

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

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR AN ANNUAL UPDATE IN THE GAS) PSC DOCKET NO. 11-382
ENVIRONMENTAL SURCHARGE RIDER RATE)
(FILED AUGUST 31, 2011))

ORDER NO. 8041

AND NOW, this 20th day of September, 2011:

WHEREAS, on August 31, 2011, Delmarva Power & Light Company ("DP&L") filed the above-captioned application (the "Application") with the Delaware Public Service Commission (the "Commission") seeking approval to decrease the rate for its Environmental Surcharge Rider ("ESR") under the process approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53; and

WHEREAS, in its Application, DP&L seeks to decrease its current ESR rate from a positive surcharge of \$0.00100 per ccf to a positive surcharge rate of \$0.00013 per ccf for all firm delivery service customers; and

WHEREAS, the Commission having determined, pursuant to 26 Del. C. §§304 and 306 and its prior Order No. 6401 that the proposed rate adjustment (decreasing the present rate) should be permitted to become effective for gas usage on and after November 1, 2011, with proration, subject to refund, pending further review and final decision by the Commission;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF
NOT FEWER THAN THREE COMMISSIONERS:**

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1. That, pursuant to 26 *Del. C.* §§304 and 306, the decrease in the current ESR rate as set forth in the Application is hereby permitted to go into effect with usage on and after November 1, 2011, with proration and subject to refund pending further review and final decision by the Commission.

2. That in light of Staff's audit of the costs for the Environmental Compliance Year ("ECY") that comprise this Application, the Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on **Tuesday, November 8, 2011, at 1:00 p.m.** at 861 Silver Lake Boulevard, 1st Floor Hearing Room, Cannon Building, Dover, DE 19904. The Commission shall take public comment on the Application immediately prior to the commencement of the evidentiary hearing on November 8, 2011. The Commission designates Hearing Examiner Ruth A. Price, pursuant to 26 *Del. C.* §502 and 29 *Del. C.* ch. 101, for the purpose of considering any petitions for intervention that may be filed.

3. That Delmarva Power & Light Company shall provide public notice of the filing of its Application, of the Commission action here and of the date of the evidentiary hearing 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

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in black, on **September 28 and 29, 2011**. Proof of such publication is
to be provided to the Commission as soon as practical but not later
than the commencement of the evidentiary hearing concerning this
matter.

4. That the deadline for intervention pursuant to Commission
Rule 21 shall be **October 14, 2011**. Any intervenor wishing to oppose
the Application shall file written prefiled testimony with the
Commission pursuant to the Commission's rules, on or before **Thursday,
October 28, 2011**. Copies of such testimony shall also be served on
the following persons:

Regina A. Iorii, Esq. Deputy Attorney General Public Service Commission 820 N. French Street 6 th Floor Wilmington, DE 19801	Kent Walker, Esquire Deputy Attorney General Division of the Public Advocate 820 N. French Street 6 th Floor Wilmington, DE 19801
Todd L. Goodman, Esq. Associate General Counsel Delmarva Power & Light Co. 500 North Wakefield Dr. Newark, DE 19702 or P.O. Box 6066 Mail Stop:92 DC 42 Newark, DE 19714	Courtney A. Stewart Malika Davis Delaware Public Service Commission 861 Silver Lake Blvd., Suite 100 Dover, DE 19904
Ashley T. Adams Regulatory Affairs Delmarva Power & Light Company 401 Eagle Run Road Newark DE, 19702 or P.O. Box 9239 Mail Stop: 79 NC 59 Newark, DE 19714	Michael D. Sheehy, Public Advocate 820 N. French Street 4 th Floor Wilmington, DE 19801

<p>Robert Kitson Mgr. Gas Engineering 630 Martin Luther King Jr. Blvd. Wilmington, DE 19801 or P.O. Box 231 Mail Stop: 88 MK 66Wilmington, DE 19899</p>	
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Submissions that are not received by the Commission on or before October 28, 2011 shall not be considered.

5. 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).

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:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

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/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

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E X H I B I T "A"

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IN THE MATTER OF THE APPLICATION)
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ENVIRONMENTAL SURCHARGE RIDER RATE)
(FILED AUGUST 31, 2011))

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

**OF UPDATE TO DELMARVA POWER AND LIGHT COMPANY'S GAS ENVIRONMENTAL
SURCHARGE RIDER RATE**

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

The Delaware Public Service Commission (the "Commission") will conduct a public comment session and evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

<u>Date & Time</u>	<u>Location</u>
Tuesday, November 8, 2011 1:00 p.m.	Hearing Room Delaware Public Service Commission 861 Silver Lake Boulevard Cannon Building Dover, DE 19904

DP&L's Environmental Surcharge Rider Rate, PSC Docket No. 11-382

Pursuant to the environmental remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53, Delmarva Power & Light Company ("DP&L" or the "Company") has filed an application (the "Application") with the Commission proposing a decrease in the Environmental Surcharge Rider ("ESR") from a positive surcharge of \$0.00100 per ccf to \$0.00013 per ccf for all firm

delivery customers, with the decreased rate to become effective with usage on and after November 1, 2011, with proration, subject to modification and refund after an evidentiary hearing.

For a typical residential space heating customer using 120 ccf of gas in a winter month, the effect of the proposed ESR rate change will be a decrease in the monthly winter bill of approximately 10 cents (0.1%).

By Order No. 8041 dated September 20, 2011, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2011, with proration, subject to modification and refund after an evidentiary hearing.

Any person, group, or entity desiring to participate formally as a party in this docket, with the right to submit evidence and to be represented by counsel, must petition the Commission for leave to intervene in this docket in accordance with Rule 21 of the Commission's Rules of Practice and Procedure. Such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 (Attn: PSC Dkt. No. 11-382) on or before **October 14, 2011**. Petitions received thereafter will not be considered except for good cause shown. Should intervention status be granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission on or before **October 28, 2011**. Submissions that are not received by the Commission on or before October 28, 2011 shall not be considered. Such written submissions shall also be served on the persons identified in Order No. XXXX in this docket dated September 20, 2011.

The Commission will conduct an evidentiary hearing on the Company's Application on **Tuesday, November 8, 2011, commencing at 1:00 p.m., at its offices located at 861 Silver Lake Boulevard, Cannon Building, 1st floor Hearing Room, Dover, Delaware 19904.** The Commission will take public comment from any person wishing to speak immediately prior to the commencement of the evidentiary hearing concerning this Application. The Commission's final decision will be based on the evidence presented at such hearing.

Copies of the Company's Application and its testimony and schedules 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.

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. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission may be reached at (302) 736-7500 (including text telephone communications). Inquiries may be sent to the Commission by Internet e-mail addressed to "malika.davis@state.de.us."