

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

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY) PSC DOCKET NO. 13-115
FOR AN INCREASE IN ELECTRIC BASE)
RATES (FILED MARCH 22, 2013))

ORDER NO. 8569

AND NOW, this 26th day of June, 2014, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on March 22, 2013, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Commission an application (the "Application") that requested an increase in electric distribution base rates; and

WHEREAS, by PSC Order No. 8337 (dated April 9, 2013), the Commission opened this docket to consider the Application; designated Senior Hearing Examiner Lawrence to conduct any necessary evidentiary hearings and to submit his proposed findings and recommendations to the Commission; and authorized Delmarva to implement an annual \$2.5 million increase in intrastate operating revenues effective June 1, 2013, pursuant to 26 *Del. C.* §306(c); and

WHEREAS, the Commission Staff ("Staff"), the Division of the Public Advocate (the "DPA"), the Delaware Department of Natural Resources and Environmental Control ("DNREC"), the Delaware Energy Users Group ("DEUG") and the Caesar Rodney Institute (collectively, the "Parties") intervened or otherwise participated in the proceedings; and

WHEREAS, on October 22, 2013, Delmarva placed an additional interim rate increase of \$25,155,265 into effect pursuant to 26 Del. C. §306(a); and

WHEREAS, evidentiary hearings were held before Senior Hearing Examiner Lawrence on November 13, 14 and 18, 2013; and

WHEREAS, Senior Hearing Examiner Lawrence issued proposed Findings and Recommendations (the "Hearing Examiner's Report") regarding the Application on March 4, 2014; and

WHEREAS, Delmarva, Staff, the DPA, and DEUG filed exceptions to certain matters addressed in the Hearing Examiner's Report; and

WHEREAS, the Commission met in public session on April 1 and 2, 2014, to hear oral argument and conduct deliberations on the issues addressed in the Hearing Examiner's Report and to consider the exceptions taken to the Hearing Examiner's Report; and

WHEREAS, on April 2, 2014, the Commission issued a Minute Order in this Docket, PSC Order No. 8549, which approved an overall increase in Delmarva's electric distribution rates of \$15,096,574 and noted that customers were entitled to a refund since the new rates to be implemented were less than the existing distribution rates placed into effect on October 22, 2013; and

WHEREAS, Staff filed a motion requesting an immediate refund on May 30, 2014, and urged the Commission to issue an order directing Delmarva to issue a refund to ratepayers immediately, to be processed over the July 4, 2014 weekend; and

WHEREAS, on June 3, 2014, Delmarva filed a written objection to Staff's motion; and

WHEREAS, having heard arguments regarding the Motion in public session at our regularly scheduled meeting held on June 10, 2014, the Commission rules on this Motion as set forth below;

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

1. The Commission finds under the circumstances presented to us at this time that it cannot support Staff's motion. The Company has raised concerns about the timing of the suggested refund given that it has just recently completed reprogramming of its billing system for the Standard Offer Service ("SOS") rates; that it must complete additional reprogramming for its billing system to comply with Order No. 8556 for PSC Docket No. 13-250 (the billing transparency proceeding) so as to implement changes to the bills as of July 1, 2014; and that reprogramming the billing system to issue a refund is a significantly more complicated process. Accordingly, we are reluctant to order Delmarva to start the refund process required in this case so closely in time to the completion of disaggregating its customers' bills for more transparency.

2. In the consideration of Staff's motion, however, we do note that the amount of time it takes the Company to process refunds to customers has been declining and we look forward to the time frame continuing to decline.

3. Finally, the Company in its objection to Staff's motion for an immediate refund indicated that the refund required in this case can be initiated with the billing cycle beginning the Tuesday after Labor Day, September 2, 2014. Thus, the refund details are as follows:

- Any Delmarva customer that received service at any time between October 22, 2013, and May 1, 2014, is entitled to a refund for the difference between the rates that were effective on October 22, 2013, and the Commission-approved rates that became effective May 1, 2014. This includes customers who are still active customers as well as those that have left Delmarva's system.
 - Refunds will be applied to customers' bills beginning with billing cycles on and after September 2, 2014, and continuing through October 3, 2014.
 - Interest on the amount to be refunded shall be calculated in accordance with 26 *De. Admin. C.* §1003. Interest shall be calculated based on the overpayment of the billing periods being refunded and from October 22, 2013 through the date of the credit adjustment.
 - Within sixty (60) days after the last refunds are posted or issued, Delmarva shall provide the Commission with a summary report of the refunds applied to customer accounts and/or issued to former customers. Interest shall be reported separately.
4. 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