

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

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY TO)
REVISE UNDER 75 DEL. LAWS CH. 142)
§ 5 (2005), ITS ELECTRIC DISTRIBUTION)
RATES AND ELECTRIC STANDARD OFFER) PSC DOCKET NO. 05-432
SUPPLY PRICES TO REFLECT THE INCREASE)
IN THE ASSESSMENT RATE IMPOSED BY 26)
DEL. C. § 115 AND § 1012(c)(2))
(FILED DECEMBER 13, 2005))

ORDER NO. 6805

This 20th day of December, 2005, the Commission determines and Orders the following:

1. As the Commission has explained (in somewhat greater detail) in PSC Order No. 6700 (Aug. 23, 2005), in July 2005, the General Assembly and Governor increased the assessment factor used in calculating the annual assessment that is paid by public utilities and retail electric suppliers. The factor has now moved from 2 mills (.002) to 3 mills (.003).¹

2. In PSC Order No. 6700 (Aug. 23, 2005), the Commission approved an application filed by Delmarva Power & Light Company ("DP&L") to adjust certain regulated electric distribution rates and certain regulated gas rates to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch. 142. These rates were effective for the time

¹See 75 Del. Laws ch. 142 § 1 (July 12, 2005), changing the assessment factor in 26 Del. C. § 115(d) from 2 mills to 3 mills. The assessment factor is multiplied against the utility's or supplier's prior calendar year gross revenues to determine the monetary assessment due to be paid.

period of September 1, 2005 through December 31, 2005. The Order also directed DP&L, prior to January 1, 2006, to file a new application to adjust its electric distribution and gas rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter.

3. On December 13, 2005, DP&L filed a letter application seeking approval to adjust certain electric distribution rates and certain gas rates to recover its incremental costs associated with the increased assessment factor for the year 2006 and thereafter. DP&L amended this application on December 19, 2005 correcting an error detected in its gas rates.

4. The Staff recommends approval of these new electric distribution rates and certain gas rates to commence on January 1, 2006 and continue until further Order of the Commission.

5. The statutory directive in the July 2005 enactment is for the Commission to act promptly in reviewing DP&L's proposal. Based on Staff's recommendation, the Commission now approves DP&L's proposed electric distribution rates and gas rates to be effective January 1, 2006.

Now, therefore, **IT IS ORDERED:**

1. That, pursuant to 75 Del. Laws ch. 142 § 5 (2005), the application filed by Delmarva Power & Light Company, on December 13, 2005 and amended on December 19, 2005, seeking permission to revise certain electric distribution rates and gas rates to recover the incremental costs associated with the increase in the annual adjustment factor enacted by 75 Del. Laws ch. 142, is hereby approved.

Delmarva Power & Light Company is hereby authorized to revise its rates effective January 1, 2006.

2. That Delmarva Power & Light Company shall make a compliance filing to incorporate into its Tariff these revised electric distribution rates and gas rates set forth in its application filed December 13, 2005 and amended December 19, 2005.

3. 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

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary