



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500  
FAX: (302) 739-4849

June 19, 2012

MEMORANDUM

TO: Members of the Commission

FROM: Guang Wei, Public Utilities Analyst *GW*

SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED MAY 25, 2012) – PSC DOCKET NO. 12-173-06

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On July 7, 2011, the Governor of the State of Delaware signed into law Amendments (the “Amendments”) to the Renewable Energy Portfolio Standards Act (the “REPSA”) that added Delaware-manufactured fuel cells to the REPSA and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Delaware Public Service Commission-regulated electric company’s renewable energy credit requirements under REPSA.

The Amendments created a regulatory framework whereby the Commission-regulated electric company, Delmarva Power & Light Company (“Delmarva”), and the Qualified Fuel Cell Provider (“QFCP”)<sup>1</sup> will jointly submit tariffs that enable and obligate Delmarva, as the agent for collection and disbursement, to collect from its customers a non-bypassable charge (“QFCP-RC Charge”) for costs incurred for incremental site preparation, filing, administrative and other costs incurred by the QFCP. The QFCP-RC Charge is reduced by compensation to the Qualified Fuel Cell Provider Project (“QFCPP”) for any revenues received from PJM or its successors at law from the output of the QFCPP.

On August 19, 2011, in PSC Docket No. 11-362, Delmarva filed an application for approval of a new electric tariff for Service Classification QFCP-RC (“Electric Tariff”) and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments. On October 18, 2011, the Commission issued Order No. 8062 which approved this tariff filing. On December 1, 2011, the Commission signed Order No. 8079, which, among other things, adopted Order No. 8062. Pursuant to the Electric Tariff, Delmarva is serving in its mandatory role as a collection agent for the QFCP. In compliance with the Electric Tariff, Delmarva will provide monthly filings to account for the varying QFCP-RC Charge.

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<sup>1</sup> All references to capitalized terms are set forth in 26 *Del. C.* §352.

On April 2, 2012, Delmarva submitted its first monthly filing (“Compliance Filing”) as required by its Commission-approved Electric Tariff filed in PSC Docket No. 11-362. By Order No. 8136, the Commission permitted the May 2012 QFCP-RC Charges to take effect and required Delmarva to provide to Staff, with each future Compliance Filing under the REPSA, all documents that Staff requested from Delmarva as part of its review of the prior Compliance Filing.

On May 25, 2012, Delmarva submitted its third Compliance Filing, including the typical charges and calculations. In addition, Administrative and Other O&M charges totaling \$14,908 have been added to the worksheet and calculations. The rates for each customer classification are provided below:

<b>July 2012 QFCP-RC Charge</b>		
<b>Service Classification</b>	<b>\$ per kWh</b>	<b>Change from Previous Month</b>
Residential	\$ 0.000614	-\$0.000057
Residential – Space Heating	\$ 0.000614	-\$0.000057
Residential Time-of-Use "R-TOU"	\$ 0.000614	-\$0.000057
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000614	-\$0.000057
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000614	-\$0.000057
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000614	-\$0.000057
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000614	-\$0.000057
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000614	-\$0.000057
Medium General Service - Secondary "MGS-S"	\$ 0.000614	-\$0.000057
Large General Service - Secondary "LGS-S"	\$ 0.000614	-\$0.000057
General Service - Primary "GS-P"	\$ 0.000601	-\$0.000055
General Service - Transmission "GS-T"	\$ 0.000590	-\$0.000054
Outdoor Lighting PL	\$ 0.000614	-\$0.000057
Outdoor Lighting SL	\$ 0.000614	-\$0.000057

26 *Del. C.* §364 (d) (4) provides as follows: “**Notwithstanding § 306 of this title or any other provision of the Delaware Code to the contrary, any changes in rates or charges necessary to collect funds for disbursements or costs addressed in subsections (a)-(c) of this section through adjustable non-bypassable charges shall become effective 30 days after filing, absent a determination of manifest error by the Public Service Commission. The Commission may allow changes in rates or charges related to such adjustable non-bypassable charges to become effective less than 30 days after filing under such conditions as it may prescribe.**”

Delmarva has developed communications on renewable energy and alternative energy, including bill inserts and talking points for Delmarva call center employees. Detailed information on the Qualified Fuel Cell Provider Project can be found in Delmarva’s Electric Tariff (QFCP-RC Leaf No. 74 -74r).

Staff performed a review of the calculations and the QFCP-RC Charges provided in the Compliance Filing dated May 25, 2012, and does not find any manifest error. Staff therefore recommends that the July QFCP-RC Charges be permitted to take effect for bills issued by Delmarva to its customers between June 30 and July 29, 2012.

# Attachment A

## QFCP-RC Charge-All Months

<u>Service Classification</u>	<u>May-12 *</u> <u>\$ per kWh</u>	<u>Jun-12</u> <u>\$ per kWh</u>	<u>Jul-12</u> <u>\$ per kWh</u>
Residential	\$ 0.000143	\$ 0.000671	\$ 0.000614
Residential- Space Heating	\$ 0.000143	\$ 0.000671	\$ 0.000614
Residential Time-of-Use "R-TOU"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Medium General Service - Secondary "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614
Large General Service - Secondary "LGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614
General Service - Primary "GS-P"	\$ 0.000139	\$ 0.000656	\$ 0.000601
General Service - Transmission "GS-T"	\$ 0.000137	\$ 0.000644	\$ 0.000590
Outdoor Lighting PL	\$ 0.000143	\$ 0.000671	\$ 0.000614
Outdoor Lighting SL	\$ 0.000143	\$ 0.000671	\$ 0.000614

\* May QFCP-RC charges were based on 6 days of operation.

