

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

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR AN INCREASE IN ELECTRIC RATE) PSC DOCKET NO. 11-528
RATES AND MISCELLANEOUS TARIFF)
CHANGES (FILED DECEMBER 2, 2011))

ORDER NO. 8167

AND NOW, to-wit, this 3rd day of July, 2012;

WHEREAS, on December 2, 2011, Delmarva Power & Light Company ("the Company" or "Delmarva") filed with the Delaware Public Service Commission (the "Commission") an application to increase electric distribution rates by \$31,760,741, or 19.18% over present distribution rates, and for approval of other miscellaneous modifications to its tariff (the "December 2011 Application"); and

WHEREAS, pursuant to its authority under 26 *Del. C.* §306 (a) (1), the Commission reviewed the December 2011 Application and determined in PSC Order No. 8088 (January 10, 2012) that the proposed rate and tariff changes should be suspended pending full and complete evidentiary hearings into their justness and reasonableness; and

WHEREAS, on January 31, 2012, Delmarva put into effect rates sufficient to allow it to collect an additional \$2,500,000, as specifically permitted by 26 *Del. C.* §306(c), subject to refund and to the conditions set forth in Order No. 8088; and

WHEREAS, as of July 3, 2012, seven months have elapsed from the date of the filing of the Company's application for a rate increase; and

WHEREAS, on June 19, 2012, Delmarva submitted an Application (the "June 2012 Application")¹ to implement under bond an interim rate increase, as permitted by 26 *Del. C.* §302(b), with such increased bonded rates to be subject to refund and to the same conditions as set forth in PSC Order No. 8088 (January 10, 2012); and

WHEREAS, it appears that the proposed rates set forth in the June 2012 Application will result in total additional revenue to Delmarva of less than or equal to 15% of its annual gross intrastate operating revenues, thus not exceeding the 15% ceiling set forth in 26 *Del. C.* §306(b); and

WHEREAS, the Commission having reviewed the June 2012 Application to implement an interim rate increase under refund bond without surety and the supporting information demonstrating that the proposed increase is within the limitations established by 26 *Del. C.* §306(b) and otherwise complies therewith for the collection of rates under bond;

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

1. That the Commission finds, pursuant to 26 *Del. C.* §306(b), that Delmarva Power & Light Company has the statutory

¹ Delmarva's prior interim rate application filed on June 6, 2012 was withdrawn and revised at the request of the Commission Staff.

right, after the expiration of seven months from the filing of its rate increase application (or on July 3, 2012), to place into effect an interim rate increase, subject to refund, so long as said rates will not produce an increase in excess of 15% of the Company's annual gross intrastate operating revenues.

2. That Delmarva Power & Light Company shall submit to the Commission a rate refunding bond, without surety, in the amount of **TWENTY FOUR MILLION EIGHT HUNDRED THIRTY FOUR THOUSAND THREE HUNDRED SIXTY DOLLARS (\$24,834,360)**.² Such rate refunding bond shall further guarantee repayment of the increased interim rates now to be collected pursuant to 26 *Del. C.* §306(b) should the Commission, after notice and hearing, approve less than the rate increase requested by Delmarva Power & Light Company in its December 2011 Application. The Commission reserves the right to subsequently increase the principal amount of the rate refunding bond, or require surety on any such amount, should the circumstances warrant.

3. That the proposed temporary rates set forth in the tariff sheets filed by Delmarva Power & Light Company in its June 2012 Application are reasonably designed to produce, on an annual basis, equal to or less than 15% of the gross annual intrastate operating revenues of Delmarva Power & Light Company effective for service provided on and after on July 3, 2012, under 26 *Del.*

² The \$24,834,360 is cumulative of the \$2,500,000 put into effect on January 31, 2012. Accordingly, by this interim request, Delmarva seeks to put an additional \$22,334,360 into effect subject to refund.

C. §306 (b), and are therefore approved subject to any refund that the Commission may hereafter order.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary and proper.

BY ORDER OF THE COMMISSION:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary