.65%	$153,016
	7.56%	2/1/2017	2/18/1997	$12,000,000	$4,309	$0	$11,995,691	7.63%	$915,657
	6.81%	1/9/2018	1/9/1998	$4,000,000	$104	$3,031	$3,996,865	6.88%	$274,968
	7.61%	12/2/2019	2/12/1997	$12,000,000	$1,459	$44,853	$11,953,688	7.68%	$917,874
	7.72%	2/1/2027	2/7/1997	$10,000,000	$0	$0	$10,000,000	7.78%	$778,476
Total Medium-Term Notes Series C				$40,000,000	$6,590	$47,884	$39,945,526		$3,039,991
Total Long-Term Debt Balance - ACTUAL				$1,273,230,000	$10,022,966	($2,027,306)	$1,265,234,340	3.85%	$48,769,042
Atlantic City Electric Company									
Excludes ACE Transition Funding LLC.									
First Mortgage Bonds									
	3.375%	8/15/24	8/25/14	$150,000,000	$1,219,478	$57,115	$148,723,407	3.49%	$5,189,628
	7.75%	11/15/18	11/14/08	$250,000,000	$720,060	$419,034	$248,860,906	7.93%	$19,746,109
	3.50%	12/1/25	12/8/15	$150,000,000	$1,243,591	$0	$148,756,409	3.60%	$5,355,609
	4.35%	4/1/21	4/1/11	$200,000,000	$969,186	$175,781	$198,855,033	4.47%	$8,896,181
Total First Mortgage Bonds				$750,000,000	$4,152,315	$651,930	$745,195,755		$39,187,527
Senior Notes									
	5.80%	5/15/34	4/8/04	$120,000,000	$1,019,402	$224,813	$118,755,785	5.91%	$7,023,602
	5.80%	3/1/36	3/15/06	$105,000,000	$549,611	$0	$104,450,389	5.85%	$6,109,597
Total Senior Notes				$225,000,000	$1,569,013	$224,813	$223,206,174		$13,133,199
Tax Exempt Fixed Rate Bonds									
	6.80%	3/1/21	3/1/91	$38,865,000	$177,174	$0	$38,687,826	7.01%	$2,713,016
	4.875%	6/1/29	3/15/10	$23,150,000	$451,898	$0	$22,698,102	5.21%	$1,152,399
Total Tax Exempt Fixed Rate Bonds				$62,015,000	$629,072	$0	$61,385,928		$3,865,415
Medium-Term Notes Series C									
	7.68%	8/23/16	8/23/95	$2,000,000	$622	$0	$1,999,378	7.78%	$155,526
Total Medium-Term Notes Series C				$2,000,000	$622	$0	$1,999,378		$155,526
Unamortized Debt Reacquisition Cost							(6,829,667)		$869,064
Total Long-Term Debt Balance				$1,039,015,000	$6,351,022	$876,743	$1,024,957,568	5.58%	$57,210,731
Potomac Electric Power Company									
First Mortgage Bonds									
	5.75%	3/24/04	4/15/34	$100,000,000	$740,755	$46,234	$99,213,011	5.84%	$5,794,040
	5.40%	6/1/05	6/1/35	$175,000,000	$1,402,425	$400,920	$173,196,655	5.51%	$9,543,136
	6.50%	11/16/07	11/15/37	$250,000,000	$2,387,272	$453,879	$247,158,849	6.62%	$16,361,916
	6.50%	3/24/08	11/15/37	$250,000,000	$2,701,563	$6,863,837	$240,434,600	6.84%	$16,445,727
	7.90%	12/10/08	12/15/38	$250,000,000	$4,060,563		$245,939,437	8.06%	$19,822,719
	3.05%	4/4/12	4/1/22	$200,000,000	$2,356,938	$382,886	$197,260,176	3.29%	$6,489,860
	4.15%	3/15/13	3/15/43	$250,000,000	$4,124,071	$929,550	$244,946,379	4.28%	$10,483,705
	4.15%	3/16/15	3/15/43	$200,000,000	$4,172,303	($8,294,850)	$204,122,547	4.02%	$8,205,726
	4.95%	11/14/13	11/15/43	$150,000,000	$2,669,535	$1,076,024	$146,254,441	5.12%	$7,488,227
	3.60%	3/11/14	3/15/24	$400,000,000	$5,760,760	$452,031	$393,787,209	3.82%	$15,042,671
Total First Mortgage Bonds				$2,225,000,000	$30,376,185	$2,310,511	$2,192,313,304		$115,677,727
Tax Exempt Fixed Rate Bonds									
	6.20%	3/17/09	9/1/22	$109,500,000	$767,123	$0	$108,732,877	6.33%	$6,882,791
Total Tax Exempt Fixed Rate Bonds				$109,500,000	$767,123	$0	$108,732,877		$6,882,791
Long-Term Debt Balance				$2,334,500,000	$31,143,308	$2,310,511	$2,301,046,181		$122,560,518
Unamortized Debt Reacquisition Costs							($19,446,431)		$2,453,328
Total Long-Term Debt Balance				$2,334,500,000	$31,143,308	$2,310,511	$2,281,599,750	5.48%	$125,013,846
Pepco Energy Services, Inc.									
Notes Payable	7.460%	6/1/03	7/1/17	$2,457,917	$0	$0	$2,457,917	7.46%	$183,361
	6.700%	7/1/06	9/1/18	$555,850	$0	$0	$555,850	6.70%	$37,242
Total Long-Term Debt PES				$3,013,767	$0	$0	$3,013,767	7.32%	$220,603

Potomac Capital investments
Long-Term Debt
As of December 31, 2015

Pepco Holdings Inc - Parent

COUPON	DATE ISSUED	AMOUNT OUTSTANDING	PRINCIPAL MATURITY DATE
7.45%	09/06/02	$184,865,000	08/15/32
5.90%	12/12/06	$190,000,000	12/12/16
6.125%	06/08/07	$81,089,000	06/01/17
		$455,954,000	

Pepco Holdilngs, Inc. (Consolidated)
Calculation of the Effective Cost of Preferred Stock by Series

Note: In connection with entering into the Merger Agreement, PHI entered into a Subscription Agreement with Exelon, dated April 29, 2014, pursuant to which PHI issued to Exelon 9,000 originally issued shares of Preferred Stock for a purchase price of $90 million on April 30, 2014. In connection with these agreements, Exelon also committed to purchase 1,800 originally issued shares of Preferred Stock for a purchase price of $18 million at the end of each 90-day period following April 29, 2014, up to a maximum of 18,000 shares of Preferred Stock for a maximum aggregate consideration of $180 million. In accordance with the Subscription Agreement, on each of July 29, 2014, October 27, 2014, January 26, 2015, April 27, 2015 and July 24, 2015, an additional 1,800 shares of Preferred Stock were issued by PHI to Exelon for an aggregate purchase price of $90 million. If the Merger closes or terminates for any reason, no additional shares of Preferred Stock will be issued pursuant to the Subscription Agreement. The holders of the Preferred Stock will be entitled to receive a cumulative, non-participating cash dividend of 0.1% per annum, payable quarterly, when, as and if declared by PHI's board of directors. The proceeds from the issuance of the Preferred Stock are not subject to restrictions and are intended to serve as a prepayment of any applicable reverse termination fee payable from Exelon to PHI. The Preferred Stock will be redeemable on the terms and in the circumstances set forth in the Merger Agreement and the Subscription Agreement.

Schedule No. 5

Schedule No. 5
Ref: Part 7
Witness: Ziminsky

Delmarva Power & Light Company
Revenue Conversion Factor
Delaware Gas Retail

(1) Line No.	(2) Particulars		(3) Factor	
1	**Tax Rates**			
2	Federal Income Tax		0.35000	
3	State Income Tax		0.08700	
4				
5	Regulatory Tax		0.00300	
6	Bad Debt Expense	(1)	0.01364	
7				
8	**Conversion Factor**			
9	Revenue Increase		X	
10				
11	Regulatory Tax		0.00300	X
12	Bad Debt Expense		0.01364	X
13	Total Other Tax		0.01664	X
14				
15	State Taxable Income		0.98336	X
16	State Income Tax		0.08555	X
17				
18	Federal Taxable Income		0.89781	X
19	Federal Income Tax		0.31423	X
20				
21	Total Additional Taxes		0.41643	X
22				
23	Increase in Earnings (1 - additional taxes)		0.58357	X
24				
25	Revenue Conversion Factor (1/Incr in Earnings)		1.71358	X

	2015	2014	2013
(1) Gas Uncollectibles	$3,110,420	$1,745,588	$1,932,175
Gas Revenue	$162,030,437	$177,116,727	$162,811,742
	0.0192	0.00986	0.01187
3 Year Average	0.01364		

Workpapers

Delmarva Power & Light Company
Rate Base Workpapers - Gas
December 31, 2014 - December 31, 2015
Average

Delmarva Power & Light
System Gas Rate Base
December 31, 2015 - Average

(1) Line No.	(2) Item	(3) Per Books	(4) Remove CWIP	(5) Adjusted Per Books
1	Plant in Service	$560,133,349		$560,133,349
2	Depreciation Reserve	($225,331,776)		($225,331,776)
3	Net Plant	$334,801,573		$334,801,573
4				
5	CWIP	$11,704,838	($11,704,838)	$0
6	Materials & Supplies	$8,441,780		$8,441,780
7	Cash Working Capital	$11,385,769		$11,385,769
8	Misc Rate Base Items	$20,723,075		$20,723,075
9				
10	Less:			
11	Deferred FIT	$46,475,430		$46,475,430
12	Deferred SIT	$5,559,271		$5,559,271
13	Accum ITC	$357,595		$357,595
14	Customer Advances	$168,748		$168,748
15	Customer Deposits	$3,118,065		$3,118,065
16				
17	**Net Rate Base**	$331,377,927	($11,704,838)	$319,673,089

Delmarva Power & Light
System Gas Rate Base
December 31, 2015 - Average

Gas WP #2

(1) Line No.	(2) Item	(3) Per Books December 31, 2014 - December 31, 2015 Average	(4)	(5) Remove CWIP	(6) Adjusted Rate Base	(7)
1	**Plant in Service**					
2	**Production**					
3	G3601	$411,134			$411,134	
4	G3602	$1,323			$1,323	
5	G3610	$2,886,635			$2,886,635	
6	G3620	$1,739,090			$1,739,090	
7	G3630	$589,464			$589,464	
8	G3631	$2,337,112			$2,337,112	
9	G3632	$1,476,930			$1,476,930	
10	G3633	$477,268			$477,268	
11	G3634	$259,228			$259,228	
12	G3635	$877,056			$877,056	
13	**Total Production**		**$11,055,240**			**$11,055,240**
14						
15	**Transmission**					
16	G3651	$56,104			$56,104	
17	G3652	$194,971			$194,971	
18	G3662	$953,778			$953,778	
19	G3670	$33,922,523			$33,922,523	
20	G3690	$4,997,389			$4,997,389	
21	**Total Transmission**		**$40,124,765**			**$40,124,765**
22						
23	**Distribution**					
24	G3741	$20,352			$20,352	
25	G3742	$234,236			$234,236	
26	G3750	$458,584			$458,584	
27	G3761	$12,142,677			$12,142,677	
28	G3762	$36,981,231			$36,981,231	
29	G3763	$207,980,134			$207,980,134	
30	G3780	$6,898,310			$6,898,310	
31	G3801	$7,138,928			$7,138,928	
32	G3802	$144,385,984			$144,385,984	
33	G3810	$35,816,999			$35,816,999	
34	G3811	$18,644,047			$18,644,047	
35	ARO	$392,189			$392,189	
36	**Total Distribution**		**$471,093,671**			**$471,093,671**
37						
38	**General**					
39	G3891	$173,874			$173,874	
40	G3903	$1,352,555			$1,352,555	
41	G3911	$131,392			$131,392	
42	G3913	$465,478			$465,478	
43	G3940	$2,070,811			$2,070,811	
44	G3942	$452,712			$452,712	
45	G3970	$138,414			$138,414	
46	G3980	$232,710			$232,710	
47	**Total General**		**$5,017,946**			**$5,017,946**
48						
49	**Intangible**					
50						
51	G3030	$1,242,117			$1,242,117	
52	**Total Intangible**		**$1,242,117**			**$1,242,117**
53						
54	**Common**					
55	C3891	$1,644,645			$1,644,645	
56	C3903	$46,231,930			$46,231,930	
57	C3911	$6,411,505			$6,411,505	
58	C3913	$2,920,405			$2,920,405	
59	C3930	$180,845			$180,845	
60	C3940	$4,812,741			$4,812,741	
61	C3970	$17,678,734			$17,678,734	
62	C3971	$1,060,941			$1,060,941	
63	C3980	$4,184,827			$4,184,827	
64	**Total Common - General**		**$85,126,572**			**$85,126,572**
65						
66	**Misc. Intangible**					
67	3010 101601	$736,500			$736,500	
68	3031 101601	$17,457,635			$17,457,635	
69	**Total Common - Intangible**		**$18,194,135**			**$18,194,135**
70						
71	**Total Gas Common**		**$19,521,764**			**$19,521,764**
72	**Total pre-Service Co Gas Plant In Service**		**$548,055,503**			**$548,055,503**
73						
74	**Service Company assets**		**$12,077,846**			**$12,077,846**
75						
76	**Total System Gas**		**$560,133,349**			**$560,133,349**

Delmarva Power & Light
System Gas Rate Base
December 31, 2015 - Average

Gas WP #3

(1) Line No.	(2) Item	(3) Per Books December 31, 2014 - December 31, 2015 Average	(4)	(5) Remove CWIP	(6) Adjusted Rate Base	(7)
1	**Depreciation Reserve**					
2	**Production**	$9,146,988			$9,146,988	
3	**Transmission**	$16,476,965			$16,476,965	
4	**Distribution - Gas**	$178,797,203			$178,797,203	
5	**General**	$1,607,685			$1,607,685	
6	**Intangible**	$1,241,300			$1,241,300	
7	**Common - Gas**	$12,818,945			$12,818,945	
8	**Service Company**	$5,242,690			$5,242,690	
9						
10	**Total Depreciation Reserve**		**$225,331,776**			**$225,331,776**
11						
12	**Total Net Plant**		**$334,801,573**			**$334,801,573**
13						
14	**CWIP**					
15	**Production**	$754,002		($754,002)		
16	**Transmission**	$3,129,457		($3,129,457)		
17	**Distribution - Gas**	$5,041,902		($5,041,902)		
18	**General**	$1,454,219		($1,454,219)		
19	**Other**	($92,209)		$92,209		
20	**Common**	$297,866		($297,866)		
21	**Service Company**	$1,119,600		($1,119,600)		
22						
23	**Total CWIP**		**$11,704,838**	**(11,704,838)**		**$0**
24						
25	**Materials & Supplies**					
26	**Materials**	$946,708			$946,708	
27	**Stores**	$42,015			$42,015	
28	**Gas in storage**	$7,453,057			$7,453,057	
29	**Total Materials & Supplies**		**$8,441,780**			**$8,441,780**
30						
31	**Cash Working Capital**					
32	O&M - Purchased Fuel	$5,956,895			$5,956,895	
33	O&M - Other Production	$226,776			$226,776	
34	O&M - Transmission	$135,211			$135,211	
35	O&M - Distribution	$1,194,548			$1,194,548	
36	Utility Taxes	$1,916,937			$1,916,937	
37	FICA	$127,668			$127,668	
38	Federal Unemployment Taxes	$4,822			$4,822	
39	State Unemployment Taxes	$86,638			$86,638	
40	Property Taxes	$3,505			$3,505	
41	FIT	$10,239			$10,239	
42	SIT	$2,212,404			$2,212,404	
43	Interest Expense	($488,753)			($488,753)	
44	IOCD	($1,121)			($1,121)	
45						
46	**Total Cash Working Capital**		**$11,385,769**			**$11,385,769**
47						
48	**Misc Rate Base Items**					
49	Prepaid Pension (net of tax)	$17,970,591			$17,970,591	
50	Accrued OPEB Liability (net of tax)	($2,900,465)			($2,900,465)	
51	AMI Regulatory Asset (net of tax)	$5,652,949			$5,652,949	
52	**Total Misc Rate Base Items**		**$20,723,075**			**$20,723,075**
53						
54	**Accum ITC**					
55	Transmission	$11,109			$11,109	
56	Distribution	$334,089			$334,089	
57	General	$5,646			$5,646	
58	Common	$6,750			$6,750	
59						
60	**Total Accum ITC**		**$357,595**			**$357,595**
61						
62	**Customer Advances**					
63	Gas	$168,748			$168,748	
64	**Total Customer Advances**		**$168,748**			**$168,748**
65						
66	**Customer Deposits**					
67	Gas	$3,118,065			$3,118,065	
68	**Total Customer Deposits**		**$3,118,065**			**$3,118,065**
69						
70	**Deferred FIT**		**$46,475,430**			**$46,475,430**
71	**Deferred SIT**		**$5,559,271**			**$5,559,271**
72						
73	**Total Rate Base**		**$331,377,927**	**($11,704,838)**		**$319,673,089**

