



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

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May 13, 2014

MEMORANDUM

TO: Members of the Commission

FROM: Clishona Marshall, Public Utilities Analyst *PRK TCM*

SUBJECT: COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED April 28, 2014) – PSC DOCKET NO. 14-49-4

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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”)<sup>1</sup> 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.

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<sup>1</sup> 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 Charge 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 April 28, 2014, Delmarva submitted its twenty-sixth Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the March billing revenues, March PJM revenues, and March operational costs were included in the QFCP-RC Charge. The rates for each customer classification are provided below:

<b>June 2014 QFCP-RC Charge</b>		
<b>Service Classification</b>	<b>\$ per kWh</b>	<b>Change from Previous Month</b>
Residential	\$ 0.003674	-0.001488
Residential – Space Heating	\$ 0.003674	-0.001488
Residential Time-of-Use "R-TOU"	\$ 0.003674	-0.001488
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.003674	-0.001488
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.003674	-0.001488
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003674	-0.001488
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003674	-0.001488
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.003674	-0.001488
Medium General Service - Secondary "MGS-S"	\$ 0.003674	-0.001488
Large General Service - Secondary "LGS-S"	\$ 0.003674	-0.001488
General Service - Primary "GS-P"	\$ 0.003593	-0.001456
General Service - Transmission "GS-T"	\$ 0.003530	-0.001430
Outdoor Lighting PL	\$ 0.003674	-0.001488
Outdoor Lighting SL	\$ 0.003674	-0.001488

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 April 28, 2014. Staff notes that Delmarva is still investigating the validity of DSGP's claims in the February 26, 2014 filing for force majeure interruption events due to low gas pressure. Delmarva has not disbursed any payments to DSGP for these claims nor included these payments in any forecasted filing. Staff could not find any manifest errors at this time. Therefore, Staff

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recommends that the June 2014 QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between May 29, 2014, and June 26, 2014.

**Attachment A: QFCP-RC Charge - All Months**



# Attachment A

Attachment A QFCP-RC Charge-All Months

