



A PHI Company

January 4, 2013

**VIA EMAIL AND OVERNIGHT DELIVERY**

Ms. Alisa Bentley, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

*RE: Application of Delmarva Power & Light for an Increase in Gas Base Rate  
Request for Supplemental Information*

Dear Ms. Bentley:

On behalf of Delmarva Power & Light Company, attached is an original and 10 copies of the Minimum Filing Requirement supplemental information requested by Commission Staff in the above referenced docket. Please contact Heather Hall at (302) 454-4828 or me with any questions relating to the above referenced matter.

Very Truly Yours,

*Todd L. Goodman /HGH*  
Todd L. Goodman

cc: Janis Dillard  
Susan Neidig  
Michael Sheehy  
Kevin McGowan  
Mindy Herman  
W. Michael VonSteuben  
Heather Hall  
Todd L. Goodman

**PSC Docket No. 12-546**  
**Minimum Filing Requirements Review**

**2.0 General Information**

2.1 Description of Company - If Presently Not On File With Commission

2.1.1 Provide a corporate history including dates of incorporation, subsequent acquisitions and /or mergers. **Provide history or date document containing this information was previously filed with the Commission.**

**Response:** The Company routinely files its SEC Form 10K with the DPSC. This document is also available on the Company's website (see link below). On the SEC filings page select "Annual Filings". In the pdf form of the 2012 10K, reference Part 1, item 1 for corporate history.

<http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec>

2.1.2 Describe completely all relationships between applicant utility and its parent, subsidiaries and affiliates. Furnish a chart or charts which depict(s) the inter-company relationships. **Provide chart.**

**Response:** The Company routinely files its SEC Form 10K with the DPSC. This document is also available on the Company's website (see link below). On the SEC filings page select "Annual Filings". In the pdf form of the 2012 10K, reference Part 1, item 1 for corporate relationships.

<http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec>

**3.0 Financial Results of Operations**

3.2 Supporting Documents

3.2.1.5 All securities prospectuses for applicant and parent for most recent five year period. **Identify where in Witnesses McGowan's testimony this information is provided.**

**Response:** Please see the link below. On the SEC page select "Registration Statements" from the drop down menu. This information is not included in Mr. McGowan's testimony. He is the sponsor of the Minimum Filing Requirement.

<http://phx.corporate-ir.net/phoenix.zhtml?c=62854&p=irol-sec>

**4.0 Rate Base**

**4.3 Used and Useful Utility Plant**

4.3.1 Submit schedules showing plant in service by major plant categories for total company, as allocated to this jurisdiction with adjustments, if any are proposed. This data shall be submitted as Schedule 2A. **Include Account numbers.**

**Response:** The Company has not been able to determine where in the Minimum Filing Requirements we are required to provide this information. As such, the Company will therefore treat this as a data request pursuant Delaware Public Service Commission rules of Practice and Procedure, Rule 18(f).

The Company’s plant in service, as summarized in Schedule No. 2-A of the Minimum Filing Requirements and detailed in the Company’s workpapers, are included in FERC Accounts 101 and 106. Detail by FERC sub-account are included in both the Company’s test year and test period workpapers.

**4.4 Intangible Assets**

4.1.1 If intangible assets are claimed in rate base, complete Schedule No. 2B. **Provide in service date(s).**

**Response:** The Company has not been able to determine where in the Minimum Filing Requirements we are required to provide this information. As such, the Company will therefore treat this as a data request pursuant Delaware Public Service Commission rules of Practice and Procedure, Rule 18(f).

<b>Delmarva Power &amp; Light Company - Gas</b>		
<b>Intangible Assets Claimed in Jurisdictional Rate Base</b>		
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>Line</b>	<b>In Service</b>	
<b>No.</b>	<b>Date</b>	<b>Amount</b>
1	May 1995	\$352,163
2	March 1994	\$406,969
3	December 2008	\$6,400
4	December 2008	\$339,311
5	June 2009	\$645,077
6	May 1997	\$288,344
7	May 2000	\$251,328
8	<b>Total</b>	<b>\$2,289,593</b>

## 5.0 Net Operating Income

### 5.3 Operating Expenses

5.3.13 Provide an analysis of actual and project rate case expenses on Schedule 3H. Provide actual rate case expense for PSC Docket 10-237. Describe the expense i.e. legal, cost of service study, rate of return study, etc.

