



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

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October 23, 2012

MEMORANDUM

TO: Members of the Commission

FROM: Guang Wei, Public Utilities Analyst *GW*

SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED SEPTEMBER 25, 2012) – PSC DOCKET NO. 12-173-10

On July 7, 2011, the Governor of the State of Delaware signed into law Amendments (the “Amendments”) to the Renewable Energy Portfolio Standards Act (the “REPSA”) that added Delaware-manufactured fuel cells to the REPSA and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Delaware Public Service Commission-regulated electric company’s renewable energy credit requirements under REPSA.

The Amendments created a regulatory framework whereby the Commission-regulated electric company, Delmarva Power & Light Company (“Delmarva”), and the Qualified Fuel Cell Provider (“QFCP”)¹ will jointly submit tariffs that enable and obligate Delmarva, as the agent for collection and disbursement, to collect from its customers a non-bypassable charge (“QFCP-RC Charge”) for costs incurred for incremental site preparation, filing, administrative and other costs incurred by the QFCP. The QFCP-RC Charge is reduced by compensation to the Qualified Fuel Cell Provider Project (“QFCPP”) for any revenues received from PJM or its successors at law from the output of the QFCPP.

On August 19, 2011, in PSC Docket No. 11-362, Delmarva filed an application for approval of a new electric tariff for Service Classification QFCP-RC (“Electric Tariff”) and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments. On October 18, 2011, the Commission issued Order No. 8062 which approved this tariff filing. On December 1, 2011, the Commission signed Order No. 8079, which, among other things, adopted Order No. 8062. Pursuant to the Electric Tariff, Delmarva is serving in its mandatory role as a collection agent for the QFCP. In compliance with the Electric Tariff, Delmarva will provide monthly filings to account for the varying QFCP-RC Charge.

¹ All references to capitalized terms are set forth in 26 *Del. C.* §352.

On April 2, 2012, Delmarva submitted its first monthly filing (“Compliance Filing”) as required by its Commission-approved Electric Tariff filed in PSC Docket No. 11-362. By Order No. 8136, the Commission permitted the May 2012 QFCP-RC Charges to take effect and required Delmarva to provide to Staff, with each future Compliance Filing under the REPSA, all documents that Staff requested from Delmarva as part of its review of the prior Compliance Filing.

On September 25, 2012, Delmarva submitted its seventh Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the August billing revenues, August PJM energy revenues, and August operational costs were included in the QFCP-RC Charge. Since the Red Lion site is scheduled to come on line in mid-December, the QFCP-RC Charge is increased significantly. The rates for each customer classification are provided below:

November 2012 QFCP-RC Charge		
Service Classification	\$ per kWh	Change from Previous Month
Residential	\$ 0.001082	\$ 0.000411
Residential – Space Heating	\$ 0.001082	\$ 0.000411
Residential Time-of-Use "R-TOU"	\$ 0.001082	\$ 0.000411
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.001082	\$ 0.000411
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.001082	\$ 0.000411
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.001082	\$ 0.000411
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.001082	\$ 0.000411
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.001082	\$ 0.000411
Medium General Service - Secondary "MGS-S"	\$ 0.001082	\$ 0.000411
Large General Service - Secondary "LGS-S"	\$ 0.001082	\$ 0.000411
General Service - Primary "GS-P"	\$ 0.001058	\$ 0.000401
General Service - Transmission "GS-T"	\$ 0.001039	\$ 0.000394
Outdoor Lighting PL	\$ 0.001082	\$ 0.000411
Outdoor Lighting SL	\$ 0.001082	\$ 0.000411

26 *Del. C.* §364 (d) (4) provides as follows: **“Notwithstanding § 306 of this title or any other provision of the Delaware Code to the contrary, any changes in rates or charges necessary to collect funds for disbursements or costs addressed in subsections (a)-(c) of this section through adjustable non-bypassable charges shall become effective 30 days after filing, absent a determination of manifest error by the Public Service Commission. The Commission may allow changes in rates or charges related to such adjustable non-bypassable charges to become effective less than 30 days after filing under such conditions as it may prescribe.”**

Delmarva has developed communications on renewable energy and alternative energy, including bill inserts and talking points for Delmarva call center employees. Detailed information on the Qualified Fuel Cell Provider Project can be found in Delmarva’s Electric Tariff (QFCP-RC Leaf No. 74 -74r).

Staff performed a review of the calculations and the QFCP-RC Charge provided in the Compliance Filing dated September 25, 2012, and does not find any manifest errors. Staff therefore recommends that the November QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between October 30 and November 29, 2012.

See Attachment A: QFCP-RC Charge - All Months

Attachment A

QFCP-RC Charge-All Months

<u>Service Classification</u>	<u>May-12*</u> \$ per kWh	<u>Jun-12</u> \$ per kWh	<u>Jul-12</u> \$ per kWh	<u>Aug-12</u> \$ per kWh	<u>Sep-12</u> \$ per kWh	<u>Oct-12</u> \$ per kWh	<u>Nov-12**</u> \$ per kWh
Residential	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Residential- Space Heating	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Residential Time-of-Use "R-TOU"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Medium General Service - Secondary "MGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Large General Service - Secondary "LGS-S"	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
General Service - Primary "GS-P"	\$ 0.000139	\$ 0.000656	\$ 0.000601	\$ 0.000591	\$ 0.000805	\$ 0.000657	\$ 0.001058
General Service - Transmission "GS-T"	\$ 0.000137	\$ 0.000644	\$ 0.000590	\$ 0.000580	\$ 0.000791	\$ 0.000645	\$ 0.001039
Outdoor Lighting PL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082
Outdoor Lighting SL	\$ 0.000143	\$ 0.000671	\$ 0.000614	\$ 0.000604	\$ 0.000823	\$ 0.000671	\$ 0.001082

* May QFCP-RC charges were based on 6 days of operation.

** Red Lion is scheduled to come on line in mid-December.