Gas WP #4

Delmarva Power & Light Company
Cash Working Capital Requirements - Gas
December 31, 2015 - Average

(1) Line No.	(2) Item	(3) Amount	(4) Revenue Lag Days	(5) (Lead) Lag Days	(6) Net Lag Days	(7) % 365 Days	(8) CWC Requirement
1	**O & M Expense**						
2	Purchased Fuel	$79,150,588	62.66	35.19	27.47	7.53%	$5,956,895
3	Deferred Fuel	$651,788	62.66	62.66	0.00	0.00%	$0
4	Other Production	$2,718,335	62.66	32.21	30.45	8.34%	$226,776
5	Transmission	$1,620,753	62.66	32.21	30.45	8.34%	$135,211
6	Distribution	$14,318,886	62.66	32.21	30.45	8.34%	$1,194,548
7	Other O&M	$22,978,068	62.66	32.21	30.45	8.34%	$1,916,937
8	Total O & M Expense	$121,438,416				7.77%	$9,430,367
9							
10	**Other**						
11	Utility Taxes	$2,224,281	62.66	41.71	20.95	5.74%	$127,668
12	Other	$85,935	62.66	42.18	20.48	5.61%	$4,822
13	FICA	$590,640	62.66	9.12	53.54	14.67%	$86,638
14	Federal Unemployment	$6,034	62.66	(149.37)	212.03	58.09%	$3,505
15	State Unemployment	$22,362	62.66	(104.46)	167.12	45.79%	$10,239
16	Property Taxes	$5,234,847	62.66	(91.60)	154.26	42.26%	$2,212,404
17	SIT	$0	62.66	58.95	3.71	1.02%	$0
18	FIT	$0	62.66	58.95	3.71	1.02%	$0
19	Interest Expense	$6,239,764	62.66	91.25	(28.59)	-7.83%	($488,753)
20	IOCD	$3,414	62.66	182.50	(119.84)	-32.83%	($1,121)
21	Total Other	$14,407,278					$1,955,402
22	Total	$135,845,694					$11,385,769

Delmarva Power & Light Company
Earnings Workpapers - Gas
12 Months Ending December 2015

Delmarva Power & Light
System Gas Earnings
12 Months Ending December 31, 2015

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Line No.	Item	Per Books	Remove Environmental	MDQ Annualization	Weather Normalization	Remove Utility Tax	Remove Wilmington Franchise Tax	Bill Frequency	Balancing Volume Revenue	LVFT Customer Migration	Facility Relocation Charge	Remove QFCP/Bloom	Year-End Rates	Remove Unbilled Revenue	Remove GCR Fuel	Remove Margin Sharing	Remove AFUCD	Adjusted Earnings
1	**Revenues**																	
2	Sales	$162,030,437	($248,154)	($241,536)	($87,364)	($1,915,237)	($26,755)	$4,157	($288,159)	$1,444,423	($494,551)	($6,467,071)	$630,665		($68,054,497)	($131,988)	$0	$86,154,370
3	Other	$1,864,578			$0	$3	$0	$0	$0	$0	$0	$0	$0	$3,719,492	($4,892,930)	($167,533)	$0	$523,610
4	Total	$163,895,015	($248,154)	($241,536)	($87,364)	($1,915,234)	($26,755)	$4,157	($288,159)	$1,444,423	($494,551)	($6,467,071)	$630,665	$3,719,492	($72,947,427)	($299,521)	$0	$86,677,980
5																		
6	**Expenses**																	
7	O&M Expense	$121,438,416		($725)	($262)			$12	($864)	$4,333	($1,484)	($6,469,632)	$1,892		($72,964,736)			$42,006,951
8	Depreciation and Amortiz	$15,385,870	($247,412)															$15,138,458
9	Other Taxes	$8,164,100				($2,224,281)												$5,939,818
10	Current FIT	($2,963,350)	($237)	($76,951)	($27,833)	$98,756	($8,549)	$1,324	($91,805)	$460,181	($157,560)	$818	$200,924	$1,188,564	$5,531	($95,712)	$0	($1,465,900)
11	Current SIT	($806,795)	($65)	($20,951)	($7,578)	$26,887	($2,328)	$361	($24,995)	$125,288	($42,897)	$223	$54,703	$323,596	$1,506	($26,058)	$0	($399,103)
12	Deferred FIT	$6,783,779															$0	$6,783,779
13	Deferred SIT	$1,846,937															$0	$1,846,937
14	Net ITC Adjustment	($46,826)																($46,826)
15	!OCD	$3,414																$3,414
16																		
17	**Total Expenses**	$149,805,543	($247,714)	($98,626)	($35,673)	($2,098,638)	($10,877)	$1,697	($117,664)	$589,802	($201,940)	($6,468,591)	$257,520	$1,512,159	($72,957,699)	($121,770)	$0	$69,807,528
18																		
19	**Operating Income**	$14,089,471	($440)	($142,909)	($51,690)	$183,404	($15,877)	$2,459	($170,495)	$854,621	($292,611)	$1,520	$373,145	$2,207,333	$10,272	($177,751)	$0	$16,870,452
20																		
21	**AFUDC**	$156,243															($156,243)	$0
22																		
23	**Earnings**	$14,245,715	($440)	($142,909)	($51,690)	$183,404	($15,877)	$2,459	($170,495)	$854,621	($292,611)	$1,520	$373,145	$2,207,333	$10,272	($177,751)	($156,243)	$16,870,452

Delmarva Power & Light
System Gas Earnings
12 Months Ending December 31, 2015

Gas WP #6

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		DPL Gas Per Book Detail		Remove	MDQ	Weather	Remove	Remove Wilmington	Bill	Balancing Volume	LVFT	Facility	Remove	Year-End	Remove	Remove	Remove	Remove	Adjusted
Line No.	Item	12 M/E 12/31/15		Environmental	Annualization	Normalization	Utility Tax	Franchise Tax	Frequency	Revenue	Customer Migration	Relocation Charge	QFCP/Bloom	Rates	Unbilled	GCR Fuel	Margin Sharing	AFUDC	Earnings (COS Study)
1	Gas Sales Revenues																		
2	Residential		$99,444,535	($104,274)		($45,856)	($29,440)		$9,223			($294,141)		$403,583		($44,292,085)			$55,091,544
3	Commercial & Industrial		$62,584,960	($143,880)	($241,536)	($41,508)	($1,885,797)	($26,755)	($5,066)	($288,159)	$1,444,423	($200,402)	($6,467,071)	$227,075		($23,762,412)	($131,988)		$31,061,885
4	Gas Lighting		$942									($8)		$6					$940
5																			
6	Total Sales Revenues		$162,030,437	($248,154)	($241,536)	($87,364)	($1,915,237)	($26,755)	$4,157	($288,159)	$1,444,423	($494,551)	($6,467,071)	$630,665	$0	($68,054,497)	($131,988)	$0	$86,154,370
7																			
8	Revenue - Other																		
9	Late Payment Revenue - Gas	$409,588																	$409,588
10	Rent - Gas	$114,022																	$114,022
11	Unbilled Revenue	($8,822,358)													$3,719,492	$4,902,866			$0
12	I/C Gas Sales - DPL/CESI	$597,005														($597,005)			$0
13	Off-System Capacity Release	$1,927,313														($1,759,780)	($167,533)		$0
14	Off-System Sales - Gas Reg	$7,412,537														($7,412,537)			$0
15	Transition Charges	$9,088														($9,088)			$0
16	Cash Out Revenue	$17,385														($17,385)			$0
17	Utility Tax - Other	($3)					$3				$0								$0
18																			
19	Total Other Revenue		$1,864,578	$0	$0	$0	$3	$0	$0	$0	$0	$0	$0	$0	$3,719,492	($4,892,930)	($167,533)	$0	$523,610
20																			
21	Total Revenue		$163,895,015	($248,154)	($241,536)	($87,364)	($1,915,234)	($26,755)	$4,157	($288,159)	$1,444,423	($494,551)	($6,467,071)	$630,665	$3,719,492	($72,947,427)	($299,521)	$0	$86,677,980
22																			
23	O&M																		
24	980300 Natural gas transmission line purchases	$59,706,573														($59,706,573)			$0
25	980348 Natural gas transmission line purchases - Gas Dist Other	$6,450,231											($6,450,231)	$0					$0
26	980700 Purchased gas expense (Fuel Only)	$4,781,567														($4,445,006)			$336,561
27	980750 Other purchased gas expense	$5,736,253														($5,736,253)			$0
28	980810 Gas withdrawn from storage-Debit	$9,091,941														($9,091,941)			$0
29	980820 Gas delivered to storage-Credit	($6,615,977)														$6,615,977			$0
30	Fuel		$79,150,588																
31	980510 Purchased gas cost adjustment	$5,554,655														($5,554,655)			
32	980518 Purchased gas cost adjustment - Gas Other	($4,902,866)														$4,902,866			
33	Deferred Fuel		$651,788																
34	984000 Operation Supervision & Engineering	$64,246																	$64,246
35	984100 Operation labor & expense	$953,932																	$953,932
36	984220 Power	$315																	$315
37	981300 Other gas supply expenses	$1,153,915																	$1,153,915
38	Other Operation		$2,172,407																
39	984310 Maintenance Supervision & Engineering	$64,697																	$64,697
40	984320 Maintenance of structures & improvements	$45,542																	$45,542
41	984330 Maintenance of gas holders	$524																	$524
42	984340 Maintenance of purification equipment	$77,981																	$77,981
43	984350 Maintenance of liquifaction equipment	$153,437																	$153,437
44	984360 Maintenance of vaporizing equipment	$18,135																	$18,135
45	984370 Maintenance of compressor equipment	$12,718																	$12,718
46	984380 Maintenance of measuring & regulating equipment	$8,660																	$8,660
47	984390 Maintenance of other equipment	$164,236																	$164,236
48	Maintenance		$545,928																
49	Total Production		$82,520,711	$0	$0	$0	$0	$0	$0	$0	$0	$0	($6,450,231)	$0	$0	($73,015,584)	$0	$0	$3,054,896
50																			
51	985000 Operation Supervision & Engineering	$74,193																	$74,193
52	985100 System control & load dispatching	$563,321																	$563,321
53	985600 Mains expense	$266,646																	$266,646
54	985700 Measuring & regulating station expenses	$18,782																	$18,782
55	985900 Other expenses	$101,744																	$101,744
56	986000 Rents	$45,465																	$45,465
57	Operation		$1,070,150																
58	986100 Maintenance Supervision & Engineering	$10,275																	$10,275
59	986300 Maintenance of mains	$383,209																	$383,209
60	986500 Maintenance of measuring & regulating equipment	$157,118																	$157,118
61	Maintenance		$550,602																
62	Transmission expense		$1,620,753	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,620,753

Delmarva Power & Light
System Gas Earnings
12 Months Ending December 31, 2015

Gas WP #7

Line No.	(1)	(2) Item	(3) DPL Gas Per Book Detail 12 M/E 12/31/15	(4)	(5) Remove Environmental	(6) MDQ Annualization	(7) Weather Normalization	(8) Remove Utility Tax	(9) Remove Wilmington Franchise Tax	(10) Bill Frequency	(11) Balancing Volume Revenue	(12) LVFT Customer Migration	(13) Facility Relocation Charge	(14) Remove QFCP/Bloom	(15) Year-End Rates	(16) Remove Unbilled	(17) Remove GCR Fuel	(18) Remove Margin Sharing	(19) Remove AFUDC	(20) Adjusted Earnings (COS Study)
1		987000 Operation Supervision & Engineering	$612,389																	$612,389
2		987100 Distribution load dispatching	$293,406																	$293,406
3		987400 Mains & service expenses	$3,497,167																	$3,497,167
4		987500 Measuring & regulating station exp-General	$239,248																	$239,248
5		987800 Meter & house regulator expense	$1,908,262																	$1,908,262
6		987900 Customer installations expenses	$36,491																	$36,491
7		988000 Other expenses	$2,876,617																	$2,876,617
8		988100 Rents	$6,302																	$6,302
9		**Operation**		**$9,469,882**																
10																				
11		988500 Maintenance Supervision & Engineering	$80,680																	$80,680
12		988700 Maintenance of mains	$1,591,188																	$1,591,188
13		988900 Maintenance of measuring & reg stat equip-general	$243,529																	$243,529
14		989200 Maintenance of services	$1,334,456																	$1,334,456
15		989300 Maintenance of meters & house regulators	$1,101,190																	$1,101,190
16		989400 Maintenance of other equipment	$497,761																	$497,761
17		**Maintenance**		**$4,849,004**																
18		**Distribution Expenses**		**$14,318,886**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$14,318,886**
19																				
20		990200 Meter reading expenses	$730,730																	$730,730
21		990300 Customer records and collection expenses	$7,521,995																	$7,521,995
22		**Customer Accounts Expenses**		**$8,252,726**																
23		990400 Uncollectible accounts	$3,110,420																	$3,110,420
24		**Uncollectible Accounts**		**$3,110,420**																
25		**Customer Accounts Expense**		**$11,363,145**	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$11,363,145**
26																				
27		990800 Customer assistance expenses	$220,939																	$220,939
28		990900 Informational & instructional advertising expenses	$68,598																	$68,598
29		**Customer Service Expenses**		**$289,537**	$0	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$289,537**
30																				
31		991200 Demonstrating & selling expenses	$437,448																	$437,448
32		**Sales Expense**		**$437,448**	$0															
33																				
34		992000 Administrative & General salaries	$549,146																	$549,146
35		992100 Office supplies & expenses	$56,112																	$56,112
36		992300 Outside services employed	$6,202,349																	$6,202,349
37		992305 Gas regulatory asset amortization	$70,502																	$70,502
38		992400 Property insurance	$72,754																	$72,754
39		992500 Injuries & damages	$491,182																	$491,182
40		992800 Regulatory commission expenses	$868,943		$0	($725)	($262)			$12	($864)	$4,333	($1,484)	($19,401)	$1,892	$0		$0	$0	$852,445
41		992900 Duplicate charges-Credit	($1,976,420)														$50,848			($1,925,572)
42		993010 General ad expenses	$17,633																	$17,633
43		993020 Miscellaneous general expenses	$309,386																	$309,386
44		993100 Rents	$41																	$41
45		**Operation**		**$6,661,628**																
46		992600 Employee pensions & benefits	$3,422,928																	$3,422,928
47		**Pensions & Benefits**		**$3,422,928**																
48		**Operations**		**$10,084,556**																
49		993500 Maintenance of general plant	$803,381																	$803,381
50		**Maintenance**		**$803,381**																
51		**Total A&G**		**$10,887,937**	$0	($725)	($262)	$0	$0	$12	($864)	$4,333	($1,484)	($19,401)	$1,892	$0	$50,848	$0	$0	**$10,922,287**
52		**Total Operations & Maintenance**		**$121,438,416**	**$0**	**($725)**	**($262)**	**$0**	**$0**	**$12**	**($864)**	**$4,333**	**($1,484)**	**($6,469,632)**	**$1,892**	**$0**	**($72,964,736)**	**$0**	**$0**	**$42,006,951**
53																				
54		**Depreciation & Amortization**																		
55		**Acct 403 Depreciation**																		
56		Other Storage	$339,839																	$339,839
57		Transmission	$705,806																	$705,806
58		Distribution	$12,836,519																	$12,836,519
59		General	$64,844																	$64,844
60		Common	$869,789																	$869,789
61		**A/C 403 Total**		**$14,816,797**																
62																				
63		**Acct 407 Amortization - Other**																$0		
64		Gas Environmental	$247,412		($247,412)															$0
65		AMI/IMU	$321,661																	$321,661
66		**A/C 407 Total**		**$569,073**																
67																				
68		**Total Depreciation and Amortization**		**$15,385,870**	($247,412)	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$15,138,458**
69																				
70																				
71		**Other Taxes**																		
72		Payroll Taxes	$619,036																	$619,036
73		Property Taxes	$5,234,847																	$5,234,847
74		Other Taxes	$85,935																	$85,935
75		Utility Taxes	$2,224,281					($2,224,281)				$0								$0
76																				
77		**Total Other Taxes**		**$8,164,100**	$0	$0	$0	($2,224,281)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$5,939,818**

