

**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 THE GAS ENVIRONMENTAL            )       PSC DOCKET NO. 06-283  
SURCHARGE RIDER RATE                                )  
(FILED AUGUST 31, 2006)                            )

**ORDER NO. 7038**

**AND NOW**, to-wit, this 3<sup>rd</sup> day of October, A.D., 2006, Delmarva Power & Light Company, having, on August 31, 2006, filed the above-captioned application with the Commission seeking approval to modify the rate for its Environmental Surcharge Rider approved in PSC Order No. 6401 (Apr. 20, 2004);

**AND**, the Commission having determined, pursuant to 26 Del. C. §§ 303, 304, and 306, and its prior Order No. 6401, that the proposed rate adjustment should be permitted to become effective for gas usage on and after November 1, 2006, with proration, but subject to refund, pending further review and a final decision by the Commission; now, therefore,

**IT IS ORDERED:**

1. That, pursuant to 26 Del. C. §§ 303, 304, and 306, the adjustment to the Environmental Surcharge Rider rate as set forth in the application filed by Delmarva Power & Light Company, on August 31, 2006, is hereby allowed to go into effect on November 1, 2006, with proration, pending further review and a final decision by the Commission. Such rate, now allowed to go into effect, shall be subject to refund depending

on such final decision. The sixty-day notice provisions of 26 Del. C. § 304 are hereby waived.

2. That Ruth Ann Price is hereby designated as the Hearing Examiner for this docket pursuant to 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 or appropriate 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 proceedings. 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).

4. That Delmarva Power & Light Company shall provide public notice of the filing of its application and of the Commission action here by publishing notices 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 October 12 and 13, 2006. 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

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

E X H I B I T "A"

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

**OF CHANGE TO GAS ENVIRONMENTAL SURCHARGE  
RIDER RATE FOR  
DELMARVA POWER & LIGHT COMPANY**

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

Pursuant to the Environmental Remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004), Delmarva Power & Light Company ("DP&L" or the "Company"), has filed an application with the Public Service Commission (the "Commission") proposing to increase its gas Environmental Surcharge Rider ("ESR") rate from a surcharge of \$0.00138 per Ccf to a surcharge of \$0.00238 per Ccf. Such change would be effective for gas service rendered by DP&L on or after November 1, 2006. For a typical gas heating customer using 120 Ccf in a month, this results in an increase of \$0.12 (twelve cents) per month, or an increase of less than 0.1%.

At its meeting on October 3, 2006, the Commission permitted the proposed ESR rate to take effect on November 1, 2006 (subject to modification and refund) pending further review and a final decision by the Commission.

Any person, group, or entity who wishes to participate formally as a party in this docket (PSC Docket No. 06-283), 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 leave to intervene in the proceedings in this docket. Such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 on or before November 6, 2006. Petitions received thereafter will not be considered except for good cause. The Commission will conduct duly noticed evidentiary hearings concerning this application at a later date. The Commission's final decision will be based on the evidence present at such hearings.

Copies of the application and the testimony and schedules DP&L 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. Such materials can also be reviewed, by appointment, at the offices of the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street, Wilmington, Delaware. Please call (302) 577-5077 to arrange for an appointment time.

Any individual with a disability who wishes 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 is also available to provide more information. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 739-4333 (including text telephone communications). Inquiries can also be sent to the Commission by Internet e-mail to "david.bloom@state.de.us."