

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
A CHANGE TO ITS TRANSMISSION)
SERVICE CHARGE FOR ITS ELECTRIC) PSC Docket No. 13-282
SUPPLY AND TRANSMISSION CUSTOMERS)
(FILED JULY 5, 2013 AND AMENDED)
JULY 29, 2013)

ORDER NO. 8436

This 13th day of August 2013, the Delaware Public Service Commission (the "Commission") finds, determines, and orders the following:

WHEREAS, on July 5, 2013 (and amended July 29, 2013), Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Commission an application to increase its Transmission Service Charge for both its Standard Offer Service ("SOS") Fixed Price Service and SOS Hourly Priced Service from \$1.796934 per kW-month to \$1.998546 per kW-month and to revise Tariff Leaf Nos. 111 and 114 to reflect these increases. According to Delmarva, these adjustments are derived from the formula for establishing retail transmission rates set forth in Paragraph F of the Settlement Agreement that the Commission approved in PSC Docket No. 04-391, Order No. 6746 (Oct. 11, 2005). That settlement established a pass-through mechanism that permits Delmarva to establish transmission rates for retail customers that mirror the transmission rates that PJM Interconnection, L.L.C. charges Delmarva under Federal Energy Regulatory Commission ("FERC") requirements; and

WHEREAS, review of the FERC-approved formula rate is subject to the Federal Energy Regulatory Commission's ("FERC") Formula Rate

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Implementation Protocols ("Protocols"). The Protocols regarding
discovery provide that they "shall be limited to what is necessary to
determine if Delmarva has properly applied the Formula Rate and the
[Protocol] procedures."¹ Pursuant to the Protocols, the annual update
is to be "based upon Delmarva's FERC Form No. 1 data ... and ... be based
upon the books and records of Delmarva consistent with FERC accounting
policies;"² and

WHEREAS, Staff issued discovery in this docket primarily intended
to confirm whether Delmarva's proposed formula rate was in compliance
with the Protocols. In response to this discovery, the Company has
confirmed that the formula rate is in compliance with the protocols;
and

WHEREAS, Staff states that it cannot confirm with specificity the
elements of the costs that are included in the formula rate and
recovered in the Network Rate. Given the Company's confirmation that
the formula rate is in compliance with the Protocols, Staff recommends
that the Commission approve the proposed Annual Update to the Network
Rate;

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

1. That, pursuant to 26 Del. C. §306(a)(1), the proposed rates
for Transmission Service Charges for SOS Fixed Price Service and
Hourly Priced Service offerings reflected on revised Tariff Leaf Nos.
111 and 114 which Delmarva Power & Light Company filed on July 5 2013

¹ Attachment H-3E, Formula Rate Implementation Protocols, §2b.

² *Id.* at §1f.