Delmarva Power & Light
System Gas Earnings
12 Months Ending December 31, 2015

Gas WP #8

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Line No.	Item	DPL Gas Per Book Detail 12 M/E 12/31/15		Remove Environmental	MDQ Annualization	Weather Normalization	Remove Utility Tax	Remove Wilmington Franchise Tax	Bill Frequency	Balancing Volume Revenue	LVFT Customer Migration	Facility Relocation Charge	Remove QFCP/Bloom	Year-End Rates	Remove Unbilled	Remove GCR Fuel	Remove Margin Sharing	Remove AFUDC	Adjusted Earnings (COS Study)
1	**Net ITC Adjustment**																		
2	Transmission	($3,182)																	($3,182)
3	Distribution	($39,573)																	($39,573)
4	General	($2,025)																	($2,025)
5	Common	($2,046)																	($2,046)
6																			
7	**Total**		**($46,826)**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**($46,826)**
8																			
9	**IOCD**																		
10	Gas	$3,414																	$3,414
11	**Total Interest on Customer Deposits**		**$3,414**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$3,414**
12																			
13	**AFUDC**																		
14	Production	$18,216																($18,216)	$0
15	Transmission	$84,141																($84,141)	$0
16	Distribution	$53,887																($53,887)	$0
17																			
18	**Total AFUDC**		**$156,243**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($156,243)	**$0**
19																			
20	**Current FIT**		**($2,963,350)**	($237)	($76,951)	($27,833)	$98,756	($8,549)	$1,324	($91,805)	$460,181	($157,560)	$818	$200,924	$1,188,564	$5,531	($95,712)	$0	($1,465,900)
21	**Current SIT**		**($806,795)**	($65)	($20,951)	($7,578)	$26,887	($2,328)	$361	($24,995)	$125,288	($42,897)	$223	$54,703	$323,596	$1,506	($26,058)	$0	($399,103)
22	**Deferred FIT**		**$6,783,779**															$0	$6,783,779
23	**Deferred SIT**		**$1,846,937**															$0	$1,846,937
24																			
25	**Total Earnings**		**$14,245,715**	**($440)**	**($142,909)**	**($51,690)**	**$183,404**	**($15,877)**	**$2,459**	**($170,495)**	**$854,621**	**($292,611)**	**$1,520**	**$373,145**	**$2,207,333**	**$10,272**	**($177,751)**	**($156,243)**	**$16,870,452**

Regulatory Financial Statements
Delmarva Power & Light Company
Gas

Gas WP #9

(1) Line No.	(2) Account	(3) Actual Jan-15	(4) Actual Feb-15	(5) Actual Mar-15	(6) Actual Apr-15	(7) Actual May-15	(8) Actual Jun-15	(9) Actual Jul-15	(10) Actual Aug-15	(11) Actual Sep-15	(12) Actual Oct-15	(13) Actual Nov-15	(14) Actual Dec-15	(15) 12 M/E Dec-15
1	948000 Residential Sales - Gas	(19,509,903)	(19,033,360)	(15,190,138)	(5,401,565)	(3,300,239)	(2,599,263)	(2,274,277)	(2,715,263)	(3,052,872)	(5,420,258)	(7,790,836)	(7,231,303)	(93,519,276)
2	948100 Commercial and Industrial Sales - Gas	(8,090,015)	(11,735,500)	(5,690,553)	(4,144,526)	(2,044,772)	(2,109,962)	(1,529,642)	(1,830,918)	(2,004,267)	(3,348,569)	(3,384,032)	(3,390,411)	(49,303,168)
3	948700 Late Payments - Gas				56	(15,833)	(75,921)	(75,209)	(41,569)	(47,883)	(50,121)	(40,156)	(62,952)	(409,588)
4	948900 Revenues from Transportation of Gas to Others	(1,181,572)	(1,287,859)	(1,086,542)	(836,288)	(728,565)	(723,808)	(710,391)	(733,216)	(717,437)	(809,884)	(876,333)	(893,740)	(10,585,635)
5	949300 Rent from Gas Property	(15,481)	(8,863)	(8,844)	(8,844)	(8,844)	(8,968)	(8,953)	(8,953)	(8,953)	(9,116)	(9,035)	(9,170)	(114,022)
6	949500 Other Gas Revenues	(1,124,506)	(1,095,113)	(760,112)	(626,818)	(958,736)	(1,050,734)	(1,150,281)	(922,724)	(739,194)	(671,550)	(551,027)	(312,532)	(9,963,325)
7	Operating Revenue - Gas	(29,921,476)	(33,160,695)	(22,736,189)	(11,017,985)	(7,056,989)	(6,568,656)	(5,748,752)	(6,252,644)	(6,570,605)	(10,309,498)	(12,651,418)	(11,900,107)	(163,895,015)
8	980300 Natural gas transmission line purchases	9,285,773	12,947,836	6,295,526	4,396,437	4,460,321	4,143,995	3,907,724	3,793,848	3,794,282	4,615,255	4,182,201	4,333,605	66,156,804
9	980510 Purchased gas cost adjustment	3,139,627	2,309,270	1,860,941	(330,618)	(1,254,438)	(1,209,375)	(1,329,337)	(950,244)	(984,918)	5,702	218,262	(823,083)	651,788
10	980700 Purchased gas expense	591,690	584,835	462,547	289,447	385,819	553,430	616,192	335,949	350,444	163,697	188,190	259,326	4,781,567
11	980750 Other purchased gas expense	1,113,993	1,099,573	865,085	584,325	372,330	201,775	168,825	106,198	162,748	187,168	386,130	488,105	5,736,253
12	980810 Gas withdrawn from storage-Debit	2,461,697	1,916,449	2,567,241	595,409	16,310	16,576	23,709	16,578	13,102	67,809	537,388	859,673	9,091,941
13	980820 Gas delivered to storage-Credit	(151,279)	(328,262)	(40,984)	(419,832)	(976,102)	(931,034)	(808,090)	(717,819)	(730,348)	(792,061)	(403,898)	(316,267)	(6,615,977)
14	Fuel	16,441,501	18,529,701	12,010,356	5,115,168	3,004,239	2,775,366	2,579,024	2,584,509	2,605,310	4,247,569	5,108,273	4,801,359	79,802,376
15	984000 Operation Supervision & Engineering	5,797	10,722	4,200	6,378	3,733	3,255	2,563	3,666	6,202	8,116	3,732	5,881	64,246
16	984100 Operation labor & expense	108,460	104,467	54,945	43,905	52,273	49,399	59,342	85,905	88,763	102,127	90,376	113,968	953,932
17	984220 Power						159	156						315
18	981300 Other gas supply expenses	91,969	95,611	127,785	90,420	97,311	132,041	101,806	116,199	133,441	95,255	(50,316)	122,392	1,153,915
19	Other Operation	206,226	210,800	186,931	140,703	153,317	184,854	163,868	205,771	228,406	205,498	43,792	242,241	2,172,407
20	984310 Maintenance Supervision & Engineering	8,020	8,262	4,286	7,154	3,733	3,255	2,563	3,317	6,032	8,461	3,732	5,881	64,697
21	984320 Maintenance of structures & improvements	748		160	699	2,876	16,203			8,985	7,420	4,251	4,200	45,542
22	984330 Maintenance of gas holders					524								524
23	984340 Maintenance of purification equipment	852	164	1,641	13,502	2,981	4,654	4,109	12		3,931	44,198	1,938	77,981
24	984350 Maintenance of liquifaction equipment	21,187	38,115	22,665	1,011	1,990	887	35,043	5,298	9,755	4,000	3,984	9,501	153,437
25	984360 Maintenance of vaporizing equipment	5,552	1,528			187					533	1,186	9,148	18,135
26	984370 Maintenance of compressor equipment	7,413	939	1,395		1,519	106	156					1,190	12,718
27	984380 Maintenance of measuring & regulating equipment		8,618			42								8,660
28	984390 Maintenance of other equipment	17,117	17,459	13,513	15,340	24,547	17,395	9,779	7,917	3,138	5,673	7,201	25,157	164,236
29	Maintenance	60,889	75,086	43,660	37,705	38,399	42,500	51,650	16,544	27,910	30,018	64,552	57,015	545,928
30	Total Production	16,708,616	18,815,586	12,240,946	5,293,577	3,195,955	3,002,721	2,794,541	2,806,824	2,861,626	4,483,085	5,216,617	5,100,615	82,520,711
31	985000 Operation Supervision & Engineering	4,688	11,256	3,846	5,707	6,485	9,092	5,876	4,514	4,492	6,491	7,494	4,252	74,193
32	985100 System control & load dispatching	51,984	39,159	65,817	36,465	39,925	40,416	45,861	72,350	37,064	38,364	41,823	54,094	563,321
33	985600 Mains expense	8,147	6,119	8,251	5,945	10,268	8,797	65,131	33,198	50,507	37,533	21,763	10,988	266,646
34	985700 Measuring & regulating station expenses	(307)	(394)	(576)	1,911	2,322	1,161	642	1,690	1,028	1,295	10,355	(346)	18,782
35	985900 Other expenses	8,287	8,206	11,311	7,258	8,634	7,048	9,025	7,322	8,581	8,572	8,255	9,244	101,744
36	986000 Rents	3,245	2,974	6,310	2,540	2,524	2,880	5,444	2,933	9,750	2,173	2,311	2,380	45,465
37	Operation	76,044	67,320	94,958	59,826	70,158	69,395	131,979	122,007	111,422	94,429	92,001	80,612	1,070,150
38	986100 Maintenance supervision & engineering	816	936	507	809	3,028	708	506	810	606	412	623	515	10,275
39	986300 Maintenance of mains	36,690	32,208	51,131	26,114	26,848	10,884	22,734	26,891	26,783	72,308	25,510	25,109	383,209
40	986500 Maintenance of measuring & regulating equipment	3,973	7,255	2,412	1,768	5,133	33,057	6,600	10,838	11,935	25,614	30,247	18,286	157,118
41	Maintenance	41,479	40,399	54,050	28,691	35,009	44,649	29,839	38,539	39,324	98,334	56,380	43,910	550,602
42	Transmission expense	117,522	107,719	149,008	88,517	105,167	114,044	161,819	160,547	150,746	192,763	148,380	124,521	1,620,753
43	987000 Operation Supervision & Engineering	147,183	(29,450)	52,517	49,938	9,843	69,596	60,555	71,174	60,135	(9,259)	3,594	126,564	612,389
44	987100 Distribution load dispatching	25,943	22,944	20,358	22,379	27,917	22,834	25,142	25,305	25,866	26,900	20,629	27,190	293,406
45	987400 Mains & service expenses	388,077	278,132	315,188	337,209	235,875	305,559	285,107	462,546	289,427	271,650	(52,119)	380,517	3,497,167
46	987500 Measuring & regulating station exp-General	17,401	10,624	41,405	42,365	20,378	14,836	2,003	30,505	21,942	4,292	32,394	1,103	239,248
47	987800 Meter & house regulator expense	226,642	(89,739)	156,844	171,136	94,705	130,304	197,520	145,669	198,177	225,358	215,791	235,856	1,908,262
48	987900 Customer installations expenses	2,615	3,065	4,600	3,706	3,196	2,768	2,700	2,413	2,934	2,409	2,548	3,538	36,491
49	988000 Other expenses	243,089	253,084	299,585	256,718	259,710	205,142	244,452	190,297	223,985	212,151	187,178	301,226	2,876,617
50	988100 Rents	168	36		184	560		210	821	3,951	304		70	6,302
51	Operation	1,051,117	448,695	890,496	883,634	652,183	751,037	817,689	928,731	826,417	733,803	410,016	1,076,063	9,469,882
52	988500 Maintenance Supervision & Engineering	7,136	9,043	6,869	7,289	6,297	5,348	5,068	6,603	7,339	8,627	5,525	5,735	80,880
53	988700 Maintenance of mains	94,535	62,492	191,366	87,193	109,778	172,419	223,253	89,416	243,351	72,942	147,446	96,997	1,591,188
54	988900 Maintenance of measuring & reg stal equip-general	11,495	34,349	16,145	8,114	18,490	19,327	6,478	12,549	17,216	43,929	25,734	29,702	243,529
55	989200 Maintenance of services	139,333	89,783	93,691	112,297	118,581	89,469	116,875	179,635	61,694	153,275	84,885	94,939	1,334,456
56	989300 Maintenance of meters & house regulators	19,088	36,291	14,643	12,448	211,715	70,484	223,682	122,472	218,250	85,634	(22,142)	108,625	1,101,190
57	989400 Maintenance of other equipment	40,025	42,063	36,181	34,927	34,908	70,602	39,409	37,871	30,291	45,942	35,811	49,731	497,761
58	Maintenance	311,613	274,022	358,894	262,268	499,768	427,649	614,765	448,546	578,141	410,349	277,259	385,729	4,849,004
59	Distribution Expenses	1,362,730	722,717	1,249,390	1,145,902	1,151,951	1,178,687	1,432,454	1,377,277	1,404,558	1,144,151	687,275	1,461,792	14,318,886
60	990200 Meter reading expenses	63,234	71,174	69,418	51,080	52,774	65,357	59,544	51,994	56,827	68,869	58,965	61,496	730,730
61	990300 Customer records and collection expenses	702,451	649,507	680,393	567,872	601,808	609,049	604,341	599,557	612,287	654,982	599,486	640,262	7,521,995
62	Customer Accounts Expenses	765,685	720,681	749,811	618,952	654,581	674,406	663,885	651,551	669,114	723,851	658,451	701,758	8,252,726
63	990400 Uncollectible accounts	356,327	346,184	950,414	171,705	85,169	464,494	54,017	50,478	362,906	68,558	98,264	101,904	3,110,420
64	Uncollectible Accounts	356,327	346,184	950,414	171,705	85,169	464,494	54,017	50,478	362,906	68,558	98,264	101,904	3,110,420
65	Customer Accounts Expense	1,122,012	1,066,864	1,700,225	790,657	739,750	1,138,900	717,902	702,029	1,032,020	792,408	756,715	803,662	11,363,145
66	990800 Customer assistance expenses	25,089	20,909	14,072	19,084	18,608	15,727	21,404	15,582	20,194	18,329	15,258	16,683	220,939

