

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 TO ITS GAS) PSC DOCKET NO. 13-349F
COST RATES (FILED AUGUST 28, 2013))

ORDER NO. 8457

AND NOW, this 26th day of September, 2013, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on August 28, 2013 Delmarva Power & Light Company ("Delmarva") filed with the Commission the above-captioned application ("Application") seeking approval to modify its Gas Cost Rates ("GCR") effective on November 1, 2013, 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; (3) revise the GCR commodity charge applicable to MVG and LVG Service Classifications; and (4) reconcile and true up actual versus estimated monthly Commodity Cost Rate assignments for sales under LVG service and for electing customers taking service under the MVG classification; and

WHEREAS, pursuant to 26 Del. C. §306(a)(2), upon the filing of a petition for a proposed change to any rate, the Commission may determine that a portion of such change shall become effective not later than 60 days after the filing of a petition on a temporary basis pending the final decision of the Commission;

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

1. Pursuant to 26 *Del. C.* §§304 and 306(a)(2), the Commission determines that the proposed changes to Delmarva's GCR rates and the accompanying proposed tariff revision as set forth in the Application are permitted to become effective for natural gas usage on or after November 1, 2013, with proration and subject to refund, pending a final decision of the Commission:

Rate Schedules	Current	Proposed	Change from Current
RG, GG, GL	68.967¢/ccf	62.106¢/ccf	(6.861)¢/ccf
LVG and MVG Demand	\$11.6589/Mcf of MDQ	\$11.9198/Mcf of MDQ	\$0.2609/Mcf
Non-Electing MVG Commodity	\$5.1051/Mcf	\$4.2536/Mcf	(\$0.8515)/Mcf
LVG and Electing MVG Commodity	Varies Monthly	Varies Monthly	N/A

2. Mark Lawrence is hereby designated as the Hearing Examiner for this docket pursuant to 26 *Del. C.* §502 and 29 *Del. C.* ch. 101. Hearing Examiner Lawrence 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 Lawrence shall thereafter prepare and submit to the Commission a proposed order for the Commission's consideration, which proposed order shall include a brief summary of the evidence and recommended findings of fact based upon the evidence presented, his recommended conclusions of law, and his recommended decision. Pursuant to 26 *Del. Admin. C.* §1001-2.9.3, Hearing Examiner Lawrence is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Lawrence is delegated the authority under 26 *Del. C.* §102A to determine the content, form, and manner of any further notice

in this matter and is delegated the authority under 26 *Del. Admin. C.* §1001-2.1 to grant applications of counsel for admission *pro hac vice*.

3. Delmarva shall give public notice of the filing of the 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 3 and October 10, 2013**. Delmarva shall thereafter submit to the Commission proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

4. Delmarva 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. 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:

Chair

/s/ Joann T. Conaway
Commissioner

Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

E X H I B I T "A"

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PUBLIC NOTICE

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

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

Date & Time

Location

**Monday, November 4, 2013
7:00 p.m.**

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

Delmarva Power & Light's Gas Cost Rate Case, PSC Docket No. 13-349F

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

	<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>
<u>Rate Schedules</u>				
RG, GG and GL	N/A	68.967¢/ccf	N/A	62.106¢/ccf
Non-electing MVG	\$11.6589/Mcf of Billing MDQ	\$5.1051/Mcf	\$11.9198/Mcf of Billing MDQ	\$4.2536/Mcf

	<u>Present</u>		<u>Proposed</u>	
Electing MVG and LVG	\$11.6589/Mcf of Billing MDQ	Varies	\$11.9198/Mcf of Billing MDQ	Varies
Standby Service	\$11.6589/Mcf of Standby MDQ	N/A	\$11.9198/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 \$8.23, or 5.5%, in the customer's total bill. Customers served on Service Classifications GG, MVG, and LVG would experience decreases in their winter bills within the ranges of 4.7% and 11.7%, depending on their load and usage characteristics.

The Commission has permitted the proposed GCR and other rate related modifications to become effective as of November 1, 2013, with proration and subject to refund after evidentiary hearings and any other further proceedings that may be deemed necessary.

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

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 16, 2013**. All such petitions should be sent to the Commission's address listed below with attention to "PSC Docket No. 13-349F." Petitions filed after the deadline of October 16, 2013, 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/naturalgas.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.

Anyone who wishes to comment on the Application, but who may be unable to attend the public comment session, may file written comments with the Commission at the address below no later than **November 18, 2013**. All such comments should be sent to:

Attn: PSC Docket No. 13-349F
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

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://www.depssc.delaware.gov>. 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 or comments regarding this matter by e-mail addressed to psc@state.de.us. Please include the words "PSC Docket No. 13-349F" in the subject matter of the e-mail.