

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION                    )  
OF DELMARVA POWER & LIGHT COMPANY            )     PSC DOCKET NO. 05-312F  
FOR APPROVAL OF MODIFICATIONS TO ITS        )  
GAS COST RATES (OPENED AUGUST 31, 2005))

**ORDER NO. 6737**

**AND NOW**, to-wit, this 11th day of October, A.D., 2005, Delmarva Power & Light Company ("Delmarva" or "the Company") having, on October 3, 2005, filed the above-captioned application with the Commission seeking approval: (1) to modify its Gas Cost Rates ("GCR"); (2) to reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the Flexibly Priced Sales service to restate fuel cost and shared margin revenue credits; (3) to reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the Large Volume Gas service and for so-called "electing" customers taking service under the Medium Volume Gas classification; (4) to retain the surcharge that has been applied to non-firm services to collect a portion of interstate pipeline charges related to Federal Energy Regulatory Commission Orders Nos. 94, 436, 500 & 636;<sup>1</sup> and (5) to modify the balancing charges applied to Gas Transportation Customers.

**AND**, the Commission having determined, pursuant to *26 Del. C. §§ 303 and 304*, that the proposed GCR and other requested modifications to its tariff should be permitted to become effective for usage on and after November 1, 2005, with proration, and subject to pending evidentiary hearings and further review by the Commission; now, therefore,

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<sup>1</sup>By PSC Order No. 6711 (Sept. 6, 2005), the Commission deferred the date

**IT IS ORDERED:**

1. That, pursuant to *26 Del. C. §§ 303 and 304*, the modifications proposed by Delmarva Power & Light Company in its application of October 3, 2005, related to changes in its Gas Cost Rates and other tariff provisions, shall be allowed to become effective on a temporary basis as of November 1, 2005, with proration, subject to refund and pending evidentiary hearings to be held at a later date, and a final decision of the Commission.

2. That Ruth Ann Price 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*. Hearing Examiner Price shall schedule and conduct, upon due public notice, such public evidentiary hearings as may be necessary to develop a full and complete record concerning this application. Thereafter, Hearing Examiner Price shall report to the Commission her proposed findings and recommendations based on the evidence presented. In addition, pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner Price is specifically authorized to grant or deny petitions for intervention. In addition, Hearing Examiner Price is specifically delegated the authority to determine, under *26 Del. C. § 102A*, the form and manner of any public notice to be given for such further evidentiary hearings. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

3. Delmarva Power & Light Company 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)*.

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for filing the annual GCR application to October 3, 2005.

4. That Delmarva Power & Light Company 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 Exhibit "A" in the legal classified section of The News Journal newspaper in two column format outlined in black on the following dates:

Monday, October 17, 2005

Tuesday, October 18, 2005

Proof of such publication to be provided to the Commission as soon as practical but not later than the commencement of the evidentiary hearings concerning this matter.

5. 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:

/s/ Arnetta McRae  
Chair

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Vice Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

ATTEST:

/s/ Norma J. Sherwood  
Acting Secretary

E X H I B I T "A"

BEFORE THE PUBLIC SERVICE COMMISSION  
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IN THE MATTER OF THE APPLICATION )  
OF DELMARVA POWER & LIGHT COMPANY ) PSC DOCKET NO. 05-312F  
FOR APPROVAL OF MODIFICATIONS TO ITS )  
GAS COST RATES (OPENED AUGUST 31, 2005))

P U B L I C N O T I C E

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT  
COMPANY AND OTHER INTERESTED PERSONS**

Pursuant to 26 Del. C. §§ 303 and 304, Delmarva Power & Light Company ("Delmarva" or the "Company"), has filed an application with the Delaware Public Service Commission (the "Commission") seeking to change the Company's Gas Cost Rates ("GCR") in the following manner:

	<u>Present</u>		<u>Proposed</u>	
<u>Rate Schedules</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
RG, GG and GL	N/A	85.917¢/ccf	N/A	118.384¢/ccf
Non-electing MVG	\$8.36/Mcf of Billing MDQ	\$7.5278/Mcf	\$6.20/Mcf of Billing MDQ	\$11.0279/Mcf
Electing MVG & LVG	\$8.36/Mcf of Billing MDQ	Varies	\$6.20/Mcf of Billing MDQ	Varies
Standby Service	\$8.36/Mcf of Standby MDQ	N/A	\$6.20/Mcf of Standby MDQ	N/A

In addition, the application requests approval of the Company's proposals to: (1) reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the Flexibly Priced Sales service to restate fuel cost and shared margin

revenue credits; (2) reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the Large Volume Gas service and for so-called "electing" customers taking service under the Medium Volume Gas classification; (3) retain the surcharge that has been applied to non-firm services to collect a portion of interstate pipeline charges related to Federal Energy Regulatory Commission Orders Nos. 94, 436, 500 & 636; and (4) modify the balancing charges applied to Gas Transportation Customers.

At its meeting on October 11, 2005, the Commission permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2005, subject to refund pending evidentiary hearings and a final Commission decision.

Any person or group who wishes to participate formally as a party in this docket (PSC Docket No. 05-312F), with the right to submit evidence and to be represented by counsel, must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, petition the Commission for and be granted leave to intervene in the proceedings in this docket. To be timely, all such petitions must be filed with the Delaware Public Service Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 on or before November 7, 2005. Petitions received thereafter will not be considered except for good cause shown.

Copies of the application and the testimony and schedules Delmarva has filed in this docket are available for public inspection during normal business hours at the Commission's Dover office at the address set out above. Persons may also review copies of the application and supporting documents by contacting the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street,

Wilmington, Delaware at (302) 577-5077. Please call for an appointment for a time to review such documents.

Individuals with disabilities who wish to participate in these proceedings or to review the tariff filings may contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephone (including TRS or text-telephone), or otherwise. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 739-4333 and that number should also be used for Text Telephone calls. Inquiries can also be sent to the Commission by Internet e-mail to "funmi.jegade@state.de.us."