Regulatory Financial Statements
Delmarva Power & Light Company
Gas

Gas WP #10

(1) Line No	(2) Account	(3) Actual Jan-15	(4) Actual Feb-15	(5) Actual Mar-15	(6) Actual Apr-15	(7) Actual May-15	(8) Actual Jun-15	(9) Actual Jul-15	(10) Actual Aug-15	(11) Actual Sep-15	(12) Actual Oct-15	(13) Actual Nov-15	(14) Actual Dec-15	(15) 12 M/E Dec-15
1	990900 Informational & instructional advertising expenses	2,950	3,434	1,324	832	2,929	14,110	11,971	2,251	8,988	9,632	4,216	5,963	68,598
2	Customer Service Expenses	28,039	24,343	15,395	19,916	21,537	29,836	33,375	17,833	29,182	27,960	19,473	22,647	289,537
3	91200 Demonstrating & selling expenses	26,360	28,400	71,403	55,211	30,829	35,840	29,587	32,773	29,339	33,341	32,211	32,153	437,448
4	Sales Expenses	26,360	28,400	71,403	55,211	30,829	35,840	29,587	32,773	29,339	33,341	32,211	32,153	437,448
5	992000 Administrative & General salaries	60,887	34,238	47,477	45,905	48,616	192,698	(156,382)	53,272	156,468	60,623	52,805	(47,462)	549,146
6	992100 Office supplies & expenses	3,277	4,262	5,136	4,492	3,786	2,933	4,829	3,713	5,802	4,331	4,244	9,307	56,112
7	992300 Outside services employed	671,519	448,504	596,910	463,519	487,990	593,597	558,518	463,970	508,785	486,563	492,866	500,111	6,272,851
8	992400 Property insurance	6,261	6,261	7,671	7,345	7,345	7,345	7,345	7,345	7,345	7,345	7,345	(6,194)	72,754
9	992500 Injuries & damages	44,180	44,048	35,833	42,760	42,760	42,972	53,907	39,421	23,305	40,382	43,599	38,013	491,182
10	992800 Regulatory commission expenses	92,702	93,989	101,624	78,195	41,688	57,343	51,660	76,248	57,002	43,958	85,765	88,769	868,943
11	992900 Duplicate charges-Credit	(204,456)	(193,930)	(156,628)	(148,273)	(155,669)	(155,511)	(161,534)	(166,085)	(177,713)	(164,419)	(146,384)	(145,818)	(1,976,420)
12	993010 General ad expenses	164	813	701	393	1,264	1,244	2,256	354	1,377	366	3,998	4,703	17,633
13	993020 Miscellaneous general expenses	12,669	12,486	76,976	14,374	7,591	8,810	52,667	5,938	1,887	57,794	10,359	47,837	309,386
14	993100 Rents							41				0		41
15	Operation	687,203	450,671	715,700	508,709	485,371	751,428	413,306	484,176	584,258	536,943	554,595	489,266	6,661,628
16	992600 Employee pensions & benefits	273,524	293,840	322,528	287,767	257,287	283,111	282,731	321,465	290,833	265,459	262,647	281,737	3,422,928
17	Pensions & Benefits	273,524	293,840	322,528	287,767	257,287	283,111	282,731	321,465	290,833	265,459	262,647	281,737	3,422,928
18	Operations	960,726	744,511	1,038,228	796,476	742,659	1,034,539	696,038	805,641	875,091	802,402	817,242	771,003	10,084,556
19	993500 Maintenance of general plant	87,411	65,358	94,146	58,452	57,417	66,169	76,283	63,472	60,999	68,663	56,057	48,957	803,381
20	Maintenance	87,411	65,358	94,146	58,452	57,417	66,169	76,283	63,472	60,999	68,663	56,057	48,957	803,381
21	Total A&G	1,048,138	809,868	1,132,374	854,928	800,075	1,100,708	772,321	869,113	936,090	871,065	873,299	819,960	10,887,937
22	Total Operations & Maintenance	20,413,418	21,575,497	16,558,741	8,248,708	6,045,263	6,600,736	5,941,999	5,966,396	6,443,562	7,544,775	7,733,970	8,365,350	121,438,416
23	940310 Gas Depreciation Expense	1,166,700	1,175,890	1,178,045	1,183,968	1,239,215	1,245,560	1,250,727	1,250,934	1,262,850	1,267,076	1,291,088	1,304,743	14,816,797
24	940731 Gas Amortization of Regulatory Debits	60,936	60,632	59,641	41,015	30,537	27,283	27,001	26,807	40,710	59,461	63,821	71,230	569,073
25	Depreciation	1,227,636	1,236,522	1,237,686	1,224,983	1,269,752	1,272,843	1,277,728	1,277,741	1,303,560	1,326,537	1,354,909	1,375,973	15,385,870
26	940911 Gas Income Taxes, Utility Operating Income	3,021,006	3,722,835	(6,653,013)	323,971	(371,055)	37,802	(900,699)	(636,770)	544,326	396,700	1,131,341	(7,276,196)	(6,659,751)
27	Federal - Current	3,021,006	3,722,835	(6,653,013)	323,971	(371,055)	37,802	(900,699)	(636,770)	544,326	396,700	1,131,341	(7,276,196)	(6,659,751)
28	941011 Gas Provision of Deferred Income Taxes - Util Ops			12,427,419			103,646			4,618,098			8,442,018	25,591,182
29	941111 Deferred Income Taxes - Federal - Gas - Operating			(6,387,611)			(1,343,415)			(5,277,704)			(808,029)	(13,816,759)
30	Federal - Deferred	-	-	6,039,808	-	-	(1,239,769)	-	-	(659,607)	-	-	7,633,989	11,774,422
31	940913 Gas Current State Taxes - Operating			24,322			(1,870)			8,300			(220,518)	(189,766)
32	State - Current	-	-	24,322	-	-	(1,870)	-	-	8,300	-	-	(220,518)	(189,766)
33	941113 Deferred Income Taxes - State - Gas - Operating			(1,499,571)			(450,172)			(1,599,441)			(1,348,784)	(4,897,968)
34	941013 Gas Provision of State Deferred Income Tax (Dr)			3,135,281			143,224			1,285,128			1,120,178	5,683,810
35	State - Deferred	-	-	1,635,710	-	-	(306,948)	-	-	(314,314)	-	-	(228,606)	785,842
36	ITC Amortized			(10,807)			(12,116)			(11,952)			(11,952)	(46,826)
37	Total Income Taxes	3,021,006	3,722,835	1,036,021	323,971	(371,055)	(1,522,901)	(900,699)	(636,770)	(433,246)	396,700	1,131,341	(103,282)	5,663,920
38	Other Taxes	815,164	860,498	891,341	718,900	608,760	586,207	592,023	570,339	654,252	584,746	626,576	655,295	8,164,100
39	Total Taxes	3,836,170	4,583,333	1,927,362	1,042,871	237,705	(936,694)	(308,676)	(66,431)	221,005	981,446	1,757,917	552,013	13,828,020
40	Total Operating Expenses	25,477,223	27,395,352	19,723,789	10,516,563	7,552,720	6,936,885	6,911,051	7,177,705	7,968,127	9,852,758	10,846,796	10,293,336	150,652,307
41	Operating Income	(4,444,252)	(5,765,343)	(3,012,399)	(501,422)	495,731	368,230	1,162,299	925,061	1,397,522	(456,741)	(1,804,622)	(1,606,771)	(13,242,708)

Delmarva Power and Light Company
System Gas Depreciation Expense
12 Months Ending December 31, 2015

Gas WP #11

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line No.	Item	Actual Jan-15	Actual Feb-15	Actual Mar-15	Actual Apr-15	Actual May-15	Actual Jun-15	Actual Jul-15	Actual Aug-15	Actual Sep-15	Actual Oct-15	Actual Nov-15	Actual Dec-15	12 M/E December 31, 2015
	Acct 403 Depreciation													
1														
2	Other Storage	$35,183	($14,616)	$35,371	$35,426	$35,426	$35,426	$34,157	$28,600	$28,600	$28,600	$28,600	$29,264	$339,839
3	Transmission	$58,084	$58,134	$58,185	$58,188	$58,276	$58,367	$58,832	$59,254	$59,434	$59,582	$59,671	$59,778	$705,806
4	Distribution - DE	$1,043,111	$1,048,489	$1,003,476	$1,056,082	$1,063,162	$1,069,380	$1,075,349	$1,080,632	$1,086,341	$1,095,752	$1,101,889	$1,108,656	$12,836,519
5	General	($37,315)	$12,877	$13,285	($36,790)	$13,285	$13,578	$13,285	$13,285	$13,285	$13,285	$13,285	$19,496	$64,844
6	Common	$67,637	$71,206	$67,729	$69,061	$69,065	$68,788	$69,104	$69,162	$73,190	$69,656	$87,642	$87,349	$869,789
7	A/C 403 Total	$1,166,700	$1,175,890	$1,178,045	$1,183,968	$1,239,215	$1,245,560	$1,250,727	$1,250,934	$1,262,850	$1,267,076	$1,291,088	$1,304,743	$14,816,797
8														
9														
10	Acct 407 Amortization - Other													
11														
12	Gas Environmental	42,856.21	42,552.77	41,561.02	22,935.32	12,457.71	9,203.46	8,921.10	8,726.98	8,734.98	11,109.41	15,474.29	22,678.99	$247,412
13	IMU/AMI	18,079.57	18,079.57	18,079.57	18,079.57	18,079.57	18,079.57	18,079.57	18,079.57	31,974.60	48,351.61	48,346.81	48,351.23	$321,661
14	A/C 407 Total	$60,936	$60,632	$59,641	$41,015	$30,537	$27,283	$27,001	$26,807	$40,710	$59,461	$63,821	$71,230	$569,073
15														
16														
17	GRAND TOTAL WORKSHEET	$1,227,636	$1,236,522	$1,237,686	$1,224,983	$1,269,752	$1,272,843	$1,277,728	$1,277,741	$1,303,560	$1,326,537	$1,354,909	$1,375,973	$15,385,870

Delmarva Power & Light Company
Gas Tax Calculation
12 Months Ending December 31, 2015

Gas WP #12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Line No.	Item	Per Books Unadjusted	Per Books Int Synch	Reclassify Tax Data	Per Books Subtotal	Remove Environmental	MDQ Annualization	Weather Normalization	Remove Utility Tax	Remove Wilmington Franchise Tax	Bill Frequency	Balancing Volume Revenue	LVFT Customer Migration	Facility Relocation Charge	Remove QFCP/Bloom	Year-End Rates	Remove Unbilled Revenue	Remove GCR Fuel	Remove Margin Sharing	Remove AFUDC	Per Books Adjusted
1	Revenues	$163,856,015	$0	$0	$163,856,015	($248,154)	($241,536)	($87,364)	($1,516,234)	($26,755)	$4,157	($288,165)	$1,444,423	($484,551)	($6,467,071)	$630,665	$3,719,492	($72,947,427)	($299,521)	$0	$86,677,980
2																					
3	Expenses:																				
4	O & M Expense	$121,438,416	$0	$0	$121,438,416		($725)	($262)	$0	$0	$12	($864)	$4,333	($1,464)	($6,469,632)	$1,892	$0	($72,964,736)	$0	$0	$42,006,951
5	Depreciation & Amortization	$15,385,870	$0	$0	$15,385,870	($247,412)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15,138,458
6	Other than Income Taxes	$8,164,100	$0	$0	$8,164,100	$0	$0	$0	($2,224,281)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,939,818
7																					
8	EBIT	$18,868,629	$0	$0	$18,868,629	($742)	($240,811)	($87,102)	$309,047	($26,755)	$4,144	($287,295)	$1,440,090	($493,088)	$2,561	$628,773	$3,719,492	$17,310	($299,521)	$0	$23,502,752
9																					
10	Schedule FF	($21,936,962)			($21,936,962)																($21,936,962)
11																					
12	Interest Expense	$6,849,613	($665,856)	$0	$6,243,178																$6,243,178
13																					
14	Taxable Income	($9,879,466)	$665,856	$0	($9,273,511)	($742)	($240,811)	($87,102)	$309,047	($26,755)	$4,144	($287,295)	$1,440,090	($493,088)	$2,561	$628,773	$3,719,492	$17,310	($299,521)	$0	($4,587,387)
15																					
16	ITC Amortization	($46,826)			($46,826)																($46,826)
17																					
18	State Income Tax	($789,765)	$52,713	($668,742)	($805,795)	($65)	($20,951)	($7,578)	$26,887	($2,328)	$361	($24,995)	$125,288	($42,897)	$223	$54,703	$323,596	$1,506	($26,058)	$0	($399,103)
19	Deferred State Income Tax	$789,642		$1,061,099	$1,846,537								$0					$0	$0	$0	$1,846,537
20	Total State Tax	$506,076	$52,713	$331,353	$1,040,142	($65)	($20,951)	($7,578)	$26,887	($2,328)	$361	($24,995)	$125,288	($42,897)	$223	$54,703	$323,596	$1,506	($26,058)	$0	$1,447,834
21																					
22	Federal Income Tax	($6,650,751)	$193,614	$3,502,787	($2,953,350)	($237)	($76,951)	($27,833)	$98,756	($8,549)	$1,324	($91,805)	$460,181	($157,560)	$818	$200,924	$1,188,564	$5,531	($95,712)	$0	($1,465,900)
23	Deferred Federal Income Tax	$11,774,422		($4,990,644)	$6,783,779								$0			$0		$0	$0	$0	$6,783,779
24	Total Federal Tax	$6,114,671	$193,614	($1,487,857)	$3,830,428	($237)	($76,951)	($27,833)	$98,756	($8,549)	$1,324	($91,805)	$460,181	($157,560)	$818	$200,924	$1,188,564	$5,531	($95,712)	$0	$5,317,879
	Total Taxes	$6,663,920	$246,327	($1,006,504)	$4,813,743	($302)	($97,902)	($35,411)	$125,643	($10,877)	$1,685	($116,800)	$585,468	($200,457)	$1,041	$255,628	$1,512,159	$7,037	($121,770)	$0	$6,718,887

Delmarva Power & Light Company
Gas Adjustment Workpapers
12 Months Ending December 2015

Delmarva Power & Light Company
Gas Adjustments
12 Months Ending December 31, 2015

Gas Adjustment Summary

(1) Line No.	(2) Item	(3) Witness	(4) Earnings	(5) Rate Base	(6) ROR	(7) ROE	(8) Revenue Requirement
1	**Per Books - 12 months ending December 31, 2015**	Ziminsky	$16,870,452	$319,673,089	5.28%	6.73%	$10,476,903
2							
3	**Adjustments**						
4	1 Normalize Regulatory Commission Expense	Ziminsky	$7,620	$0			($13,058)
5	2 Normalize Injuries and Damages Expense	Ziminsky	$25,656	$0			($43,963)
6	3 Normalize Uncollectible Expense	Ziminsky	$503,063	$0			($862,038)
7	4 Wage and FICA Expense Adjustment	Ziminsky	($603,036)	$0			$1,033,351
8	5 Reflect Proforma Benefits Expense	Ziminsky	($100,480)	$0			$172,181
9	6 Remove Executive Incentive Compensation Expense	Ziminsky / McGowan	$430,846	$0			($738,289)
10	7 Remove Certain Executive Compensation Expense	Ziminsky	$4,547	$0			($7,792)
11	8 Remove Employee Association Expense	Ziminsky	$16,729	$0			($28,666)
12	9 Reflect IMU Battery Replacement Expense	Ziminsky / Collacchi	($929,183)	$0			$1,592,230
13	10 Reflect AMI Regulatory Asset Residuals	Ziminsky	($86,747)	$279,396			$183,071
14	11 Annualize September 2015 AMI Phase-In	Ziminsky	$354,412	$0			($607,313)
15	12 Annualize Test Period Reliability Closings	Ziminsky / Collacchi	($264,187)	$11,934,563			$1,923,119
16	13 Reflect Actual & Forecasted Reliability Closings January 2016 - September 2016	Ziminsky / Collacchi	($191,151)	$11,763,869			$1,776,936
17	14 Reflect Forecasted Reliability Closings October 2016 - December 2016	Ziminsky / Collacchi	($58,642)	$3,508,633			$532,774
18	15 Reflect Forecasted Reliability Closings of December 2016 CWIP	Ziminsky / Collacchi	($120,933)	$7,186,438			$1,092,644
19	16 Reflect Forecasted Experimental Station Related Plant Closing	Ziminsky / Santacecilia	($69,296)	$5,941,616			$850,789
20	17 Reflect Proposed Depreciation Rates	Ziminsky / Spanos	($2,676,050)	$0			$4,585,625
21	18 Amortization of Refinancings	Ziminsky	($123,060)	$880,386			$319,342
22	19 Remove Bloom Energy Incremental Rate Base	Ziminsky	$7,500	($555,276)			($81,266)
23	20 Normalize Relocation Expense	Ziminsky	($8,417)	$0			$14,423
24	21 Remove Post 1980 ITC Amortization	Ziminsky	($41,228)	$0			$70,648
25	22 Recover Credit Facilities Expense	Ziminsky / McGowan	($76,223)	$138,316			$147,655
26	23 Proforma Merger Synergies and Amortize Costs To Achieve	Ziminsky / McGowan	$313,859	$1,726,224			($325,141)
27	24 Interest Synchronization	Ziminsky	$336,050	$0			($575,849)
28	25 Cash Working Capital	Ziminsky	$0	($100,122)			($12,336)
29							
30	Adjusted Test Period		$13,522,102	$362,377,132	3.73%	3.60%	$21,475,979

