

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 BASE) PSC DOCKET NO. 11-528
RATES AND MISCELLANEOUS TARIFF)
CHANGES (FILED DECEMBER 2, 2011))

ORDER NO. 8561

AND NOW, to-wit, this 13th day of May, A.D. 2014:

WHEREAS, on December 18, 2012 the Delaware Public Service Commission (the "Commission") by Order No. 8265 approved the October 23, 2012 Findings and Recommendations of the Hearing Examiner recommending approval of the Proposed Settlement Agreement (the "Settlement Agreement") and the proposed rates therein; and

WHEREAS, on December 18, 2012 the Commission also approved the November 2, 2012 Compliance Filing made by Delmarva Power & Light Company ("Delmarva" or the "Company") seeking approval of rates that would recover the revenue requirements associated with 20% of the Advanced Meter Infrastructure ("AMI") Regulatory Asset as approved by the Commission in Order No. 8265 (See, Section II, paragraph 16 of the Settlement Agreement attached as Exhibit B to Order No 8265); and

WHEREAS, the approved Settlement Agreement provided for an additional 50% of the balance of the AMI regulatory asset to be placed into rates for recovery effective June 1, 2013, subject to certain conditions being met by the Company, which the Commission approved in Order 8377 (May 21, 2013); and

WHEREAS, on March 6, 2014, pursuant to the Settlement Agreement previously approved by the Commission in Order No. 8265, the Company made a Compliance Filing seeking to recover the remaining balance

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associated with the AMI regulatory asset -- Phase III; and

WHEREAS, Staff has reviewed and audited the Company's most recent filing to ensure that it meets the conditions set forth in the Commission's prior order approving a phased in recovery of this regulatory asset;¹ and

WHEREAS, based on its review and audit, Staff believes that the Company has demonstrated the success of the remote connect and disconnect functionality in accordance with the requirements of the Settlement Agreement, in that Delmarva has been remotely connecting and disconnecting at least 95% of its eligible customers for more than 60 days; and

WHEREAS, based on its review and audit Staff believes that the Company has demonstrated the success of Phase 2 of the Dynamic Pricing Program consistent with the requirements of the Settlement

¹ "Delmarva will be permitted to include in rates only such amounts related to AMI capability that has been reasonably functioning as planned and has been enabled for at least 95% of customers eligible for the respective capability for at least sixty (60) days prior to the applicable June phase-in date. Thus, for example:

...

- If by June 1, 2014 Delmarva has not implemented remote connect/disconnect capability for failure to pay and other involuntary service terminations (theft of services, safety violations, etc.) for a period of at least 60 days, then it may not include in rates the value of that portion of the AMI regulatory asset in June 2014.
- If by June 1, 2014, Delmarva has not demonstrated success in Phase 2 of its dynamic pricing program for its residential customer base at least 60 days prior to June 1, 2013, then it may not include in rates the value of that portion of the AMI regulatory asset in June 2014." See, Delaware PSC Order No. 8265, Exh. A, pgs. 27-28.

Agreement;

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

1. That the Commission approves the March 6, 2014 Compliance Filing made by Delmarva, reviewed and audited by Staff, and the proposed change in electric distribution rates of \$2,487,406, or an increase of \$.53 a month for a residential customer using 1000 kWh per month.

2. That the rates will become effective with usage on and after June 1, 2014.

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

/s/ Dallas Winslow
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary