

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PROVISION)
OF STANDARD OFFER SUPPLY TO)
RETAIL CONSUMERS IN THE SERVICE)
TERRITORY OF DELMARVA POWER &) PSC DOCKET NO. 14-144
LIGHT COMPANY)
(FILED APRIL 1, 2014))

ORDER NO. 8650

AND NOW, this 30th day of September, 2014, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on April 1, 2014, Delmarva Power & Light Company ("Delmarva") revised electric tariffs reflecting new Standard Offer Service ("SOS") rates, new Procurement Cost Adjustment (the "PCA"), Reasonable Allowance for Retail Margin ("RARM"), and new Renewable Energy Portfolio Standard Charge ("RPS Charge") with an effective date of June 1, 2014, with proration (the "2014 SOS-PCA-RARM-RPS Filing");¹ and

WHEREAS, pursuant to Order No. 8557 (April 29, 2014), the Commission approved the proposed tariff rates included in the 2014 SOS-PCA-RARM-RPS Filing on a temporary basis, subject to refund; and

WHEREAS, Delmarva published notice of the 2014 SOS-PCA-RARM-RPS Filing and the Commission-ordered deadline of July 18, 2014, to file comments or objections or to participate formally in this matter; and

¹ The 2014 SOS-PCA-RARM-RPS Filing includes information required pursuant to several Commission Orders, including Order No. 6746 (October 30, 2009), Order No. 7162 (April 27, 2007), Order No. 8258 (April 13, 2012), Order No. 8144 (May 15, 2012), Order No. 8093 (December 20, 2011) and Order NO. 8450 (September 10, 2013).

WHEREAS, there were no objections or comments with respect to the 2014 SOS-PCA-RARM-RPS Filing; and

WHEREAS, on April 2, 2014, Delmarva filed work papers supporting the proposed electric tariff changes and bill impact information which reflected a proposed monthly increase of \$0.032² (or an increase of 0.2%) for a residential customer using 1,000 kWh per month on an annual average basis; and

WHEREAS, on April 2, 2014, Delmarva filed work papers supporting the results of the RARM factor on an actual basis for the RARM reporting year ending December 31, 2013, which reflected that the total RARM rate for fixed price customers decreased by 5.30% from the RARM rate currently in effect. Therefore, a new RARM rate would go in effect June 1, 2014;³ and

WHEREAS, on June 12, 2014, Delmarva filed additional work papers relating to, among other things, the request to recover costs associated with the administration of the 2013 SREC Procurement Program paid to the SEU and its contract administrator, InClima⁴, for the period January 2013-December 2013;⁵ and

²This does not include the RPS Charge or the Qualified Fuel Cell Provider Renewable Charge ("QFCP-RC") or any changes in the distribution rates.

³See PSC Docket No. 09-9 (the "RARM Settlement")³ which provides that where the change in the total RARM rate exceeds +/-5.25%, Delmarva is required to submit a formal filing for the Commission's review.

⁴ InClima is a spin-off of SRETrade's solicitation management business line which now operates as an independent company.

⁵ See Order No. 8450 (September 10, 2013) in which the Commission ordered that Delmarva will be required to justify any SEU-related costs above what ratepayers would have paid had Delmarva managed the solicitation itself and had Delmarva not used the SEU as a contractual intermediary.

WHEREAS, Staff met with Delmarva in one workshop and filed informal and formal discovery with Delmarva to review the 2014 SOS-PCA-RARM-RPS Filing and all related work papers; and

WHEREAS, in late 2013 and early 2014, Delmarva conducted its ninth annual SOS procurement for supply contracts commencing on June 1, 2014, using a Commission approved, revised reverse auction process;⁶ and

WHEREAS, Staff has fully analyzed the 2014 SOS-PCA-RARM-RPS Filing and all related work papers and has determined that the proposed rates and tariff changes comply with previous Commission orders, comport with the bidding results reflected in "The Liberty Consulting Group, Inc.'s Technical Consultant's Final Report to the Delaware Public Service Commission on Delmarva's 2013-2014 Request for Proposals for Full Requirements Wholesale Electric Supply for Standard Offer Service" dated March 4, 2014, and reflect the total supply costs for which Delmarva requested recovery; and

WHEREAS, Staff recommends final approval of Delmarva's proposed tariff revisions as set forth in the 2014 SOS-PCA-RARM-RPS Filing for the period June 1, 2014, through May 31, 2015;

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

1. The proposed rates and tariff changes included in the 2014 SOS-PCA-RARM-RPS Filing with an effective date of June 1, 2014, for the period ending May 31, 2015, are approved on a final basis.

⁶See Order No. 6746 (September 1, 2005) for background on the original auction process. See Order No. 7461 (October 7, 2008) for background on the revised, reverse auction process. Vantage Energy Consulting, along with Staff, observed and evaluated the auction.