Delmarva Power & Light Company
Gas
Normalize Regulatory Commission Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) $	
1	**Earnings**			
2	Regulatory Commission Expense (3 Year Average)		$ 203,607	(1)
3				
4	Regulatory Commission Expense Included in Test Period		$ 341,523	
5				
6	Adjustment to Per Books Regulatory Commission Expense		$ (137,916)	
7				
8	Cost of Current Case (2)	$375,225		
9	Amount included in Adjustment (3 Year amortization)		$125,075	
10				
11	Total Regulatory Commission Expense Adjustment		$ (12,841)	
12				
13	Impact to SIT @ 8.7%		$1,117	
14				
15	Impact to FIT @ 35%		$4,103	
16				
17	Impact to Operating Income		$7,620	
18				
19				

		Total A/C 928	Regulatory Tax	Net
20	(1) 3 Year Average			
21	12 Months Ended 12/31/15	$ 859,523	$ 518,000	$ 341,523
22	12 Months Ended 12/31/14	$ 732,334	$ 547,000	$ 185,334
23	12 Months Ended 12/31/13	$ 578,964	$ 495,000	$ 83,964
24	Average			$ 203,607
25				

26	(2) Cost of Current Case	
27	External Legal	$150,000
28	Cost of Capital witness	$37,725
29	Depreciation Study witness	$75,000
30	Court reporter/notice/etc	$12,500
31	DPSC	$100,000
32	Total	$375,225

Adjustment No. 2

Delmarva Power & Light Company
Gas
Normalize Injuries & Damages Expense
12 Months Ending December 31, 2015

(2)		(3)
Item		**$**
3 Year Average		$447,950
12+0 Months Ending 12/31/15		$491,182
Adjustment		($43,231)
Impact to SIT @ 8.7%		$3,761
Impact to FIT @ 35%		$13,815
Impact to Operating Income		$25,656
Account 925	12 Months Ended 12/31/13	$402,120
	12 Months Ended 12/31/14	$450,549
	12 Months Ended 12/31/15	$491,182
	Average	$447,950

Adjustment No. 3

Delmarva Power & Light Company
Gas
Normalize Uncollectible Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) $
1	3 Year Average		$2,262,727
2			
3	12+0 Months Ending 12/31/15		$3,110,420
4			
5	Adjustment		($847,692)
6			
7	Impact to SIT @ 8.7%		$73,749
8			
9	Impact to FIT @ 35%		$270,880
10			
11	Impact to Operating Income		$503,063
12			
13	Account 904	12 Months Ended 12/31/13	$1,932,175
14		12 Months Ended 12/31/14	$1,745,588
15		12 Months Ended 12/31/15	$3,110,420
16			
17		Average	$2,262,727

Adjustment No. 4

Delmarva Power & Light Company
Gas
Wage and FICA Expense Adjustment
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) $
1	**Salary and Wage Adjustment**		
2	Gas O&M Expense Adjustment		$961,037
3			
4	State Income Tax		($83,610)
5	Federal Income Tax		($307,099)
6		Total Expense	$570,328
7			
8	Earnings		($570,328)
9			
10			
11			
12	**FICA Adjustment**		
13	Gas O&M Expense Adjustment		55,116
14			
15	State Income Tax		($4,795)
16	Federal Income Tax		($17,612)
17		Total Expense	32,709
18			
19	Earnings		(32,709)
20			
21			
22	**Total Earnings Adjustment**		**($603,036)**

Delmarva Power & Light Company
Gas
Wage and FICA Expense Adjustment

Adjustment No. 4.1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Month	Rate	Local 1238 Level	Rate	Management Level	Total	12 Month Total
1	January 15		924,995		732,456	1,657,451	
2	February 15		752,805		717,440	1,470,246	
3	March 15		751,556		723,546	1,475,102	
4	April 15		693,880		713,391	1,407,271	
5	May 15		774,083		679,497	1,453,581	
6	June 15		622,077		701,479	1,323,557	
7	July 15		793,612		696,344	1,489,957	
8	August 15		683,872		719,000	1,402,872	
9	September 15		653,803		693,486	1,347,289	
10	October 15		842,133		689,992	1,532,125	
11	November 15		611,258		683,000	1,294,258	
12	December 15		855,078		717,108	1,572,186	17,425,895
13	January 16	2.50%	948,120	3.00%	754,430	1,702,550	
14	February 16	3.00%	775,389	3.00%	738,963	1,514,353	
15	March 16	3.00%	774,103	2.40%	740,911	1,515,014	
16	April 16	3.00%	714,696	2.40%	730,512	1,445,209	
17	May 16	3.00%	797,306	2.40%	695,805	1,493,111	
18	June 16	3.00%	640,740	2.40%	718,315	1,359,054	
19	July 16	3.00%	817,421	2.40%	713,056	1,530,477	
20	August 16	3.00%	704,388	2.40%	736,256	1,440,644	
21	September 16	3.00%	673,417	2.40%	710,130	1,383,547	
22	October 16	3.00%	867,397	2.40%	706,552	1,573,949	
23	November 16	3.00%	629,596	2.40%	699,392	1,328,988	
24	December 16	3.00%	880,730	2.40%	734,318	1,615,049	
25	January 17	3.00%	976,564	2.40%	772,536	1,749,100	
26	February 17	3.00%	798,651	2.40%	756,699	1,555,350	
27	March 17	3.00%	797,326	2.40%	758,693	1,556,019	
28	April 17	3.00%	736,137	2.40%	748,045	1,484,182	
29	May 17	3.00%	821,225	2.40%	712,505	1,533,729	
30	June 17	3.00%	659,962	2.40%	735,554	1,395,516	
31	July 17	3.00%	841,943	2.40%	730,170	1,572,113	
32	August 17	3.00%	725,520	2.40%	753,926	1,479,446	
33	September 17	3.00%	693,620	2.40%	727,173	1,420,793	
34	October 17	3.00%	893,419	2.40%	723,510	1,616,928	
35	November 17	3.00%	648,484	2.40%	716,177	1,364,661	
36	December 17	3.00%	907,152	2.40%	751,942	1,659,094	18,386,932

Delmarva Power & Light Company
Gas
Reflect Proforma Benefits Expense
12 Months Ending December 2015

Adjustment No. 5

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		12 Months Ending December 2015				Rate Effective Period			Adjustment	
Line No.	Item	Delmarva	Service Company	Total	Annual Increase	Delmarva	Service Company	Total	Total Distribution	Delaware Gas Distribution
1	Medical	$ 10,867,780	$ 6,765,371	$ 17,633,151	6.90%	$11,617,657	$7,232,182	$18,849,838	$1,216,687	
2	Dental	$ 771,705	$ 481,352	$ 1,253,057	-0.10%	$770,933	$480,871	$1,251,804	($1,253)	
3	Vision	$ 351,751	$ 219,678	$ 571,429	7.20%	$377,077	$235,495	$612,572	$41,143	
4										
5	Total	$11,991,236	$7,466,401	$19,457,637		$12,765,667	$7,948,547	$20,714,214	$1,256,577	
6										
7	Gas Expense Ratio	12.010%	15.826%			12.01%	15.83%			
8										
9	DPL Electric O&M Amount	$1,440,147	$1,181,661	$2,621,809		$1,533,157	$1,257,968	$2,791,124		
10										
11	Change in Benefit O&M								$169,315	
12										
13	State Income Tax								($14,730)	($14,730)
14	Federal Income Tax								($54,105)	($54,105)
15	Expense								($68,835)	($68,835)
16										
17	Impact on Earnings								($100,480)	($100,480)
18										

19		12 Months Ending	12 Months Ending	12 Months Ending	
20		December 2013	December 2014	December 2015	Avg Change
21	Medical	16.984%	-1.969%	5.718%	6.90%
22	Dental	8.203%	-6.485%	-2.051%	-0.10%
23	Vision	7.155%	-15.879%	30.455%	7.20%

Adjustment No. 6

Delmarva Power & Light Company
Gas
Remove Executive Incentive Compensation Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	Executive Incentives - Delaware Gas	($726,003)
2		
3	Income Taxes	
4	State Income Tax	$63,162
5	Federal Income Tax	$231,994
6	Total Income Taxes	$295,156
7		
8	Earnings	$430,846

Adjustment No. 7

Delmarva Power & Light Company
Gas
Remove Certain Executive Compensation Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) $
1	Dividends Restricted Stock	$	-
2	Company Match Deferred Compensation		(56,201)
3	Tax Preparation Fee		(13,000)
4	Financial Planning Fee		(47,720)
5	Executive Physical Fee		(2,400)
6	Club Dues		(5,744)
7	Spousal Travel		(4,970)
8			
9			
10	Total Compensation	$	(130,035)
11			
12	DPL (as % of PHI)		31.21%
13	DPL Expense	$	(40,584)
14	DPL Gas (vs. Electric) %		18.88%
15	DPL Gas Expense		(7,662)
16			
17	State Income Tax Rate		8.70%
18	Effect on State income tax expense	$	667
19			
20	Federal Taxable	$	(6,996)
21	Federal Income Tax Rate		35%
22	Effect on Federal income tax expense	$	2,448
23			
24	Total Expense		(4,547)
25			
26	**Impact to Operating Income**	$	4,547

Adjustment No. 8

Delmarva Power & Light Company
Gas
Remove Employee Association Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	Employee Association expenses - Total DPL	$149,308
2		
3	Delmarva Power & Light Gas allocation	18.88%
4		
5	Employee Association expenses - Total DPL Gas	$28,189
6		
7	Impact to Operating Expense	($28,189)
8		
9	Impact to SIT @ 8.7%	$2,452
10		
11	Impact to FIT @ 35%	$9,008
12		
13	Impact to Operating Income	$16,729

Adjustment No. 9

Delmarva Power & Light Company
Gas
Reflect IMU Battery Replacement Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	Projected O&M Expenses	$1,565,731
2	Associated with IMU Battery Replacement	
3		
4	Income Taxes	
5	State Income Tax	($136,219)
6	Federal Income Tax	($500,329)
7	Total Income Taxes	($636,548)
8		
9	Earnings	($929,183)

Delmarva Power & Light Company
Gas
Reflect AMI Regulatory Asset Residuals
12 Months Ending December 31, 2015

Adjustment No. 10

(1) Line No.	(2) Adjustment 1 - Reflect Amortization of AMI Reg Asset Residuals	(3) Actuals through Dec. 2015	(4) Actuals - Jan. 2016 - Mar 2016	(5) Forecast - Apr. 2016 - Dec 2016	(5) Forecast Bal. Dec 2016
1	**AMI Regulatory Asset Balances**				
2	AMI-Related Returns	$ 510,302	$ 3,010	$ 9,801	$ 523,113
3	Total	$ 510,302	$ 3,010	$ 9,801	$ 523,113
4					
5	AMI Regulatory Asset Residual Balance	$ 510,302	$ 3,010	$ 9,801	$ 523,113
6					
7	Adjustment to Delaware regulatory assets	$ 459,272 (1)	$ 2,709	$ 8,821	$ 470,801
8					
9	Adjustment to accumulated deferred income taxes	$ (186,717)	$ (1,101)	$ (3,586)	$ (191,405)
10					
11	**Rate Base**	$ 272,555	$ 1,608	$ 5,235	$ 279,396
12					
13					
14	**Earnings**				
15	Adjustment to Amortize AMI Reg Asset Residual Balance	$ 102,060	$ 602	$ 1,960	$ 104,623
16					
17	FIT Permanent Adjustment to Add Back Equity Portion of Return	$ (58,964)	$ (396)	$ (1,291)	$ (60,651)
18					
19	Adjustment to Delaware Income Tax Expense	$ (3,749)	$ (18)	$ (58)	$ (3,825)
20					
21	Adjustment to Federal Income Tax Expense	$ (13,771)	$ (66)	$ (214)	$ (14,051)
22					
23	**Expense**	$ 84,540	$ 518	$ 1,688	$ 86,747
24					
25	**Earnings**	$ (84,540)	$ (518)	$ (1,688)	$ (86,747)
26	(1)				
27					
28	**Rate Base**				
29	Beginning Balance	$ 510,302	$ 3,010	$ 9,801	$ 523,113
30	Amortization Period	5	5	5	5
31	Amortization	$ (102,060)	$ (602)	$ (1,960)	$ (104,623)
32	Ending Balance	$ 408,242	$ 2,408	$ 7,841	$ 418,490
33	Average Balance	$ 459,272	$ 2,709	$ 8,821	$ 470,801
34	Deferred State Income Tax	$ (39,957)	$ (236)	$ (767)	$ (40,960)
35	Deferred Federal Income Tax	$ (146,760)	$ (865)	$ (2,819)	$ (150,445)
36	Net Rate Base	$ 272,555	$ 1,608	$ 5,235	$ 279,396

Delmarva Power & Light Company **Adjustment No. 11**
Gas
Annualize September 2015 AMI Phase-In
12 Months Ending December 2015

(1) Line No.	(2) Item	(5) $
1	**Earnings**	
2	Revenue Adjustment (8.5 months)	$869,538
3		
4	Amortization Adjustment (8.5 months)	$272,332
5		
6	Net Pre-tax Adjustment	$597,206
7		
8	State Income Tax	($51,957)
9	Federal Income Tax	($190,837)
10	Total Taxes	($242,794)
11		
12	Earnings	$354,412

Adjustment No. 12

Delmarva Power & Light Company
Gas
Annualize Test Period Reliability Closings
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	**Rate Base**	
2	Plant in Service	
3	Reliability closings January 2015 - December 2015	$12,157,148
4	Retirements January 2015 - December 2015	($1,587,469)
5	Adjustment to Plant in Service	$10,569,679
6		
7	Depreciation reserve	
8	Retirements January 2015 - December 2015	($1,587,469)
9	Depreciation expense	$222,585
10	Adjustment to Depreciation Reserve	($1,364,884)
11		
12	Net Plant	$11,934,563
13		
14	Deferred Taxes	($1,191,466)
15	Adjustment to Deferred Taxes for NOL Offset	$1,191,466
16		
17	Total Rate Base	$11,934,563
18		
19	**Earnings**	
20	Depreciation Expense	
21	Reliability closings January 2015 - December 2015	$506,074
22	Retirements January 2015 - December 2015	($60,903)
23	Adjustment to Depreciation	$445,171
24		
25	State Income Tax	($548,667)
26	Federal Income Tax	($2,015,249)
27	Deferred State Income Tax	$509,937
28	Deferred Federal Income Tax	$1,872,994
29		
30	Operating Expense	$264,187
31		
32	Operating Income	($264,187)
33		
34	Total Earnings	($264,187)

Tax Depreciation		2015
Total Tax Basis		$12,157,148
Bonus Depr Rate		50.00%
Tax Depreciation Exp - Bonus Depr		$6,078,574
Tax Basis - MACRS		$6,078,574
MACRS Depr Rate		3.75%
Tax Depreciation Exp - MACRS		$227,947
Tax Depreciation Exp - Total (Bonus & MACRS)		$6,306,521
SIT	8.70%	($548,667)
FIT	35.00%	($2,015,249)
Deferred Tax Basis		
Tax Deprec Exp		$6,306,521
Book Deprec Exp		$445,171
Tax over Book		$5,861,350
DSIT	8.70%	$509,937
DFIT	35.00%	$1,872,994

Adjustment No. 13

Delmarva Power & Light Company
Gas
Reflect Actual Reliability Closings January 2016 - March 2016
and Forecasted Reliability Closings April 2016 - September 2016
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	**Rate Base**	
2	Plant in Service	
3	Reliability closings January 2016 - September 2016	$11,924,920
4	Retirements January 2016 - September 2016	($2,902,477)
5	Adjustment to Plant in Service	$9,022,443
6		
7	Depreciation reserve	
8	Retirements January 2016 - September 2016	($2,902,477)
9	Depreciation expense	$161,051
10	Adjustment to Depreciation Reserve	($2,741,427)
11		
12	Net Plant	$11,763,869
13		
14	Deferred Taxes	($1,191,995)
15	Adjustment to Deferred Taxes for NOL Offset	$1,191,995
16		
17	Total Rate Base	$11,763,869
18		
19	**Earnings**	
20	Depreciation Expense	
21	Reliability closings January 2016 - September 2016	$425,720
22	Retirements January 2016 - September 2016	($103,618)
23	Adjustment to Depreciation	$322,101
24		
25	State Income Tax	($538,187)
26	Federal Income Tax	($1,976,753)
27	Deferred State Income Tax	$510,164
28	Deferred Federal Income Tax	$1,873,826
29		
30	Operating Expense	$191,151
31		
32	Operating Income	($191,151)
33		
34	Total Earnings	($191,151)