**Response:** The Company has not been able to determine where in the Minimum Filing Requirements we are required to provide this information. As such, the Company will therefore treat this as a data request pursuant Delaware Public Service Commission rules of Practice and Procedure, Rule 18(f).

#### Case Expenses - Gas Docket # 10-237

<u>Expense Description</u>	<u>Estimate</u>	<u>Actual</u>
External Legal	\$300,000	\$58,217
Cost of Capital Consultant	\$49,000	\$85,823
Court Reporter/Notice	\$25,000	\$1,226
DPSC	\$200,000	\$134,343
DPA	\$100,000	
Other		\$4,408
<b>Total</b>	<b>\$674,000</b>	<b>\$284,017</b>

5.3.15 Operating Taxes.

5.3.15.2 Complete Schedules 3J and 3K in support of the amount of current and deferred state and federal income tax claimed by the utility for ratemaking purposes as reflected in total on Schedule 3I. Provide the calculation for interest expense (Rate Base \$ \_\_\_ X Debt Component \_\_\_%). Provide the State Income Tax %. Provide the Federal Income Tax %.

**Response:** The Company has not been able to determine where in the Minimum Filing Requirements we are required to provide this information. As such, the Company will therefore treat this as a data request pursuant Delaware Public Service Commission rules of Practice and Procedure, Rule 18(f).

#### Calculation of Interest Expense

(1) Line No.	(2) Item	(3) Amount
1	Rate Base (Excluding CWC)	\$237,886,125
2		

3	Weighted Cost of Debt	2.51%
4		
5	Interest Expense	\$5,970,942
6		
7	State Income Tax Rate	8.70%
8	Federal Income Tax Rate	35.00%

## 6.0 Rate of Return

### 6.4 Common Equity Cost Rates

6.4.3 Provide comparative financial data on Schedules 4G and 4H for the test period without rate increase for the test year, for the most recent calendar year and for the next most recent calendar year. **Provide the data for the test year (12 months ending June 30, 2012).**

**Response:** Please see the attached file "DPL gas 6.4.3.xls"

Line #	Description	Actual	Actual	Actual	Actual
		12 Months Ending 6/30/2012	12/31/2011	12/30/2010	12/30/2009
1	Embedded Cost - Long-Term Debt	4.70%	5.24%	5.42%	5.59%
2	Embedded Cost - Preferred Stock	N/A	N/A	N/A	N/A
3	Pretax Interest Coverage	3.34	3.57	2.73	2.45
4	Pretax Interest Coverage - Before AFUDC	3.25	3.48	2.59	2.43
5	After Tax Interest Coverage	2.36	2.61	2.02	2.11
6	After Tax Interest Coverage - Before AFUDC	2.27	2.52	1.89	2.09
7	Ratio of Earnings to Fixed Charges	3.34	3.57	2.73	2.45
8	Ratio of Earnings to Fixed Charges and Preferred Dividends	3.34	3.57	2.73	2.45
9	After Tax Interest & Preferred Dividend Coverage	2.36	2.61	2.02	2.11
10	After Tax Interest & Preferred Dividend Coverage, Before AFUDC	2.27	2.52	1.89	2.09
11	S&P Bond Rating - Senior Secured Debt	A	A	A	A-
12	Moody's Bond Rating - Senior Secured Debt	A3	A3	A3	A3
13	S&P Preferred Stock Rating	NR*	NR*	NR*	NR*
14	Moody's Preferred Stock Rating	Ba1	Ba1	Ba1	Ba1
15	Rate of Return on Total Capital	7.58%	8.88%	7.02%	7.07%
16	Percentage of Revenues - Electric	84.57%	82.36%	83.07%	80.90%
17	Percentage of Revenues - Gas	15.43%	17.64%	16.93%	19.10%
18	Percentage of Revenues - Other	0.00%	0.00%	0.00%	0.00%

NR - Not Rated