

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

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
APPROVAL OF MODIFICATIONS) PSC DOCKET NO. 12-419F
TO ITS GAS COST RATES)
(FILED AUGUST 31, 2012))

ORDER NO. 8217

AND NOW, this 18th day of September, 2012:

WHEREAS, on August 31, 2012 Delmarva Power & Light Company ("DP&L" or "the Company") filed with the Delaware Public Service Commission (the "Commission") the above-captioned application seeking approval to modify its Gas Cost Rates ("GCR") effective on November 1, 2012, with proration, as follows: (1) revise the volumetrically applied GCR factors applicable to the RG, GG, GL, and non-electing MVG Service Classifications; (2) revise the demand charge for the non-electing MVG, electing MVG and LVG and Standby Service Classifications; and (3) reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the LVG and so-called "electing" MVG Service Classifications; and

WHEREAS, the Commission has determined, pursuant to 26 *Del. C.* §§304 and 306, that the proposed GCR modifications and other requested revisions to the Company's tariffs should be permitted to become effective for usage on and after November 1, 2012, with proration and 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:

1. That pursuant to 26 *Del. C.* §§304 and 306, the following proposed changes to the Company's Gas Cost Service rates and the accompanying proposed tariff revision set forth in the application filed by Delmarva Power & Light Company on August 31, 2012 are permitted to become effective for natural gas usage on or after November 1, 2012, with proration and subject to refund, pending a final decision of the Commission:

Rate Schedules	Current	Proposed	Change from Current
RG, GG, GL	88.804¢/ccf	68.967¢/ccf	(19.837)¢/ccf
LVG and MVG Demand	\$11.0936/Mcf of MDQ	\$11.6589/Mcf of MDQ	\$0.5653/Mcf
Non-Electing MVG Commodity	\$7.1740/Mcf	\$5.1051/Mcf	(\$2.0689)/Mcf
LVG and Electing MVG Commodity	Varies Monthly	Varies Monthly	N/A

2. That Robert J. Howatt is designated as the Hearing Examiner for this docket pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101. Hearing Examiner Howatt shall schedule and conduct such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this matter. Hearing Examiner Howatt shall thereafter report to the Commission his proposed findings and recommendations based on the evidence presented. Pursuant to Rule 21 of the Rules of Practice and Procedure (26 *Del. Admin. Code* ch. 1001, §2.9), Hearing Examiner Howatt is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Howatt is delegated the authority under 26 *Del. C.* §102A to determine the content, form, and manner of any further notice in this matter.

3. That Delmarva Power & Light Company shall give public notice of the filing of this application with the proposed rate changes and

this action by the Commission by publishing notice in the form attached hereto as Exhibit "A" in two-column format, outlined in black, in the legal classified section of The News Journal newspaper on **October 1 and October 30, 2012**. Delmarva Power & Light Company shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

4. That 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).

5. 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/ Dallas Winslow
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

E X H I B I T "A"

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY)
FOR APPROVAL OF MODIFICATIONS) PSC DOCKET NO. 12-419F
TO ITS GAS COST RATES)
(FILED AUGUST 31, 2012))

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

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

A Hearing Examiner of the Delaware Public Service Commission will conduct a public comment hearing concerning the above-captioned matter (as further explained below) at the following time and location:

Date & Time

Monday, November 19, 2012
7:00 p.m.

Location

Auditorium
Carvel State Office Bldg.
820 N. French Street
2nd floor
Wilmington, DE 19801

DP&L's Gas Cost Rate Case, PSC Docket No. 12-419F

Pursuant to 26 Del. C. §§304 and 306, Delmarva Power & Light Company ("DP&L" or "the Company") has filed an application with the Public Service Commission ("the Commission") seeking to change its Gas Cost Rates ("GCR") in the following manner:

<u>Rate Schedules</u>	<u>Present</u>		<u>Proposed</u>	
	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>	<u>GCR Demand Charge</u>	<u>GCR Commodity Charge</u>
RG, GG and GL	N/A	88.804¢/ccf	N/A	68.967¢/ccf
Non-electing MVG	\$11.0936/Mcf of Billing MDQ	\$7.1740/Mcf	\$11.6589/Mcf of Billing MDQ	\$5.1051/Mcf
Electing MVG and LVG	\$11.0936/Mcf of Billing MDQ	Varies	\$11.6589/Mcf of Billing MDQ	Varies
Standby Service	\$11.0936/Mcf of Standby MDQ	N/A	\$11.6589/Mcf of Standby MDQ	N/A

The effect on a residential space heating customer using 120 ccf in a winter month would be a decrease of \$23.80, or 14.4%, in the customer's total bill. Customers served on Service Classifications GG and non-electing MVG would experience decreases in their winter bills within the ranges of 12.7%-16.8% and 20.0%-25.0% respectively, depending on their load and usage characteristics.

In addition, the Application requests approval of the Company's proposal to reconcile and true-up actual versus estimated monthly Commodity Cost Rate assignments for sales under the LVG and so-called "electing" MVG Service Classifications.

The Commission has permitted the proposed Gas Cost Rates and other rate related modifications to become effective as of November 1, 2012, with proration and subject to refund after evidentiary hearings and any other further proceedings that may be deemed necessary.

The Commission will conduct an evidentiary hearing, to be scheduled at a later date, concerning this application. The Commission's final decision will be based on the evidence presented at such hearing.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before October 19, 2012**. All such petitions should be sent to the Commission's address listed above with attention to "PSC Docket No. 12-419F." Petitions filed after the deadline of October 19, 2012 will not be considered except for good cause shown.

You are invited to review Delmarva's application and supporting documents to determine how your interest may be affected. You may review documents posted on the Commission's website at <http://depssc.delaware.gov/default.shtml>. If you would like to review documents at the Commission's offices, please contact Monica Hall at monica.hall@state.de.us to arrange a time for your review. You may also review copies of Delmarva's application and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website, <http://depssc.delaware.gov/default.shtml>. The Commission will respond

to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us .