Tax Depreciation			2016
	Total Tax Basis		$11,924,920
	Bonus Depr Rate		50.00%
	Tax Depreciation Exp - Bonus Depr		$5,962,460
	Tax Basis - MACRS		$5,962,460
	MACRS Depr Rate		3.75%
	Tax Depreciation Exp - MACRS		$223,592
	Tax Depreciation Exp - Total (Bonus & MACRS)		$6,186,052
	SIT	8.70%	($538,187)
	FIT	35.00%	($1,976,753)
	Deferred Tax Basis		
	Tax Deprec Exp		$6,186,052
	Book Deprec Exp		$322,101
	Tax over Book		$5,863,951
	DSIT	8.70%	$510,164
	DFIT	35.00%	$1,873,826

(1)	Plant Closing	Closings	Retirements	
	Jan 2016	$445,890	(363,306)	Actual
	Feb 2016	$676,259	(610,992)	Actual
	Mar 2016	$559,380	(347,978)	Actual
	Apr 2016	$523,545	(263,367)	Forecast
	May 2016	$523,545	(263,367)	Forecast
	Jun 2016	$523,545	(263,367)	Forecast
	Jul 2016	$2,654,324	(263,367)	Forecast
	Aug 2016	$2,981,248	(263,367)	Forecast
	Sep 2016	$3,037,184	(263,367)	Forecast
	Total	$11,924,920	($2,902,477)	

Delmarva Power & Light Company
Gas
Reflect Actual Reliability Closings January 2016 - March 2016
and Forecasted Reliability Closings April 2016 - September 2016

Adjustment No. 13.1

(1) Line No.	(2) WBS Element	(3) Reliability Project Delaware District Location and Description	(4) Actual January	(5) Actual February	(6) Actual March	(7) Forecast April	(8) Forecast May	(9) Forecast June	(10) Forecast July	(11) Forecast August	(12) Forecast September	(13) 2016 Total
1	RGCR-1	Gas Service Renewals	$281,803	$224,590	$291,878	$295,237	$295,237	$295,237	$910,430	$1,058,162	$1,066,593	**$4,719,170**
2	RGCR-2	Cast Iron Renewals	$157,639	$61,734	($51,685)	$44,768	$44,768	$44,768	$787,207	$781,936	$775,151	**$2,646,286**
3	RGCR-3	Steel Main Renewals	$1,270	$0	$71,674	$305	$305	$305	$51,529	$51,399	$47,085	**$223,870**
4	RGCR-6	Cathodic Protection	$2,147	$255	$2,042	$6,583	$6,583	$6,583	$26,502	$26,485	$21,150	**$98,328**
5	RGCR-12	Transmission Main Renewal	$0	$0	$329,534	$0	$0	$0	$105,513	$105,323	$210,553	**$750,923**
6	RGCR-14	Plastic Main Renewal	($2,132)	$63,724	$6,714	$12,942	$12,942	$12,942	$88,123	$114,684	$111,228	**$421,169**
7	RGCR-15	Gas Reimbursable	$2,085	$12,822	($573)	$0	$0	$0	$10,285	$0	$10,425	**$35,044**
8	RGEF-2	Gas Equipment & Facilities	$3,077	$8,232	$6,515	$30,206	$30,206	$30,206	$81,139	$155,223	$78,946	**$423,748**
9	RGEF-4	Gas System Control	$0	$0	$0	$0	$0	$0	$20,004	$50,022	$50,013	**$120,039**
10	RGHW-1	Minor Highway Relocates	$0	$0	$0	$24,769	$24,769	$24,769	$125,720	$175,923	$129,525	**$505,473**
11	RGUP-1	Capacity & Regulator	$0	$0	$320,823	$108,735	$108,735	$108,735	$209,108	$309,120	$307,700	**$1,472,958**
12	RGMR-2	Gas Meter Purchases	$0	$304,903	($417,542)	$0	$0	$0	$238,764	$152,971	$228,815	**$507,911**
13		**TOTALS**	**$445,890**	**$676,259**	**$559,380**	**$523,545**	**$523,545**	**$523,545**	**$2,654,324**	**$2,981,248**	**$3,037,184**	**$11,924,920**

Adjustment No. 14

Delmarva Power & Light Company
Gas
Reflect Forecasted Reliability Closings October 2016 - December 2016
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) $
1	**Rate Base**	
2	Plant in Service	
3	Reliability closings October 2016 - December 2016	$3,558,041
4	Retirements October 2016 - December 2016	($790,101)
5	Adjustment to Plant in Service	$2,767,940
6		
7	Depreciation reserve	
8	Retirements October 2016 - December 2016	($790,101)
9	Depreciation expense	$49,408
10	Adjustment to Depreciation Reserve	($740,693)
11		
12	Net Plant	$3,508,633
13		
14	Deferred Taxes	($355,105)
15	Adjustment to Deferred Taxes for NOL Offset	$355,105
16		
17	Total Rate Base	$3,508,633
18		
19	**Earnings**	
20	Depreciation Expense	
21	Reliability closings October 2016 - December 2016	$127,022
22	Retirements October 2016 - December 2016	($28,207)
23	Adjustment to Depreciation	$98,815
24		
25	State Income Tax	($160,579)
26	Federal Income Tax	($589,804)
27	Deferred State Income Tax	$151,982
28	Deferred Federal Income Tax	$558,228
29		
30	Operating Expense	$58,642
31		
32	Operating Income	($58,642)
33		
34	Total Earnings	($58,642)

Tax Depreciation			2016
	Total Tax Basis		$3,558,041
	Bonus Depr Rate		50.00%
	Tax Depreciation Exp - Bonus Depr		$1,779,020
	Tax Basis - MACRS		$1,779,020
	MACRS Depr Rate		3.75%
	Tax Depreciation Exp - MACRS		$66,713
	Tax Depreciation Exp - Total (Bonus & MACRS)		$1,845,734
	SIT	8.70%	($160,579)
	FIT	35.00%	($589,804)
	Deferred Tax Basis		
	Tax Deprec Exp		$1,845,734
	Book Deprec Exp		$98,815
	Tax over Book		$1,746,918
	DSIT	8.70%	$151,982
	DFIT	35.00%	$558,228

(1)	Plant Closin	Closings	Retirements
	Oct 2016	$1,186,014	(263,367)
	Nov 2016	$1,186,014	(263,367)
	Dec 2016	$1,186,014	(263,367)
	Total	$3,558,041	($790,101)

Delmarva Power & Light Company
Gas
Reflect Forecasted Reliability Closings October 2016 - December 2016

Adjustment No. 14.1

(1) Line No.	(2) WBS Element	(3) Reliability Project Delaware District Location and Description	(4) October	(5) November	(6) December	(7) 2016 Total
1	RGCR-1	Gas Service Renewals	$329,393	$329,393	$329,393	**$988,180**
2	RGCR-2	Cast Iron Renewals	$379,202	$379,202	$379,202	**$1,137,605**
3	RGCR-3	Steel Main Renewals	$24,889	$24,889	$24,889	**$74,667**
4	RGCR-6	Cathodic Protection	$6,250	$6,250	$6,250	**$18,751**
5	RGCR-12	Transmission Main Renewal	$61,306	$61,306	$61,306	**$183,917**
6	RGCR-14	Plastic Main Renewal	$59,772	$59,772	$59,772	**$179,315**
7	RGCR-15	Gas Reimbursable	$5,192	$5,192	$5,192	**$15,576**
8	RGEF-2	Gas Equipment & Facilities	$51,722	$51,722	$51,722	**$155,166**
9	RGEF-4	Gas System Control	$16,657	$16,657	$16,657	**$49,972**
10	RGHW-1	Minor Highway Relocates	$58,580	$58,580	$58,580	**$175,741**
11	RGUP-1	Capacity & Regulator	$99,941	$99,941	$99,941	**$299,823**
12	RGMR-2	Gas Meter Purchases	$93,110	$93,110	$93,110	**$279,331**
13		**TOTALS**	**$1,186,014**	**$1,186,014**	**$1,186,014**	**$3,558,041**

Delmarva Power & Light Company — **Adjustment No. 15**
Gas
Reflect Forecasted Reliability Closings of December 2016 CWIP
12 Months Ending December 2015

(1) Line No.	(2) Item		(3) $	
1	**Rate Base**			
2	Plant in Service			
3		Reliability plant closings January 2017 - June 2017	$7,288,329	(1)
4		Retirements January 2017 - June 2017	($1,580,201)	(1)
5		Adjustment to Plant in Service	$5,708,127	
6				
7	Depreciation reserve			
8		Retirements January 2017 - June 2017	($1,580,201)	
9		Depreciation expense	$101,890	
10		Adjustment to Depreciation Reserve	($1,478,311)	
11				
12	Net Plant		$7,186,438	
13				
14	Deferred Taxes		($727,123)	
15	Adjustment to Deferred Taxes for NOL Offset		$727,123	
16				
17	Total Rate Base		$7,186,438	
18				
19	**Earnings**			
20	Depreciation Expense			
21		Reliability plant closings January 2017 - June 2017	$260,193	
22		Retirements January 2017 - June 2017	($56,413)	
23		Adjustment to Depreciation Expense	$203,780	
24				
25		State Income Tax	($328,931)	
26		Federal Income Tax	($1,208,161)	
27		Deferred State Income Tax	$311,203	
28		Deferred Federal Income Tax	$1,143,043	
29				
30	Operating Expense		$120,933	
31				
32	Operating Income		($120,933)	
33				
34		Total Earnings	($120,933)	

Tax Depreciation			
			2016
	Total Tax Basis		$7,288,329
	Bonus Depr Rate		50%
	Tax Depreciation Exp -Bonus Depr		$3,644,164
	Tax Basis - MACRS		$3,644,164
	MACRS Depr Rate		3.75%
	Tax Depreciation Exp - MACRS		$136,656
	Tax Depreciation EXP - Total (Bonus & MACRS)		$3,780,820
	SIT	8.70%	($328,931)
	FIT	35.00%	($1,208,161)
	Deferred Tax Basis		
	Tax Deprec Exp		$3,780,820
	Book Deprec Exp		$203,780
	Tax over Book		$3,577,040
	DSIT	8.70%	$311,203
	DFIT	35.00%	$1,143,043

(1) Plant Closings

	Closings	Retirements
Jan 2017	$1,214,721	(263,366.84)
Feb 2017	$1,214,721	(263,366.84)
Mar 2017	$1,214,721	(263,366.84)
Apr 2017	$1,214,721	(263,366.84)
May 2017	$1,214,721	(263,366.84)
Jun 2017	$1,214,721	(263,366.84)
Total	$7,288,329	($1,580,201)

Delmarva Power & Light Company
Gas
Reflect Forecasted Reliability Closings of December 2016 CWIP

Adjustment No. 15.1

(1) Line No.	(2) WBS Element	(3) Reliability Project Delaware District Location and Description	(4) January	(5) February	(6) March	(7) April	(8) May	(9) June	(10) 2017 Total
1	RGACCRUALS	Gas Capital Accruals	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500	**$45,000**
2	RGCR-1	Gas Service Renewals	$373,209	$373,209	$373,209	$373,209	$373,209	$373,209	**$2,239,257**
3	RGCR-2	Cast Iron Renewals	$367,262	$367,262	$367,262	$367,262	$367,262	$367,262	**$2,203,573**
4	RGCR-3	Steel Main Renewals	$29,250	$29,250	$29,250	$29,250	$29,250	$29,250	**$175,497**
5	RGCR-6	Cathodic Protection	$7,119	$7,119	$7,119	$7,119	$7,119	$7,119	**$42,711**
6	RGCR-12	Transmission Main Renewal	$48,320	$48,320	$48,320	$48,320	$48,320	$48,320	**$289,923**
7	RGCR-14	Plastic Main Renewal	$55,775	$55,775	$55,775	$55,775	$55,775	$55,775	**$334,649**
8	RGCR-15	Gas Reimbursable	$5,842	$5,842	$5,842	$5,842	$5,842	$5,842	**$35,052**
9	RGEF-2	Gas Equipment & Facilities	$46,864	$46,864	$46,864	$46,864	$46,864	$46,864	**$281,187**
10	RGEF-4	Gas System Control	$14,165	$14,165	$14,165	$14,165	$14,165	$14,165	**$84,992**
11	RGHW-1	Minor Highway Relocates	$62,846	$62,846	$62,846	$62,846	$62,846	$62,846	**$377,076**
12	RGUP-1	Capacity & Regulator	$83,391	$83,391	$83,391	$83,391	$83,391	$83,391	**$500,349**
13	RGMR-2	Gas Meter Purchases	$113,178	$113,178	$113,178	$113,178	$113,178	$113,178	**$679,066**
14		**TOTALS**	**$1,214,721**	**$1,214,721**	**$1,214,721**	**$1,214,721**	**$1,214,721**	**$1,214,721**	**$7,288,329**

Delmarva Power & Light Company **Adjustment No. 16**
Gas
Reflect Forecasted Experimental Station Related Plant Closing
12 Months Ending December 2015

(1) Line No.	(2) Item		(3) $
1	**Rate Base**		
2	Plant in Service		
3		Actual Closings through March 2016	$5,695,983
4		Forecasted Closings	$304,017
5		Total Experimental Station Project	$6,000,000
6			
7	Depreciation reserve		
8		Adjustment to Depreciation Expense	$58,384
9			
10	Net Plant		$5,941,616
11			
12	Deferred Taxes		($608,957)
13	Adjustment to Deferred Taxes for NOL Offset		$608,957
14			
15	Total Rate Base		$5,941,616
16			
17	**Earnings**		
18	Depreciation Expense		
19		Adjustment to Depreciation Expense	$116,768
20			
21		State Income Tax	($270,788)
22		Federal Income Tax	($994,599)
23		Deferred State Income Tax	$260,629
24		Deferred Federal Income Tax	$957,286
25			
26	Operating Expense		$69,296
27			
28	Operating Income		($69,296)
29			
30		Total Earnings	($69,296)

Tax Depreciation		2016
Total Tax Basis		$6,000,000
Bonus Depr Rate		50%
Tax Depreciation Exp -Bonus Depr		$3,000,000
Tax Basis - MACRS		$3,000,000
MACRS Depr Rate		3.75%
Tax Depreciation Exp - MACRS		$112,500
Tax Depreciation EXP - Total (Bonus & MACRS)		$3,112,500
SIT	8.70%	($270,788)
FIT	35.00%	($994,599)
Deferred Tax Basis		
Tax Deprec Exp		$3,112,500
Book Deprec Exp		$116,768
Tax over Book		$2,995,732
DSIT	8.70%	$260,629
DFIT	35.00%	$957,286

