

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE POLICY FILING)
MADE BY DELMARVA POWER & LIGHT)
COMPANY ENTITLED PROPOSED FORWARD) PSC DOCKET NO. 13-384
LOOKING RATE PLAN)
(FILED OCTOBER 2, 2013))

ORDER NO. 8467

AND NOW, this 22nd day of October, 2013:

WHEREAS, on October 2, 2013, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") a policy filing entitled "Proposed Forward Looking Rate Plan of Delmarva Power & Light Company" (the "FLRP" or the "Plan") requesting that the Commission examine its Plan proposing to set electric distribution rates for next four years; and

WHEREAS, the Plan suggests that it arose out of the Settlement in the Company's last electric base rate case (Docket No. 11-528) in an attempt to address, outside the confines of a rate proceeding, two issues: (1) the establishment of metrics to help customers understand how investments in Delmarva's plant in service benefits them in a quantifiable manner; and (2) alternative regulatory methodologies which would include, but not be limited to, multi-year rate plans; and

WHEREAS, the FLRP presents a change from the traditional rate making process used for many years in that it attempts to set rates that will reflect a utility's cost during a future rate effective period, rather than on a past or historic period by estimating the amount that Delmarva will spend on capital as well as operations and

maintenance ("O&M") for each of four years that FLPR rates will be in effect (through 2017); and

WHEREAS, the Plan details the customer distribution rate impacts of the proposed FLP and the attached testimony describes the reliability and non-reliability capital investments through 2017, as well as the level of O&M expenses needed to maintain and enhance the distribution system through 2017; and

WHEREAS, the Commission having initially reviewed the Plan and believing that the issues raised therein concerning the appropriateness of using the FLRP for the purposes of setting distribution rates for the Company deserves further review and consideration;

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

1. That under the Commission's general authority under Title 26 of the Delaware Code it has the exclusive jurisdiction over the setting of base rates for all of the utilities that it regulates within the State of Delaware.

2. That the Commission believes that the issues raised in Delmarva's Plan are important and deserve to be reviewed since the Plan represents a major change from the traditional rate making process in that the FLRP attempts to set distribution rates on forecasted costs for a future rate effective period.

3. That a docket shall be open to review the details contained in the FLRP.

4. That the Company shall give public notice of its filing by causing the notice attached hereto as Exhibit "A" to be published in the legal classified section of The News Journal and the Delaware State News newspaper, in two-column format, outlined in black, on the following dates:

Tuesday, October 29, 2013 (News Journal)

Wednesday, October 30, 2013 (Delaware State News).

5. That the Commission shall delegate to a Hearing Examiner the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*.

6. That the deadline for filing petitions to intervene pursuant to Rule 21 of the Commission's Rules of Practice and Procedure shall be Friday November 22, 2013.

7. That in the event the parties agree that evidentiary hearings are required, Mark Lawrence is designated as Hearing Examiner for this matter pursuant to the terms of 26 *Del. C.* §502 and 29 *Del. C.* ch. 101 to schedule and conduct, upon due notice, such evidentiary hearings, as may be necessary, to have a full and complete record concerning all issues raised by Delmarva's policy filing. Thereafter, Mr. Lawrence shall file with the Commission his proposed findings and recommendations.

4. That James McC. Geddes is designated as rate counsel in this matter.

5. Delmarva is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 Del. C. §114(b)(1).

7. 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

EXHIBIT "A"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE POLICY FILING)
MADE BY DELMARVA POWER & LIGHT)
COMPANY ENTITLED PROPOSED FORWARD) PSC DOCKET NO. 13-384
LOOKING RATE PLAN)
(FILED OCTOBER 2, 2013))

**PUBLIC NOTICE OF APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
FOR AN EMANINATION OF ITS FORWARD
LOOKING RATE PLAN**

TO: THE CUSTOMERS DELMARVA POWER AND LIGHT:

On October 2, 2013, Delmarva Power & Light Company. ("Delmarva" or the "Company") made a policy filing with the Delaware Public Service Commission ("the Commission") seeking an examination of its Proposed Forward Looking Rate Plan ("FLRP" or the "Plan".) The Plan suggests that it arose out of the Settlement in the Company's last electric base rate case (Docket No. 11-528) in an attempt to address, outside the confines of a rate proceeding, two issues: (1) the establishment of metrics to help customers understand how investments in Delmarva's plant in service benefits them in a quantifiable manner; and (2) alternative regulatory methodologies which would include, but not be limited to, multi-year rate plans. The FLRP presents a change from the traditional rate making process used for many years in that it attempts to set rates that will reflect a utility's cost during a

future rate effective period, rather than on a past or historic period by estimating the amount that Delmarva will spend on capital, as well as operations and maintenance ("O&M"), for each of four years that FLPR rates will be in effect (through 2017). The Plan details the customer distribution rate impacts of the proposed FLP, and the attached testimony describes the reliability and non-reliability capital investments through 2017, as well as the level of O&M expenses needed to maintain and enhance the distribution system through 2017

At its meeting on October 22, 2013, the Commission ordered that a docket should be opened to review the Plan and gives the Commission Staff the responsibility to conduct that review and report back to the Commission on its recommendations regarding implementation of the proposed Plan for setting Delmarva's future electric distribution rates.

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 November 22, 2013**. All such petitions should be sent to the Commission, at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904, with attention to "PSC Docket No. 13-384." Petitions filed after the deadline of November 22, 2013, will not be considered except for good cause shown.

You are invited to review the Petition and supporting documents to determine how your interest may be affected. You may review documents

posted on the Commission's website at <http://depsc.delaware.gov/>. 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 a copy of Petition 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/cig-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://depsc.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 regarding this matter by Internet e-mail addressed to psc@state.de.us.