Delmarva Power & Light Company
Gas
Reflect Proposed Depreciation Rates

Adjustment No. 17.1

	DEPRECIABLE GROUP	13 Month Average Plant 12/14 - 12/15	Study Rates	Study Expense
	LNG PLANT			
360.20	LAND RIGHTS	1,323	0.00%	-
361.00	STRUCTURES AND IMPROVEMENTS	2,886,635	1.58%	45,609
362.00	GAS HOLDERS	1,739,090	1.75%	30,434
363.00	PURIFICATION EQUIPMENT	589,464	2.48%	14,619
363.10	LIQUIFICATION EQUIPMENT	2,337,112	1.08%	25,241
363.20	VAPORIZING EQUIPMENT	1,476,930	0.70%	10,339
363.30	COMPRESSOR EQUIPMENT	477,268	4.71%	22,479
363.40	MEASURING AND REGULATING EQUIPMENT	259,228	1.91%	4,951
363.50	OTHER EQUIPMENT	877,056	0.64%	5,613
	TOTAL OTHER STORAGE PLANT	**10,644,107**		**159,285**
	TRANSMISSION PLANT			
365.20	LAND RIGHTS	194,971	1.14%	2,223
366.20	STRUCTURES AND IMPROVEMENTS	953,778	2.07%	19,743
367.00	MAINS	33,922,523	1.92%	651,312
369.00	MEASURING AND REGULATING EQUIPMENT	4,997,389	3.02%	150,921
	TOTAL TRANSMISSION PLANT	**40,068,661**		**824,199**
	DISTRIBUTION PLANT			
374.20	LAND RIGHTS	234,236	1.38%	3,232
375.00	STRUCTURES AND IMPROVEMENTS	458,584	1.87%	8,576
376.10	MAINS - CAST IRON	12,142,677	9.40%	1,141,412
376.20	MAINS - STEEL	36,981,231	2.88%	1,065,059
376.30	MAINS - PLASTIC	207,980,134	3.16%	6,572,172
378.00	MEASURING AND REGULATING EQUIPMENT	6,898,310	2.35%	162,110
380.10	SERVICES - STEEL AND COPPER	7,138,928	4.68%	334,102
380.20	SERVICES - PLASTIC	144,385,984	4.01%	5,789,878
381.00	METERS	35,816,999	3.42%	1,224,941
381.10	METERS - AMI	18,644,047	7.03%	1,310,676
	TOTAL DISTRIBUTION PLANT	**470,681,129**		**17,612,159**
	GENERAL PLANT			
390.30	STRUCTURES AND IMPROVEMENTS	1,352,555	2.10%	28,404
391.10	OFFICE FURNITURE	131,392	2.89%	3,797
391.30	COMPUTER EQUIPMENT (fully depreciated)	465,478	0.00%	-
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	2,523,523	8.52%	215,004
397.00	COMMUNICATION EQUIPMENT	138,414	4.85%	6,713
398.20	MISCELLANEOUS EQUIPMENT	232,710	5.00%	11,636
	TOTAL GENERAL PLANT	**4,611,362**		**265,554**
	TOTAL GAS DEPRECIABLE PLANT	**526,005,259**		**18,861,197**
	COMMON PLANT			
390.00	STRUCTURES AND IMPROVEMENTS			
	MLK SERVICE CENTER	6,182,552	0.97%	59,971
	CHRISTIANA	38,780,370	1.00%	387,804
	OTHER STRUCTURES	1,269,008	0.70%	8,883
	TOTAL STRUCTURES AND IMPROVEMENTS	46,231,930		456,658
391.00	OFFICE FURNITURE AND EQUIPMENT	6,411,505	5.36%	343,657
391.20	COMPUTER HARDWARE	2,920,405	35.73%	1,043,461
	TOTAL ACCOUNT 391	9,331,910		1,387,117
393.00	STORES EQUIPMENT	180,845	6.32%	11,429
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	4,812,741	6.56%	315,716
397.10	COMMUNICATION EQUIPMENT - LINE DEVICES	1,060,941	6.60%	70,022
397.30	COMMUNICATION EQUIPMENT - AMORTIZED	17,678,734	0.09%	15,911
	TOTAL ACCOUNT 397	18,739,676		85,933
398.00	MISCELLANEOUS EQUIPMENT	4,184,827	5.23%	218,866
	TOTAL COMMON DEPRECIABLE PLANT	**83,481,927**		**2,475,719**
	COMMON ALLOCATION TO GAS			18.88%
	COMMON DEPRECIATION			467,416
	TOTAL GAS DEPRECIATION EXPENSE USING DEPRECIATION STUDY RATES			**19,328,613**

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

Adjustment No. 18

(1) Line No.	(2) Item	(3) Amount	(4) First Mortgage Bonds Aug-93	(5) Tax Exempt Bonds Sep-00	(6) Tax Exempt Bonds Sep-00
	Total Company	$32,115,921	$702,894	$576,741	$1,438,608
1	Gas Amount Refinanced	$3,955,827	$42,174	$45,216	$112,787
2	Deferred SIT	($344,157)	($3,669)	($3,934)	($9,812)
3	Deferred FIT	($1,264,085)	($13,477)	($14,449)	($36,041)
4					
5	**Earnings**				
6	Amortization	$207,363	$1,745	$2,010	$5,784
7	DSIT	($18,041)	($152)	($175)	($503)
8	DFIT	($66,263)	($558)	($642)	($1,848)
9	Total Expense	$123,060	$1,036	$1,193	$3,432
10	Earnings	($123,060)	($1,036)	($1,193)	($3,432)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$1,500,117	$4,799	$2,010	$29,884
14	Amortizable Balance - 12/31/15	$1,466,892	$3,054	$0	$24,100
15	Average Balance	$1,483,504	$3,927	$1,005	$26,992
16					
17	Deferred SIT - 12/31/14	($130,510)	($418)	($175)	($2,600)
18	Deferred SIT - 12/31/15	($127,620)	($266)	$0	($2,097)
19	Average Balance	($129,065)	($342)	($87)	($2,348)
20					
21	Deferred FIT - 12/31/14	($479,362)	($1,534)	($642)	($9,549)
22	Deferred FIT - 12/31/15	($468,745)	($976)	$0	($7,701)
23	Average Balance	($474,054)	($1,255)	($321)	($8,625)
24					
25	Net Average Balance	$880,386	$2,330	$596	$16,018
26					
27	Amortization begin date (a)		August-93	September-00	September-00
28	Amortization period (months)		290	180	234
29	Amortization as of 12/31/14		257	172	172
30	Amortization as of 12/31/15		269	180	184

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

Adjustment No. 18

(1) Line No.	(2) Item	(3) Tax Exempt Bonds Oct-00	(4) Tax Exempt Bonds Jul-01	(5) Tax Exempt Bonds Jul-01	(6) First Mortgage Bonds Jul-01
	Total Company	$235,481	$490,000	$690,000	$3,762,881
1	Gas Amount Refinanced	$18,462	$38,416	$54,096	$295,010
2	Deferred SIT	($1,606)	($3,342)	($4,706)	($25,666)
3	Deferred FIT	($5,899)	($12,276)	($17,286)	($94,270)
4					
5	**Earnings**				
6	Amortization	$1,086	$1,921	$3,182	$15,527
7	DSIT	($94)	($167)	($277)	($1,351)
8	DFIT	($347)	($614)	($1,017)	($4,962)
9	Total Expense	$644	$1,140	$1,888	$9,214
10	Earnings	($644)	($1,140)	($1,888)	($9,214)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$2,896	$12,485	$11,137	$15,527
14	Amortizable Balance - 12/31/15	$1,810	$10,564	$7,955	$0
15	Average Balance	$2,353	$11,525	$9,546	$7,763
16					
17	Deferred SIT - 12/31/14	($252)	($1,086)	($969)	($1,351)
18	Deferred SIT - 12/31/15	($157)	($919)	($692)	$0
19	Average Balance	($205)	($1,003)	($831)	($675)
20					
21	Deferred FIT - 12/31/14	($925)	($3,990)	($3,559)	($4,962)
22	Deferred FIT - 12/31/15	($578)	($3,376)	($2,542)	$0
23	Average Balance	($752)	($3,683)	($3,051)	($2,481)
24					
25	Net Average Balance	$1,396	$6,839	$5,665	$4,607
26					
27	Amortization begin date (a)	October-00	July-01	July-01	July-01
28	Amortization period (months)	204	240	204	171
29	Amortization as of 12/31/14	172	162	162	162
30	Amortization as of 12/31/15	184	174	174	171

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

Adjustment No. 18

(1) Line No.	(2) Item	(3) Medium Term Notes Jul-01	(4) First Mortgage Bonds Jul-01	(5) Medium Term Notes Jul-01	(6) Medium Term Notes Jul-01
	Total Company	$3,058,389	$1,634,283	$1,073,753	($595,660)
1	Gas Amount Refinanced	$239,778	$128,128	$84,182	($46,700)
2	Deferred SIT	($20,861)	($11,147)	($7,324)	$4,063
3	Deferred FIT	($76,621)	($40,943)	($26,900)	$14,923
4					
5	**Earnings**				
6	Amortization	$12,349	$6,225	$5,402	($2,816)
7	DSIT	($1,074)	($542)	($470)	$245
8	DFIT	($3,946)	($1,989)	($1,726)	$900
9	Total Expense	$7,329	$3,694	$3,206	($1,671)
10	Earnings	($7,329)	($3,694)	($3,206)	$1,671
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$73,065	$44,093	$11,254	($8,683)
14	Amortizable Balance - 12/31/15	$60,716	$37,868	$5,852	($5,867)
15	Average Balance	$66,891	$40,980	$8,553	($7,275)
16					
17	Deferred SIT - 12/31/14	($6,357)	($3,836)	($979)	$755
18	Deferred SIT - 12/31/15	($5,282)	($3,294)	($509)	$510
19	Average Balance	($5,819)	($3,565)	($744)	$633
20					
21	Deferred FIT - 12/31/14	($23,348)	($14,090)	($3,596)	$2,775
22	Deferred FIT - 12/31/15	($19,402)	($12,101)	($1,870)	$1,875
23	Average Balance	($21,375)	($13,095)	($2,733)	$2,325
24					
25	Net Average Balance	$39,696	$24,320	$5,076	($4,317)
26					
27	Amortization begin date (a)	July-01	July-01	July-01	July-01
28	Amortization period (months)	233	247	187	199
29	Amortization as of 12/31/14	162	162	162	162
30	Amortization as of 12/31/15	174	174	174	174

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

0
Adjustment No. 18

(1) Line No.	(2) Item	(3) Medium Term Notes Jul-01	(4) First Mortgage Bonds Feb-02	(5) Tax Exempt Bonds Jun-02	(6) Tax Exempt Bonds Jun-02
	Total Company	$1,340,233	$1,388,233	$944,292	$1,313,393
1	Gas Amount Refinanced	$105,074	$222,117	$151,087	$210,143
2	Deferred SIT	($9,141)	($19,324)	($13,145)	($18,282)
3	Deferred FIT	($33,576)	($70,978)	($48,280)	($67,151)
4					
5	**Earnings**				
6	Amortization	$4,107	$11,060	$7,523	$12,301
7	DSIT	($357)	($962)	($655)	($1,070)
8	DFIT	($1,312)	($3,534)	($2,404)	($3,931)
9	Total Expense	$2,437	$6,563	$4,465	$7,300
10	Earnings	($2,437)	($6,563)	($4,465)	($7,300)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$49,628	$79,262	$56,422	$55,355
14	Amortizable Balance - 12/31/15	$45,521	$68,202	$48,899	$43,054
15	Average Balance	$47,574	$73,732	$52,661	$49,204
16					
17	Deferred SIT - 12/31/14	($4,318)	($6,896)	($4,909)	($4,816)
18	Deferred SIT - 12/31/15	($3,960)	($5,934)	($4,254)	($3,746)
19	Average Balance	($4,139)	($6,415)	($4,582)	($4,281)
20					
21	Deferred FIT - 12/31/14	($15,859)	($25,328)	($18,030)	($17,689)
22	Deferred FIT - 12/31/15	($14,546)	($21,794)	($15,626)	($13,758)
23	Average Balance	($15,202)	($23,561)	($16,828)	($15,723)
24					
25	Net Average Balance	$28,233	$43,756	$31,252	$29,200
26					
27	Amortization begin date (a)	July-01	February-02	June-02	June-02
28	Amortization period (months)	307	241	241	205
29	Amortization as of 12/31/14	162	155	151	151
30	Amortization as of 12/31/15	174	167	163	163

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

Adjustment No. 18

(1) Line No.	(2) Item	(3) First Mortgage Bonds May-03	(4) Tax Exempt Bonds Aug-03	(5) Trust Preferred May-04	(6) First Mortgage Bonds Jun-05
	Total Company	$1,298,560	$1,347,719	$1,943,173	$4,497,500
1	Gas Amount Refinanced	$207,770	$215,635	$310,908	$719,600
2	Deferred SIT	($18,076)	($18,760)	($27,049)	($62,605)
3	Deferred FIT	($66,393)	($68,906)	($99,351)	($229,948)
4					
5	**Earnings**				
6	Amortization	$12,550	$8,086	$9,591	$35,980
7	DSIT	($1,092)	($704)	($834)	($3,130)
8	DFIT	($4,010)	($2,584)	($3,065)	($11,497)
9	Total Expense	$7,448	$4,799	$5,692	$21,352
10	Earnings	($7,448)	($4,799)	($5,692)	($21,352)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$12,550	$123,316	$208,604	$374,792
14	Amortizable Balance - 12/31/15	$0	$115,230	$199,013	$338,812
15	Average Balance	$6,275	$119,273	$203,808	$356,802
16					
17	Deferred SIT - 12/31/14	($1,092)	($10,729)	($18,149)	($32,607)
18	Deferred SIT - 12/31/15	$0	($10,025)	($17,314)	($29,477)
19	Average Balance	($546)	($10,377)	($17,731)	($31,042)
20					
21	Deferred FIT - 12/31/14	($4,010)	($39,406)	($66,659)	($119,765)
22	Deferred FIT - 12/31/15	$0	($36,822)	($63,595)	($108,267)
23	Average Balance	($2,005)	($38,114)	($65,127)	($114,016)
24					
25	Net Average Balance	$3,724	$70,783	$120,950	$211,744
26					
27	Amortization begin date (a)	May-03	Aug-03	May-04	Jun-05
28	Amortization period (months)	149	320	389	240
29	Amortization as of 12/31/14	140	137	128	115
30	Amortization as of 12/31/15	149	149	140	127

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

0
Adjustment No. 18

(1) Line No.	(2) Item	(3) Preferred Stock Jan-07	(4) Tax Exempt Bonds Mar-08	(5) Tax Exempt Bonds Mar-08	(6) Tax Exempt Bonds Mar-08
	Total Company	$740,468	$439,979	$668,515	$790,973
1	Gas Amount Refinanced	$118,475	$70,397	$106,962	$126,556
2	Deferred SIT	($10,307)	($6,125)	($9,306)	($11,010)
3	Deferred FIT	($37,859)	($22,495)	($34,180)	($40,441)
4					
5	**Earnings**				
6	Amortization	$11,847	$3,140	$4,411	$4,149
7	DSIT	($1,031)	($273)	($384)	($361)
8	DFIT	($3,786)	($1,004)	($1,409)	($1,326)
9	Total Expense	$7,031	$1,864	$2,618	$2,462
10	Earnings	($7,031)	($1,864)	($2,618)	($2,462)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$23,695	$48,937	$76,822	$98,202
14	Amortizable Balance - 12/31/15	$11,847	$45,797	$72,411	$94,052
15	Average Balance	$17,771	$47,367	$74,616	$96,127
16					
17	Deferred SIT - 12/31/14	($2,061)	($4,258)	($6,683)	($8,544)
18	Deferred SIT - 12/31/15	($1,031)	($3,984)	($6,300)	($8,183)
19	Average Balance	($1,546)	($4,121)	($6,492)	($8,363)
20					
21	Deferred FIT - 12/31/14	($7,572)	($15,638)	($24,548)	($31,380)
22	Deferred FIT - 12/31/15	($3,786)	($14,634)	($23,139)	($30,054)
23	Average Balance	($5,679)	($15,136)	($23,844)	($30,717)
24					
25	Net Average Balance	$10,546	$28,110	$44,281	$57,047
26					
27	Amortization begin date (a)	Jan-07	Mar-08	Mar-08	Mar-08
28	Amortization period (months)	120	269	291	366
29	Amortization as of 12/31/14	96	82	82	82
30	Amortization as of 12/31/15	108	94	94	94

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

0
Adjustment No. 18

(1) Line No.	(2) Item	(3) Tax Exempt Bonds Apr-08	(4) Tax Exempt Bonds Apr-08	(5) Tax Exempt Bonds Dec-10	(6) Tax Exempt Bonds Dec-10
	Total Company	$176,784	$655,565	$148,731	$171,299
1	Gas Amount Refinanced	$28,285	$104,890	$23,797	$27,408
2	Deferred SIT	($2,461)	($9,125)	($2,070)	($2,384)
3	Deferred FIT	($9,039)	($33,518)	($7,604)	($8,758)
4					
5	**Earnings**				
6	Amortization	$1,267	$4,528	$1,632	$1,559
7	DSIT	($110)	($394)	($142)	($136)
8	DFIT	($405)	($1,447)	($521)	($498)
9	Total Expense	$752	$2,687	$968	$925
10	Earnings	($752)	($2,687)	($968)	($925)
11					
12	**Rate Base**				
13	Amortizable Balance - 12/31/14	$19,736	$74,329	$0	$0
14	Amortizable Balance - 12/31/15	$18,470	$69,801	$15,502	$19,484
15	Average Balance	$19,103	$72,065	$7,751	$9,742
16					
17	Deferred SIT - 12/31/14	($1,717)	($6,467)	$0	$0
18	Deferred SIT - 12/31/15	($1,607)	($6,073)	($1,349)	($1,695)
19	Average Balance	($1,662)	($6,270)	($674)	($848)
20					
21	Deferred FIT - 12/31/14	($6,307)	($23,752)	$0	$0
22	Deferred FIT - 12/31/15	($5,902)	($22,305)	($4,954)	($6,226)
23	Average Balance	($6,104)	($23,028)	($2,477)	($3,113)
24					
25	Net Average Balance	$11,337	$42,767	$4,600	$5,781
26					
27	Amortization begin date (a)	Apr-08	Apr-08	Dec-10	Dec-10
28	Amortization period (months)	268	278	175	211
29	Amortization as of 12/31/14	81	81	49	49
30	Amortization as of 12/31/15	93	93	61	61

(a) rounded to nearest full month

Delmarva Power & Light Company
Gas
Amortization of Actual Refinancings
12 Months Ending December 31, 2015

0
Adjustment No. 18

(1) Line No.	(2) Item	(3) Tax Exempt Bonds Jun-11	(4) Tax Exempt Bonds Aug-12	(5) Total
	Total Company	$634,231	$548,903	$32,115,921
1	Gas Amount Refinanced	$101,477	$93,698	$3,955,827
2	Deferred SIT	($8,829)	($8,152)	($344,157)
3	Deferred FIT	($32,427)	($29,941)	($1,264,085)
4				
5	**Earnings**			
6	Amortization	$6,803	$14,415	$207,363
7	DSIT	($592)	($1,254)	($18,041)
8	DFIT	($2,174)	($4,606)	($66,263)
9	Total Expense	$4,037	$8,555	$123,060
10	Earnings	($4,037)	($8,555)	($123,060)
11				
12	**Rate Base**			
13	Amortizable Balance - 12/31/14	$0	$0	$1,500,117
14	Amortizable Balance - 12/31/15	$70,297	$44,446	$1,466,892
15	Average Balance	$35,148	$22,223	$1,483,504
16				
17	Deferred SIT - 12/31/14	$0	$0	($130,510)
18	Deferred SIT - 12/31/15	($6,116)	($3,867)	($127,620)
19	Average Balance	($3,058)	($1,933)	($129,065)
20				
21	Deferred FIT - 12/31/14	$0	$0	($479,362)
22	Deferred FIT - 12/31/15	($22,463)	($14,203)	($468,745)
23	Average Balance	($11,232)	($7,101)	($474,054)
24				
25	Net Average Balance	$20,859	$13,188	$880,386
26				
27	Amortization begin date (a)	Jun-11	Aug-12	
28	Amortization period (months)	179	78	
29	Amortization as of 12/31/14	43	29	
30	Amortization as of 12/31/15	55	41	

(a) rounded to nearest full month

Adjustment No. 19

Delmarva Power & Light Company
Gas
Remove Bloom Energy Incremental Rate Base
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) $
1	**Rate Base**		
2	Plant in Service		
3	Brookside Unit		($271,791)
4	Red Lion Unit		($323,169)
5	Adjustment to Plant in Service		($594,959)
6			
7	Depreciation reserve		
8	Brookside Unit		($19,624)
9	Red Lion Unit		($20,059)
10	Adjustment to Depreciation Reserve		($39,683)
11			
12	Net Plant		($555,276)
13			
14	Deferred Taxes		$60,169
15	Adjustment to Deferred Taxes for NOL Offset		($60,169)
16			
17	Total Rate Base		($555,276)
18			
19	**Earnings**		
20	Depreciation Expense		
21	Brookside Unit		($5,748)
22	Red Lion Unit		($6,890)
23	Adjustment to Depreciation		($12,638)
24			
25	State Income Tax		$26,851
26	Federal Income Tax		$98,624
27	Deferred State Income Tax		($25,752)
28	Deferred Federal Income Tax		($94,586)
29			
30	Operating Expense		($7,500)
31			
32	Operating Income		$7,500
33			
34	Total Earnings		$7,500

Tax Depreciation			
	Total Tax Basis		($594,959)
	Bonus Depr Rate		50.00%
	Tax Depreciation Exp - Bonus Depr		($297,480)
	Tax Basis - MACRS		($297,480)
	MACRS Depr Rate		3.75%
	Tax Depreciation Exp - MACRS		($11,155)
	Tax Depreciation Exp - Total (Bonus & MACRS)		($308,635)
	SIT	8.70%	$26,851
	FIT	35.00%	$98,624
	Deferred Tax Basis		
	Tax Deprec Exp		($308,635)
	Book Deprec Exp		($12,638)
	Tax over Book		($295,997)
	DSIT	8.70%	($25,752)
	DFIT	35.00%	($94,586)

Delmarva Power & Light Company
Gas
Normalize Relocation Expense
12 Months Ending December 2015

Adjustment No. 20

(1) Line No.	(2) Item	(3) $
1	Relocation Expense - 3 Year Average	$15,267 (1)
2		
3	Relocation Expense - 12 months ending December 2015	$1,084
4		
5	Impact to Operating Expense	$14,183
6		
7	Impact to SIT @ 8.7%	($1,234)
8		
9	Impact to FIT @ 35%	($4,532)
10		
11	Impact to Operating Income	($8,417)

(1) Delaware Gas

12 m/e 12/31/13	$40,235
12 m/e 12/31/14	$4,482
12 m/e 12/31/15	$1,084
Average	$15,267

Delmarva Power & Light Company
Gas
Remove Post 1980 ITC Amortization
12 Months Ending December 31, 2015

Adjustment No. 21

(1) Line No.	(2) Item	(3) Balance December 2014	(4) Pre 1981 Amortization	(5) Post 1980 Amortization	(6) Total Amortization	(7) Balance December 2015	(8) Average Balance
1	Gas Investment Tax Credit						
2	Transmission	(12,700)	119	(3,302)	(3,182)	(9,518)	(11,109)
3							
4	Distribution - DE	(353,876)	(5,076)	(34,498)	(39,573)	(314,303)	(334,089)
5							
6	General	(6,659)	-	(2,025)	(2,025)	(4,634)	(5,646)
7							
8	Common	(7,773)	(642)	(1,404)	(2,046)	(5,727)	(6,750)
9							
10	Total Gas	(381,008)	(5,598)	(41,228)	(46,826)	(334,182)	(357,595)
11							
12	**Adjustment to Remove Post 1980 Vintage ITC Amortization**						
13							
14		Expense		41,228			
15							
16		Earnings		(41,228)			

Adjustment No. 22

Delmarva Power & Light Company
Gas
Recover Credit Facilities Expense
12 Months Ending December 31, 2015

(1) Line No.	(2) Item		(3) DE Gas	
1	**Earnings**			
2	Expense - Rate Effective Period	$	128,440	(1)
3				
4	State Income Tax	$	(11,174)	
5	Federal Income Tax	$	(41,043)	
6	Total Expenses	$	76,223	
7				
8	Earnings	$	(76,223)	
9				
10	**Rate Base**			
11	Year End Amortizable Balance	$	138,316	(2)
12				
13				
14	(1) Annual amortization of start-up costs	$	236,719	
15	Annual cost of maintaining credit facility	$	443,576	
16	Total DPL expense	$	680,295	
17				
18	DPL Gas	$	128,440	
19				
20	(2) DPL 13 Month Average Amortizable Balance	$	732,607	
21	Gas %		18.88%	
22	DPL Gas	$	138,316	

Delmarva Power & Light Company **Adjustment No. 23**

Gas

Proforma Merger Synergies and Amortize Costs To Achieve

12 Months Ending December 2015

(1) Line No.		(2) Item		(3) $	
1	**Earnings**				
2		Projected Synergies in Year One	$	(1,175,270)	
3		Amortization of Costs to Achieve	$	646,399	(1)
4		Net Synergies	$	(528,872)	
5		Distribution Allocation		100.00%	
6		Net Synergies - Distribution	$	(528,872)	
7					
8		State Income Tax	$	46,012	
9		Federal Income Tax	$	169,001	
10		Total Expense	$	(313,859)	
11					
12		Earnings	$	313,859	
13					
14	**Rate Base**				
15					
16		Average Amortizable CTA Balance	$	2,908,794	(2)
17		Distribution Allocation		100.00%	
18					
19		Average Amortizable CTA Balance - Gas	$	2,908,794	
20					
21		Deferred State Income Tax	$	(253,065)	
22		Deferred Federal Income Tax	$	(929,505)	
23					
24		Total Rate Base	$	1,726,224	
25					
26					
27	(1)	Total Cost To Achieve Expense in Year 1	$	3,231,993	
28		Amortization Period (Years)		5	
29		Amortization Expense	$	646,399	
30					
31	(2)	Unamortized Balance - Beg. Of Period	$	3,231,993	
32		Amortization Expense - 1st Year	$	646,399	
33		Unamortized Balance - End Of Period	$	2,585,594	
34		Average - Year 1	$	2,908,794	

Delmarva Power & Light Company
Gas
Cash Working Capital - Interest Synchronization
12 Months Ending December 31, 2015

(1) Line No.	(2) Item	(3) Revenue	(4) O & M	(5) Depr/Amort	(6) Other Taxes	(7) SIT	(8) FIT	(9) Def Tax/ITC	(10) Total Expenses	(11) Interest	(12) Earnings
1	Normalize Regulatory Commission Expense	$0	($12,841)	$0	$0	$1,117	$4,103	$0	($7,620)		$7,620
2	Normalize Injuries and Damages Expense	$0	($43,231)	$0	$0	$3,761	$13,815	$0	($25,656)		$25,656
3	Normalize Uncollectible Expense	$0	($847,892)	$0	$0	$73,749	$270,880	$0	($503,063)		$503,063
4	Wage and FICA Expense Adjustment	$0	$961,037	$0	$55,116	($88,405)	($324,712)	$0	$603,036		($603,036)
5	Reflect Proforma Benefits Expense	$0	$169,315	$0	$0	($14,730)	($54,105)	$0	$100,480		($100,480)
6	Remove Executive Incentive Compensation Expense	$0	($726,003)	$0	$0	$63,162	$231,994	$0	($430,846)		$430,846
7	Remove Certain Executive Compensation Expense	$0	($7,662)	$0	$0	$667	$2,448	$0	($4,547)		$4,547
8	Remove Employee Association Expense	$0	($28,189)	$0	$0	$2,452	$9,008	$0	($16,729)		$16,729
9	Reflect IMU Battery Replacement Expense	$0	$1,565,731	$0	$0	($136,219)	($500,329)	$0	$929,183		($929,183)
10	Reflect AMI Regulatory Asset Residuals	$0	$0	$104,623	$0	($3,825)	($14,051)	$0	$86,747		($86,747)
11	Annualize September 2015 AMI Phase-In	$869,538	$0	$272,332	$0	$51,957	$190,837	$0	$515,126		$354,412
12	Annualize Test Period Reliability Closings	$0	$0	$445,171	$0	($548,667)	($2,015,249)	$2,382,932	$264,187		($264,187)
13	Reflect Actual & Forecasted Reliability Closings January 2016 - September 2016	$0	$0	$322,101	$0	($28,023)	($102,927)	$0	$191,151		($191,151)
14	Reflect Forecasted Reliability Closings October 2016 - December 2016	$0	$0	$98,815	$0	($8,597)	($31,576)	$0	$58,642		($58,642)
15	Reflect Forecasted Reliability Closings of December 2016 CWIP	$0	$0	$203,780	$0	($17,729)	($65,118)	$0	$120,933		($120,933)
16	Reflect Forecasted Experimental Station Related Plant Closing	$0	$0	$116,768	$0	($10,159)	($37,313)	$0	$69,296		($69,296)
17	Reflect Proposed Depreciation Rates	$0	$0	$4,511,816	$0	($392,528)	($1,441,751)	($1,488)	$2,676,050		($2,676,050)
18	Amortization of Refinancings	$0	$0	$207,363	$0	$0	$0	($84,303)	$123,060		($123,060)
19	Remove Bloom Energy Incremental Rate Base	$0	$0	($12,838)	$0	$1,100	$4,039	$0	($7,500)		$7,500
20	Normalize Relocation Expense	$0	$14,183	$0	$0	($1,234)	($4,532)	$0	$8,417		($8,417)
21	Remove Post 1980 ITC Amortization	$0	$0	$0	$0	$0	$0	$41,228	$41,228		($41,228)
22	Recover Credit Facilities Expense	$0	$128,440	$0	$0	($11,174)	($41,043)	$0	$76,223		($76,223)
23	Proforma Merger Synergies and Amortize Costs To Achieve	$0	($1,175,270)	$646,399	$0	$46,012	$169,001	$0	($313,859)		$313,859
24	Total	$869,538	($2,182)	$6,916,529	$55,116	($1,017,313)	($3,736,581)	$2,338,369	$4,553,938	$0	($3,684,400)
25									Int Exp		
26	Rate		0.0777	0.0000	0.2995	0.0102	0.0102		(0.0783)	(0.32833)	
27	Working Capital		($169)	$0	$16,508	($10,336)	($37,964)		($64,900)	$0	($96,860)
28											
29	Interest Synch 1					($1,089,396)	($4,001,342)				
30	Working Capital		($169)	$0	$16,508	($11,068)	($40,654)		($64,752)	$0	($100,135)
31											
32	Interest Synch 2					($1,089,232)	($4,000,739)				
33	Working Capital		($169)	$0	$16,508	($11,067)	($40,648)		($64,747)	$0	($100,122)
34											
35	Interest Synch 3					($1,089,226)	($4,000,718)				
36	Working Capital		($169)	$0	$16,508	($11,067)	($40,647)		($64,747)	$0	($100,122)
37											
38											

39		Interest Synchronization			
40	Per Books Interest	$6,243,178	$6,243,178	$6,243,178	$6,243,178
41	Adjusted Rate Base	$362,477,254 (1)	$362,380,394	$362,377,119	$362,377,132
42	Wtd COD - Proforma Cap Str	0.0195	0.0195	0.0195	0.0195
43	Proforma Interest	$7,066,306	$7,066,418	$7,066,354	$7,066,354
44	IOCD	$3,414	$3,414	$3,414	$3,414
45	Total Proforma Interest	$7,071,720	$7,069,831	$7,069,768	$7,069,768
46	Difference	$828,542	$826,654	$826,590	$826,590
47	SIT @ 8.7 %	($72,063)	($71,919)	($71,913)	($71,913)
48	FIT @ 35 %	($264,761)	($264,157)	($264,137)	($264,137)
49					
50	Earnings	$336,844	$336,076	$336,050	$336,050
51					
52	(1) Without working capital adjustment				

	Rate Base	
	Per Books Rate Base for COS	$318,673,089
	Reflect AMI Regulatory Asset Residuals	$279,396
	Test Period Reliability Plant Closings	$11,934,583
	Actual & Forecasted Reliability Closings Jan 16 - Sept 16	$11,763,869
	Forecasted Reliability Closings Oct 16 - Dec 16	$3,508,633
	Forecasted Reliability Closings Dec 16 CWIP	$7,186,438
	Forecasted Experimental Station Plant Closing	$5,941,616
	Amortization of Refinancings	$880,386
	Remove Bloom Energy Incremental Rate Base	($555,276)
	Recover Credit Facilities Expense	$138,316
	Merger Synergies & Amort of Costs To Achieve	$1,726,224
	Sub-total	$362,477,254
	CWC Adjustment	($100,122)
	Adjusted Rate Base	$362,377,132

	Earnings	
	Earning Adjustment w/o int synch	($3,684,400)
	Per Books Earnings for COS	$16,670,452
	Sub-Total Earnings	$13,186,052
	Interest Synchronization	$336,050
	Adjusted Earnings	$13,522,102